STORIES OF IMPACT IN AGribusiness®

Improving the Productivity of Sugar Farmers in India

IFC worked with DSCL Sugar, the fifth largest sugar company in India, to improve the productivity of farmers in its supply chain by training them in advanced farming techniques. As a result, the productivity of farmers who received training is estimated to have increased by 80 percent, compared with a 20 percent increase among farmers who did not receive training. This successful business model is expected to reach 50,000 farmers in DSCL’s supply chain and also be replicated by other companies in India’s sugar sector.

RESULTS AND IMPACT

• After two years, trained farmers obtained sugarcane yields that were 79 percent higher than the yields of those who did not receive any training.
• Initially, 2,000 farmers received training—this has been scaled up to over 17,500 farmers. The project is expected to be expanded to reach 50,000 additional farmers in DSCL’s supply chain.

REPLICATION

• The project is expected to be replicated by DSCL to ultimately reach all 150,000 farmers in its supply chain.
• The project is being replicated by four other sugar companies in India and is expected to reach over 200,000 farmers.

“By helping farmers increase their farm productivity, this project has not only increased farmers’ incomes, but the company has boosted its sugarcane supply. This is a true manifestation of good corporate social responsibility, where the company’s and community’s interests are mutually aligned.”

—Sunil Radhakrishna, Senior Executive Director, DSCL

®This series provides examples of IFC’s impact, expertise and lessons learned working with clients and partners.
The Opportunity

In India, more than 50 million farmers depend on sugarcane cultivation for their livelihood.

While some states in India have a high farm yield of more than 100 tons per hectare, the four million farmers in the low-income state of Uttar Pradesh produce only around 50–55 tons per hectare on average, resulting in reduced incomes from sugarcane cultivation.

DCM Shriram Consolidated Ltd. (DSCL), an IFC investment client, is one of the major sugar producers in the state, with four sugar plants and more than 150,000 farmers in its entire supply chain.

DSCL is under pressure to increase the productivity of farmers in its supply chain. Current capacity utilization is low and if it falls any lower, it will hurt the company’s profits. In the past, measures undertaken by the company to enhance productivity had limited success because the programs were fragmented, rather than holistic in their approach.

IFC’s Approach

IFC worked with DSCL to increase the productivity of farmers in its supply chain by bringing in expertise on developing a package of practices based on the crop’s specific agro-climatic needs.

More specifically, IFC supported the training of farmers who supply sugarcane to DSCL’s sugar plants in advanced farming practices related to seed management, soil improvement, water usage, planting, monitoring, and reporting.

These practices were incorporated into a training manual for DSCL and an easy-reference pictorial flipchart for farmers that demonstrates farming practices to be followed during each month of the crop cycle.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector.

IFC CLIENTs DSCL Sugar