Indian Economy · GS - III

Discuss the major challenges faced by sugarcane farmers in India, with particular reference to remunerative pricing and timely payments. Suggest measures to ensure their economic security.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 19/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Fair and Remunerative Price (FRP), State Advised Price (SAP), delayed payments, sugar mill finances, farmer indebtedness, cooperative sugar mills, payment transparency, crop diversification.

Model Answer

Introduction

Sugarcane is an important commercial crop in India, supporting millions of farmers and the sugar industry. However, farmers frequently face concerns regarding remunerative prices and delayed payments.

Major Challenges

1. **Inadequate remuneration:** Rising input costs can reduce farmers' profit margins when cane prices do not adequately reflect cultivation expenses.
2. **Delayed payments:** Financial difficulties faced by sugar mills can result in arrears, increasing farmers' dependence on credit.
3. **Regional disparities:** Differences in pricing policies and irrigation availability create unequal opportunities for farmers.

4. **Limited alternatives:** Dependence on sugarcane in certain regions can increase vulnerability to water stress and market fluctuations.

Measures to Ensure Economic Security

- Periodically review the FRP using production costs and farmers' income requirements.
- Enforce timely payment provisions and strengthen monitoring of sugar mill arrears.
- Improve the financial viability of sugar mills through better efficiency, ethanol production and appropriate diversification.
- Strengthen farmer cooperatives, access to institutional credit and transparent payment systems.
- Promote water-efficient irrigation and suitable crop diversification in water-stressed regions.

Conclusion

A sustainable sugarcane economy requires a balance between fair returns to farmers and the financial viability of sugar mills. Timely payments, effective price policies and resource-efficient cultivation are essential for protecting rural livelihoods.

BECOME IAS
AI POWERED UPSC PREP