



Foreign Agricultural Service

**GAIN Report**

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## **Thailand**

### **Sugar**

### **Semi-Annual**

### **2000**

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#### **Report Highlights:**

**Thailand's 2000/01 sugar cane and sugar production is forecast to decline slightly to 52 mmt and 5.6 mmt (raw value), respectively. Sugar exports in 2000/01 are forecast at 3.8 mtrv, down 7 percent from the previous year.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Semi-Annual Report  
Bangkok [TH1], TH

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## **Executive Summary**

An outbreak of moth borers and a minor attack of white leaf disease in the sugar cane area in the Northeast appear to have caused a slight drop in the MY 2000/01 sugar cane production to 52 mmt and sugar output (raw value) to 5.6 million metric tons. A smaller supply of sugar will lower the carryover stocks.

The BAAC will provide credit lines of 10 billion baht to finance the 2000/01 season, well enough in advance to assist cane growers.

**Sugar Cane**

<b>PSD Table</b>						
<b>Country: Thailand</b>						
<b>Commodity: Sugar Cane Centrifugal</b>						
		<b>1999</b>		<b>2000</b>		<b>2001</b>
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
<b>Market Year Begin</b>		<b>12/1998</b>		<b>12/1999</b>		<b>12/2000</b>
<b>Area Planted</b>	<b>1010</b>	<b>960</b>	<b>1000</b>	<b>950</b>	<b>0</b>	<b>940</b>
<b>Area Harvested</b>	<b>920</b>	<b>920</b>	<b>920</b>	<b>920</b>	<b>0</b>	<b>920</b>
<b>Production</b>	<b>50059</b>	<b>50059</b>	<b>53000</b>	<b>53129</b>	<b>0</b>	<b>52000</b>
<b>TOTAL SUPPLY</b>	<b>50059</b>	<b>50059</b>	<b>53000</b>	<b>53129</b>	<b>0</b>	<b>52000</b>
<b>Utilization for Sugar</b>	<b>50059</b>	<b>50059</b>	<b>53000</b>	<b>53129</b>	<b>0</b>	<b>52000</b>
<b>Utilizatn for Alcohol</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL UTILIZATION</b>	<b>50059</b>	<b>50059</b>	<b>53000</b>	<b>53129</b>	<b>0</b>	<b>52000</b>

**Production**

The 2000/01 sugar cane production is likely to decline slightly to 52.0 mmt for three major reasons: too much heavy rain caused some flooding in the lower cane area in the Northeast, hence damaging the early wet season new planting cane; the amount of rainfall in most major cane areas was reported to be above the optimum level for cane growing conditions; and some outbreaks of pests and diseases were found in the fields this year. The average MY 2000/01 cane yield is estimated at 56.52 tons/ha (9.04 tons/rai), compared to 57.75 tons/ha (9.24 tons/rai) last year.

Due to the sharp drop of sugar prices in the world market, the actual cane price of MY 1999/00 declined significantly below 500 baht per ton. As a result, the government had to provide loans of 2,000 million baht to bring the initial cane price up to 550 baht per ton so that the growers could survive. In order to assist the sugar industry, the government also raised the retail price of refined sugar from 13.50 to 14.25 baht per kilogram on Jun 1, 2000. With the recent upward trend of sugar prices in the world market of more than 10 cents per pound, the initial cane price for MY 2000/01 should be nearly 600 baht per ton.

**Non-centrifugal Sugar**

PSD Table						
Country: Thailand						
Commodity: Sugar						
	1999		2000		2001	
	Old	New	Old	New	Old	New
Market Year Begin		12/1998		12/1999		12/2000
Beginning Stocks	450	450	659	659	1079	430
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	5386	5386	5670	5721	5670	5600
TOTAL Sugar Production	5386	5386	5670	5721	5670	5600
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	5836	5836	6329	6380	6749	6030
Raw Exports	1999	1999	2000	2500	2400	2400
Refined Exp.(Raw Val)	1353	1353	1400	1600	1400	1400
TOTAL EXPORTS	3352	3352	3400	4100	3800	3800
Human Dom. Consumption	1825	1825	1850	1850	1850	1850
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1825	1825	1850	1850	1850	1850
Ending Stocks	659	659	1079	430	1099	380
TOTAL DISTRIBUTION	5836	5836	6329	6380	6749	6030

**Production**

Sugar output for MY 2000/01 is currently forecast at 5.6 mmt (raw value), slightly below the MY 1999/00 season, due to smaller than expected cane production.

Post revised the planted and harvested areas to be in line with the recent revised data provided by the Cane and Sugar Board. Higher exports should result in lower stocks this year. The smaller sugar supply should continue to bring down the level of stocks next year.

**Policy**

The financial assistance from the Bank for Agriculture and Agricultural Cooperatives (BAAC) came in time this year. Hopefully, growers should be able to receive credit lines of 10 billion baht to utilize them in the MY 2000/01.