

CEFS FACT SHEET ON THAILAND



ABOUT THAILAND



19%

share of global sugar market



75%

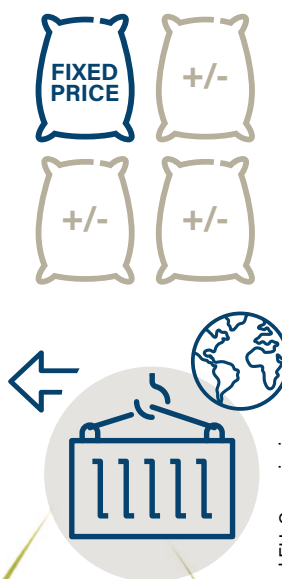
of production exported

Sugar sector benefiting from **highly regulated political framework and market protection.**

Third world's largest exporter of sugar

SUGAR PRICE SUPPORT

- Fixed minimum sugar prices for 25% of non-exported production
- Abolished in 2018 but reintroduced in 2019
- Imports are limited through different means to control internal prices and the market
- The minimum sugar price for around 25 % of the total production allows Thai sugar industry to export on the world market even in the case of low world market prices.



Source: ISO and EU-Commission

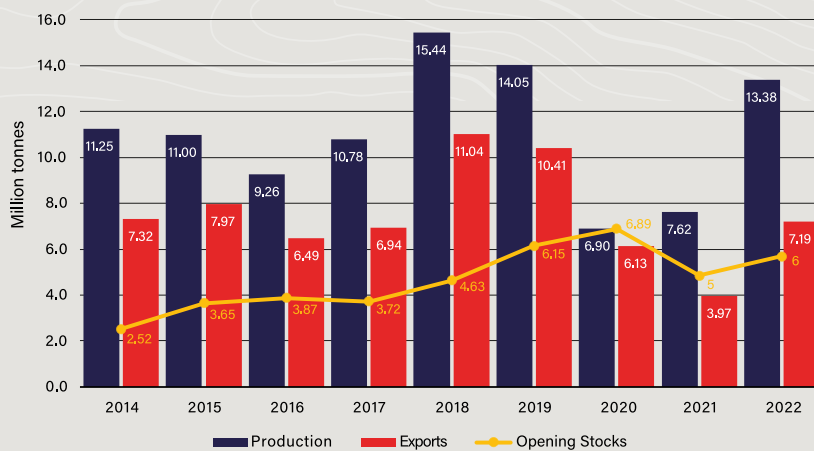


Figure 1: Thailand's sugar production compared to exports, 2014-2022. Source: International Sugar Organisation

FIXED SUGAR PRICES 2019





WHITE SUGAR:
US\$ 529/t (17,250 Baht/t)



CANE GROWERS SUPPORT

System of direct support where preliminary cane price, calculated at the beginning of the sugar campaign on the basis of the forecast sugar price, differs from final cane price:

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If final cane price is above the preliminary price, the sugar mill will compensate the cane grower with an additional payment for the cane.
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If the final cane price is lower than the preliminary price paid, miller compensated by the Government through the Cane and Sugar Fund (CSF), which will cover the difference.

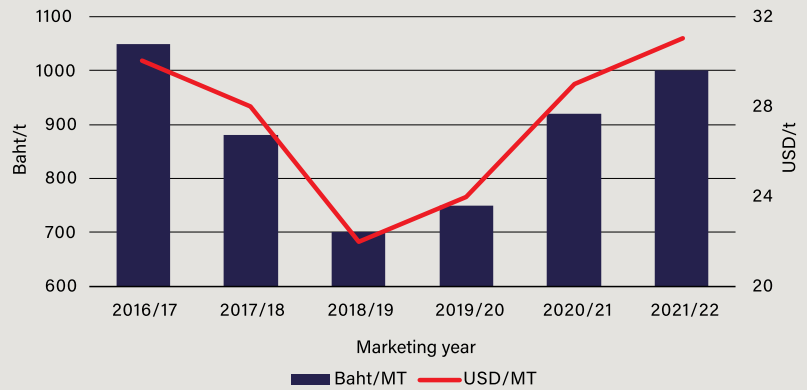


Figure 2: Minimum sugarcane prices evolution under the the Thai government sugarcane price support programme, 2016/17-2021/22. Source: USDA



Direct support to growers through the CSF and additional direct payments for sugarcane = **>US\$ 1.7 billion over 10 years**

Source: Meriot, 2022

CANE BURNING



Despite being banned, pre-harvesting sugarcane burning is a widespread agricultural practice in Thailand, used for 60-67% of production.



Cane burning has severe consequences for air quality and the health of field workers.



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Source: HIS Markit, WTO