- Sugar production in the current season upto 15th April 2018 has crossed the expected levels and the Indian sugar industry has already produced 299.80 lac tons. Though sugar mills are shutting crushing operations fast, 227 sugar mills were still crushing sugarcane as on 15th April 2018.

- In the last 15 days, the pace of sugar production across the country has reduced because of several sugar factories closing.

- Out of 187 sugar mills which started crushing in Maharashtra, only 50 are crushing sugarcane now. Maharashtra's production has almost reached its past record and the sugar mills therein have produced 104.98 lac tons upto 15th April 2018.

- U.P. sugar mills have already produced their record highest ever and 105 sugar mills are still crushing sugarcane. Upto 15th April 2018, U.P. mills have produced 104.8 lac tons.

- Karnataka has almost shut their crushing operations and only 1 sugar mill was crushing sugarcane as on 15th April 2018. Upto 15th April 2018, Karnataka had produced 36.3 lac tons of sugar.

- The actual sugar production upto 15th April 2018 is already 50 lac tons more than the estimated sugar consumption for the whole season upto 30th September 2018.

- Since 227 sugar mills are still crushing sugarcane, there will be a further addition to the stocks which will only increase the surplus sugar availability over and above the domestic requirement.

- Considering the high sugar inventory, the sugar prices have been under severe pressure in the last 4 to 5 months and have fallen by Rs. 9 per kilo across the country. As compared to the cost of production, the current ex-mill sugar prices are around Rs. 8 per kilo lower and the sugar mills are incurring substantial losses.

- Inability to pay cane price because of highly depressed sugar prices, has translated into huge cane price arrears of farmers. As on 15th March 2018, the cane price arrears reported to the Government was already over Rs. 18,000 crore across the country. Since the sugar prices have only fallen from therein, the cane price arrears would have crossed Rs. 20,000 crore, which would be the highest ever at this time in any of the past seasons.

- Some steps were attempted by the Government to check the fall in sugar prices, which included stock holding limits on sugar mills, and export targets under MIEQ and exports under DFIA. Despite these steps, the sugar prices have continued to fall and the pace of the fall, has only increased recently, causing further distress to the sugar mills as well as to the sugarcane farmers.

- As per Rangarajan Committee formula, at the current ex-mill sugar prices, the cane price paying capacity of sugar mills works out to around Rs. 230 per quintal of sugarcane at 10.8% recovery for the country, whereas the FRP payable by the sugar mills at 10.8% is Rs. 290 per quintal of sugarcane. Therefore, there is clearly an inability amongst the sugar companies to be able to pay the FRP, fixed and increased by the Government by Rs. 25 per quintal over last year. Hence, like 2015-16 SS when the Modi Government helped the sugar mills and sugarcane farmers with Rs. 4.50 per quintal of sugarcane as part of FRP, there is an immediate need for the Government to pay a part of the FRP once again in the current year when the distress is even greater.

- Since the losses this year is much higher, especially considering that the sugarcane prices have increased substantially in the last two years, the Government assistance towards FRP has to be much more than what was given two years back. The earlier this is announced, the faster will be the check in the fall in sugar prices and reduction in cane price arrears of farmers.