Indian Economy · GS - III

“The recurring protests by sugarcane farmers highlight structural problems in agricultural pricing and payment mechanisms. Discuss the challenges faced by sugarcane growers and suggest reforms to ensure their economic sustainability.”

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 16/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Sugarcane Pricing, Fair and Remunerative Price (FRP), State Advised Price (SAP), Farmers’ Income, Delayed Payments, Sugar Mills’ Financial Viability, Sugar Recovery Rate, Cost of Cultivation, Minimum Selling Price of Sugar, Ethanol Blending Programme, Crop Diversification, Agricultural Reforms, Cooperative Sugar Mills, Farmer–Industry Coordination

Model Answer

Introduction

Sugarcane is an important commercial crop supporting millions of farmers and a large agro-industrial sector. However, disputes over cane prices and delayed payments frequently create financial stress for growers.

Main Body

Key challenges:

1. **Inadequate remuneration:** Rising costs of labour, fertilisers, irrigation and transportation can reduce farmers' real incomes.
2. **Delayed payments:** Financial difficulties faced by sugar mills often lead to arrears, affecting farmers' ability to finance subsequent cropping seasons.
3. **Pricing disputes:** Differences between the central Fair and Remunerative Price (FRP) and state-announced prices can create disagreements among farmers, mills and governments.
4. **Industry dependence:** Mills' ability to pay depends on sugar prices, recovery rates, production costs and revenue from by-products.
5. **Resource concerns:** Sugarcane's high water requirements can intensify groundwater stress in vulnerable regions.

Way forward:

Ensure timely payment enforcement, improve mill efficiency, promote ethanol production, encourage water-efficient cultivation and support crop diversification where suitable.

Conclusion

A sustainable sugarcane policy must balance remunerative prices for farmers with the financial viability of mills, while promoting efficient water use and long-term agricultural resilience.

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