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**Country:** Thailand

**Post:** Bangkok

**Report Category:** Sugar

**Prepared By:** Ponnarong Prasertsri, Agricultural Specialist

**Approved By:** Kelly Stange

**Report Highlights:**

MY 2025/26 sugar production is expected to further increase 2 percent from MY 2024/25. MY 2024/25 sugar demand by industrial uses is likely to decline significantly due to the Chinese ban on Thai sugar syrup exports. MY 2025/26 sugar exports are expected to slow down from MY 2024/25, following anticipated recovery in sugar exports from Brazil and India.

## **Executive Summary**

Post forecasts MY 2025/26 sugar production to increase 2 percent, following a 14 percent increase in MY 2024/25, due to increased sugarcane production and sugar extraction rate. MY 2025/26 sugarcane production is expected to further increase 1 percent from MY 2024/25, due to attractive returns compared to other field crops.

Sugar consumption is expected to decline by 18 percent in MY 2024/25, with a slow recovery in MY 2025/26, due to reduced demand for sugar by export-oriented syrup manufacturers, as the Chinese government has reportedly banned sugar syrup products from Thailand since December 2024.

Meanwhile, sugar consumption in MY 2023/24 increased by 8 percent due to growing sugar demand for industrial uses, especially from export-oriented food processors, which offset a reduced sugar demand by household and local industrial uses. The reduced sugar demand by soft drink manufacturers led to a continued increase in import demand for artificial sweeteners in MY 2023/24, increasing by 16 percent following a 20 percent increase in MY 2022/23, mainly from China.

Post forecasts sugar export growth to slow down in MY 2025/26 due to renewed competition from India and Brazil. Sugar exports in MY 2024/25 are expected to increase significantly from MY 2023/24 in anticipation of tight global exportable supplies, due to reduced sugar production in India and Brazil.

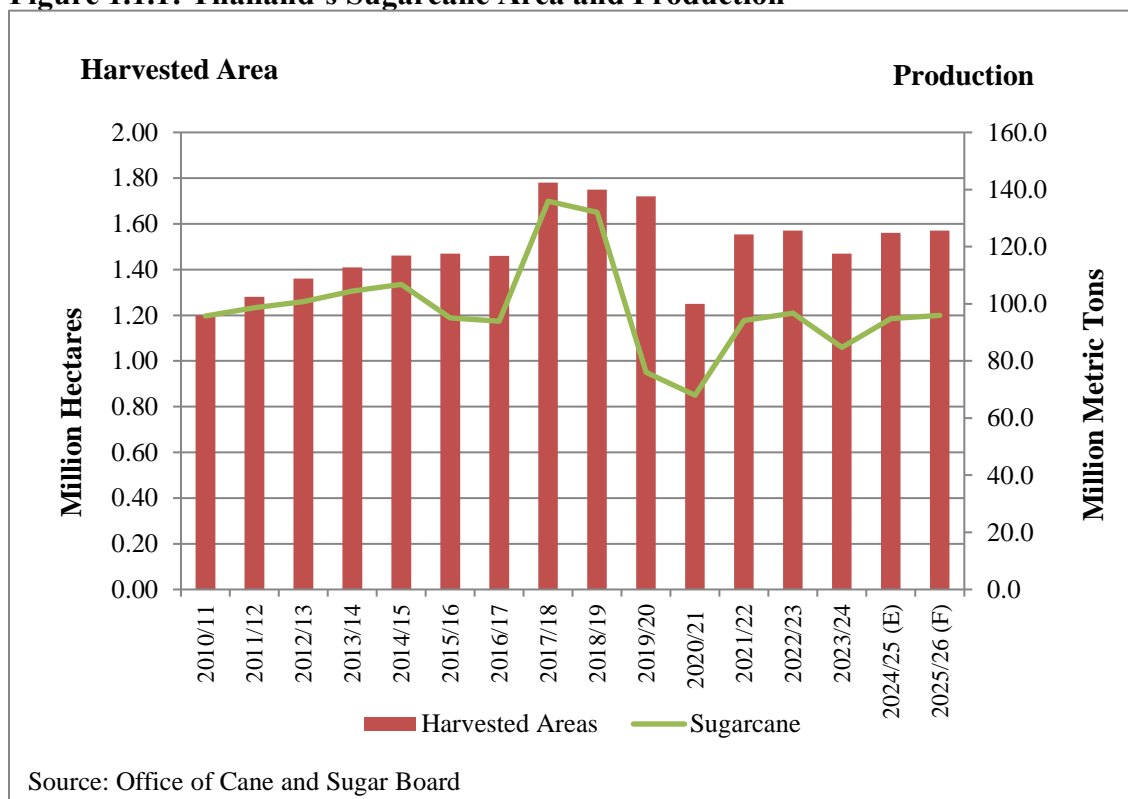
## **1. Production**

### **1.1 Sugarcane**

Post forecasts MY 2025/26 sugarcane production to increase to 96 MMT, up around 1 percent from MY 2024/25. Farmers reportedly continued to grow sugarcane due to its attractive returns compared to other field crops like corn and cassava. Presently, farm-gate prices of corn and cassava in the first quarter of MY 2024/25 declined by 4 percent and 38 percent, respectively, from the same period in the previous year. Additionally, the government normally guarantees the minimum prices of sugarcane well above the market prices.

MY 2024/25 sugar production is expected to increase to 94.8 MMT, up 12 percent from MY 2023/24, due to favorable weather conditions during the tillering and elongation growth stages of sugarcane (please see [TH2024-0060, Sugar Semi-annual, October 3, 2024](#)). Around 92 MMT of sugarcane production in MY2024/25 will be used for sugar production. The remainder will be feedstocks for ethanol production for fuel and industrial uses.

**Figure 1.1.1: Thailand's Sugarcane Area and Production**

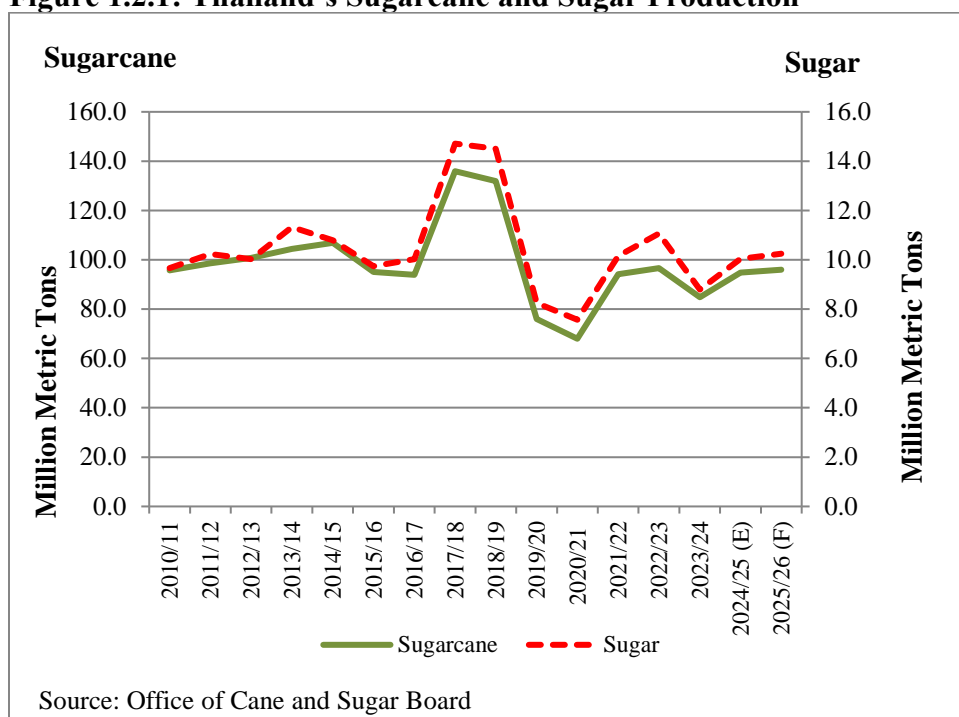


## 1.2 Sugar

Sugarcane is primarily used for sugar production, accounting for around 97 percent of total sugarcane production in MY 2024/25 and MY 2025/26. Meanwhile, around 2.8 MMT of sugarcane will be used annually as feedstocks for ethanol production as there are two sugar-juice based ethanol plants in Thailand, accounting for around 3 percent of total sugarcane production. One is specifically producing ethanol for fuel uses, utilizing around 0.9 MMT of sugarcane. The other ethanol plant produces ethanol for industrial uses, particularly for bioplastics and biochemicals, using around 1.9 MMT of sugarcane.

Post forecast MY2025/26 sugar production to further increase to 10.3 MMT, up 2 percent from MY 2024/25 due to the continued increase in sugarcane production and extraction rate. MY 2024/25 sugar production is expected to increase to around 10 MMT, up 14 percent from MY 2023/24, due to increased sugarcane production and sugar extraction rate. The Office of Cane and Sugar Board (OCSB) reported that average sugar extraction rate in MY 2024/25 increased to 109.17 kilogram (kg) of sugar per tons of sugarcane, up 2 percent from 107.20 kilogram (kg) of sugar per ton of sugarcane in MY 2023/24.

**Figure 1.2.1: Thailand's Sugarcane and Sugar Production**



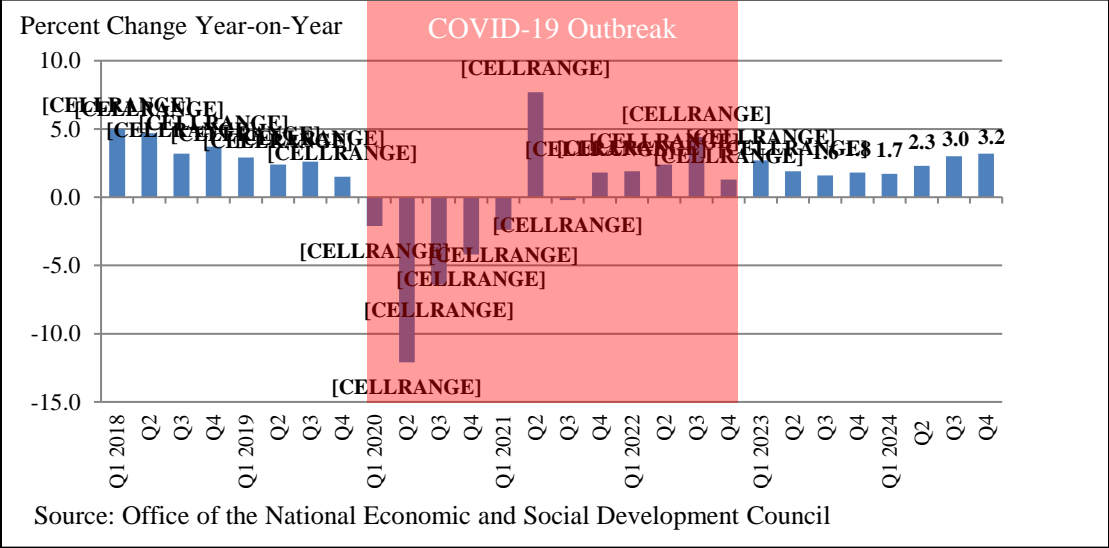
## 2. Consumption

Post forecasts sugar consumption to decline by 18 percent in MY 2024/25, with a slow recovery in MY 2025/26, driven by reduced demand from export-oriented food processors. The Chinese government has reportedly banned sugar syrup products from Thailand since December 2024 to protect their domestic sugar industry, following a surge in duty-free Thai sugar syrup exports to China under the free trade agreement during 2022 – 2024. The reduced demand for sugar from syrup manufacturers is likely to offset anticipated increase in sugar demand by household and other industrial uses, which is expected to grow slightly in MY 2024/25 and MY 2025/26, following the slow economic growth projected at 2.8 percent in 2025 and 2.7 percent in 2026.

Sugar consumption growth in MY 2023/24 increased by 8 percent due to growing sugar demand for industrial uses, especially for export-oriented food processors, which offset a reduced sugar demand by households. Demand for sugar by export-oriented food processors continued to increase in MY 2023/24, especially for sugar syrup exports to China, as Thai sugar syrup has duty-free market access to China under the free trade agreement, compared to 30% tariff rate for non-FTA trading partners. Exports of sugar syrup in MY 2023/24 increased by 33 percent from MY 2022/23, especially to China, which accounted for 98 percent of total sugar syrup exports.

Meanwhile, household sugar consumption in MY 2023/24 declined 2 percent from MY 2022/23 due to the slow economic recovery. The National Economics and Social Development Council (NESDC) reported that the Thai economic growth in 2024 was 2.5 percent, compared to 2 percent in 2023.

Figure 2.1: Thailand’s Quarterly Economic Growth



Meanwhile, demand for sugar in the non-alcoholic beverage industry in 2024 declined by 3 percent from 2023 as non-alcoholic beverage manufacturers continued to reformulate their products by reducing the sugar content to avoid the progressive sugar tax and increasingly substitute sugar with artificial sweeteners. According to the government’s measure to curb household sugar consumption through the sugar tax, low-sugar beverages that had sugar content of 6-8 grams/100 milliliters were subject to the lowest sugar tax rate of 0.30 baht/liter (1 cent/liter) between April 1, 2023, and March 31, 2025 (Table 2.1). The Excise Tax Department (ETD) reported that most non-alcoholic beverage products had 10-18 grams of sugar per 100 milliliters before the sugar tax was implemented in 2017 (please see [TH2024-0060, Sugar Semi-annual, October 3, 2024](#)).

The ETD has reported that soft drink manufacturers have gradually reduced the sugar content in their non-alcohol beverage products to 7.3 – 7.5 grams of sugar per 100 milliliters, down from more than 10 grams of sugar per 100 milliliters. Starting on April 1, 2025, low-sugar beverages that have a sugar content of 6-8 grams/100 milliliters will be subject to the lowest sugar tax rate of 1 baht/liter (3 cents/liters). The reduced sugar demand by soft drink manufacturers led to a continued increase in import demand for artificial sweeteners in MY 2023/24, rising by 16 percent from a 20 percent increase in MY 2022/23. The demand was largely driven by imports from China, which accounted for 89 percent of Thailand’s sweetener imports.

Table 2.1: Sugar Tax on Non-Alcoholic Beverages

Sugar Content (Grams/ 100 Milliliters)	Excise Tax on Sugar Content (Baht/liter)			
	Sep 2017 -Sep 2019	Oct 1, 2019 – Sep 30, 2021	April 1, 2023 – Mar 31, 2025	After Apr 1, 2025
Less than 6	Exempt	Exempt	Exempt	Exempt
6-8	0.10	0.10	0.30	1.00
8-10	0.30	0.30	1.00	3.00
10-14	0.50	1.00	3.00	5.00
14-18	1.00	3.00	5.00	5.00
More than 18	1.00	5.00	5.00	5.00

Source: The Excise Department

### **3. Trade**

Post forecasts sugar exports at 7 MMT in MY 2025/26 due to increased competition from India and Brazil, where traders expect a recovery in sugar production. The increased sugar production of these two of the world's largest suppliers has put downward pressure on current world sugar prices.

Sugar exports in MY 2024/25 are expected to increase to 10 MMT, up significantly from MY 2023/24, in anticipation of tight global exportable supplies of sugar as India still limited sugar exports in MY 2024/25, despite anticipated recovery in its sugarcane production in MY 2025/26. In addition, traders expect shrinking sugar production in Brazil in MY 2024/25 due to severe dry weather conditions (please see [TH2024-0060, Sugar Semi-annual, October 3, 2024](#)).

Sugar exports in MY 2023/24 declined by 32 percent from MY 2022/23, due mainly to competition from Brazil. Exports of raw sugar dropped by 47 percent from MY 2022/23, primarily due to shrinking raw sugar exports to Indonesia, which declined by 57 percent from MY 2022/23. Indonesia, which is Thailand's largest sugar export market, accounting for 22 percent of total sugar exports in 2024, switched to import raw sugar from Brazil due to relatively cheap prices than Thai sugar following its record sugarcane production in MY2023/24. In addition, exports of white and refined sugar, which accounted for 57 percent of total sugar exports, declined 16 percent from MY 2022/23.

### **4. Policy**

On January 13, 2025, the cabinet approved the minimum prices of sugarcane, which were set at 1,160 baht/MT (\$34.21), 18 percent lower than the record 1,420 baht/MT (\$41.88/MT) in MY 2023/24, and 3 percent lower than the previous year's farm-gate price of 1,198 baht/MT (\$35.33/MT). However, the MY2024/25 minimum prices were approximately 4 percent higher than the average farm-gate prices of sugarcane in the first quarter of MY 2024/25.

## Appendix Tables

**Table 1: Thailand’s Sugarcane Production**

Sugar Cane for Centrifugal Market Year Begins Thailand	2023/2024		2024/2025		2025/2026	
	Dec 2023		Dec 2024		Dec 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1655	1655	1655	1655	0	1670
Area Harvested (1000 HA)	1470	1470	1565	1565	0	1580
Production (1000 MT)	84747	84747	95900	94800	0	96000
Total Supply (1000 MT)	84747	84747	95900	94800	0	96000
Utilization for Sugar (1000 MT)	82167	82167	93100	92000	0	93200
Utilization for Alcohol (1000 MT)	2580	2580	2800	2800	0	2800
Total Utilization (1000 MT)	84747	84747	95900	94800	0	96000
(1000 HA), (1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

**Table 2: Thailand’s Sugar Production, Supply and Distribution**

Sugar, Centrifugal Market Year Begins Thailand	2023/2024		2024/2025		2025/2026	
	Dec 2023		Dec 2024		Dec 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	10030	10030	10238	10556	0	7596
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	8808	8808	10240	10040	0	10250
Total Sugar Production (1000 MT)	8808	8808	10240	10040	0	10250
Raw Imports (1000 MT)	0	0	0	0	0	0
Refined Imp.(Raw Val) (1000 MT)	0	0	0	0	0	0
Total Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	18838	18838	20478	20596	0	17846
Raw Exports (1000 MT)	2500	1976	5300	5300	0	3700
Refined Exp.(Raw Val) (1000 MT)	2600	2665	4700	4700	0	3300
Total Exports (1000 MT)	5100	4641	10000	10000	0	7000
Human Dom. Consumption (1000 MT)	3500	3641	3650	3000	0	3100
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	3500	3641	3650	3000	0	3100
Ending Stocks (1000 MT)	10238	10556	6828	7596	0	7746
Total Distribution (1000 MT)	18838	18838	20478	20596	0	17846
(1000 MT)						

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

**Table 3: Thailand's Yield and Prices for Sugar and Molasses**

	MY2023/2024	MY2024/2025 (Preliminary)	MY2025/2026 (FAS Forecast)
<b>Yield per metric ton of cane</b>			
Sugar (kg.)	107.20	109.17	110.00
Molasses (kg.)	43.65	43.30	43.00
<b>Farm price (ex-factory): Baht/Ton</b>	1,404	1,160	1,160
<b>Wholesale prices</b>			
Sugar (Baht/100 kg.)	2,100	2,100	2,100
Molasses (Baht/Ton)	11,765	6,860	7,000

Source: Office of Cane and Sugar Board, Ministry of Industry

**Table 4: Thailand's Total Sugar Exports**

Unit: Metric Tons Raw Value

Destination	2020	2021	2022	2023	2024	% Change
Indonesia	2,328,787	1,155,493	2,617,307	2,233,718	960,367	-57.0
South Korea	321,666	278,836	770,848	735,132	513,174	-30.2
Cambodia	453,511	555,825	630,564	631,828	860,062	36.1
Malaysia	163,899	154,930	441,678	521,991	238,385	-54.3
China	288,318	146,582	355,086	302,793	251,376	-17.0
Taiwan	269,794	251,037	228,418	265,718	162,437	-38.9
Singapore	121,130	104,180	54	149,355	110,996	-25.7
Japan	120,078	201,801	105,525	98,943	130,590	32.0
U.S.	22,512	15,782	18,671	23,599	22,005	-6.8
Other	2,125,232	987,156	1,888,498	1,801,430	1,272,513	-29.4
<b>Total</b>	<b>6,214,927</b>	<b>3,851,622</b>	<b>7,056,649</b>	<b>6,764,507</b>	<b>4,521,905</b>	<b>-33.2</b>

Source: Office of Cane and Sugar Board, Ministry of Industry



**Table 5: Thailand's Exports of Raw Sugar**

Unit: Metric Tons Raw Value

Destination	2020	2021	2022	2023	2024	% change
Indonesia	2,264,395	1,030,382	2,420,367	2,092,803	898,747	-57.1
South Korea	214,122	180,034	677,561	642,254	414,800	-35.4
Malaysia	71,254	48,603	368,996	443,707	121,755	-72.6
Vietnam	542,466	161,324	46,170	107,576	233,062	116.6
Japan	109,825	131,962	102,801	97,162	129,087	32.9
Taiwan	86,394	100,731	93,082	86,079	9,157	-89.4
United States	21,801	15,679	18,106	21,961	20,695	-5.8
Philippines	4,168	-	-	10,406	96	99.1
Tanzania	16,543	-	2,565	2,563	-	-
Singapore	1,259	844	-	1,728	6,907	299.6
China	19,190	6,000	108,591	770	158	-79.5
UAE	177	91	79	168	515	206.1
Others	19,109	22,351	12,626	72,454	76,343	5.4
<b>Total</b>	<b>3,370,703</b>	<b>1,698,001</b>	<b>3,850,944</b>	<b>3,579,630</b>	<b>1,911,322</b>	<b>-46.4</b>

Source: Office of Cane and Sugar Board, Ministry of Industry

**Table 6: Thailand's Exports of White and Refined Sugar**

Unit: Metric Tons Raw Value

Destination	2020	2021	2022	2023	2024	% change
Bangladesh	153,946	171,815	401,816	642,689	2,554	-99.6
Brunei	453,096	549,136	627,614	631,397	5,426	-99.1
Burma	114,554	140,918	460,281	417,152	64,543	-84.5
Cambodia	269,127	140,582	246,495	302,023	860,062	184.8
China	119,871	103,336	105,256	147,627	251,218	70.2
Indonesia	64,392	123,111	196,940	140,915	61,620	-56.3
South Korea	107,544	98,802	93,287	92,878	98,374	5.9
Kenya	123,447	109,772	116,063	84,583	53,212	-37.1
Laos	92,646	106,327	72,682	78,284	385,635	392.6
Malaysia	809,392	238,108	73,212	67,876	116,630	71.8
Maldives	7,386	26,750	113,270	52,131	1,204	-97.7
Pakistan	691	-	96,926	43,323	268	-99.4
Philippines	-	27,037	15,110	14,106	217,345	1440.8
Russia	19,738	5,161	3,100	7,917	-	-
Saudi Arabia	910	910	8	5,060	107	-97.9
Singapore	5,899	6,006	4,626	3,340	104,089	3016.4
Sri Lanka	-	1,202	1,498	1,043	14,089	1252.1
Tanzania	-	-	24	498	32,109	6353.4
UAE	-	54	2,113	428	15,671	3561.4
Vietnam	-	-	54	-	62,289	-
Others	501,584	304,594	575,331	451,606	264,2121	-41.5
<b>Total</b>	<b>2,844,223</b>	<b>2,153,621</b>	<b>3,205,706</b>	<b>3,184,877</b>	<b>2,610,583</b>	<b>-18.0</b>

Source: Office of Cane and Sugar Board, Ministry of Industry

**Table 7: Thailand's Sugar Utilization by Industries**

Unit: Metric Tons

Type of Industry	2020	2021	2022	2023	2024
<b>Beverages (Excluding Alcoholic Drink)</b>					
Refined Sugar	235,031	223,168	234,899	196,451	189,883
White Sugar	174,025	179,357	192,236	238,922	206,179
Sub - Total	409,056	402,525	427,135	427,135	339,062
<b>Cake &amp; Bread and Alcoholic Drink</b>					
Refined Sugar	9,548	1,158	16,150	17,982	20,251
White Sugar	38,552	46,140	42,454	36,152	49,111
Sub - Total	48,100	47,298	58,604	58,604	69,362
<b>Fruit &amp; Food Products</b>					
Refined Sugar	80,965	80,444	77,454	75,209	78,948
White Sugar	162,039	192,725	221,601	240,857	212,484
Sub - Total	243,004	273,169	299,055	299,055	291,432
<b>Dairy Products</b>					
Refined Sugar	37,567	18,451	18,588	18,693	17,230
White Sugar	157,883	163,997	171,653	155,588	167,680
Sub - Total	195,450	182,448	190,241	190,241	184,911
<b>Confectionary Products</b>					
Refined Sugar	1,873	1,364	887	1,171	324
White Sugar	12,667	12,791	14,170	14,306	14,129
Sub - Total	14,540	14,155	15,057	15,057	14,453
<b>Pharmaceutical Products &amp; Miscellaneous</b>					
Refined Sugar	20,093	12,791	21,547	25,307	21,687
White Sugar	20,574	12,110	23,327	26,855	25,541
Sub - Total	40,667	24,901	44,874	44,874	47,228

Source: Office of Cane and Sugar Board, Ministry of Industry

**Attachments:**

No Attachments