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Report Highlights:

Post forecasts that Thailand's sugar sector will face substantial headwinds in MY 2026/27 as cultivation costs will rise, while domestic and export markets remain subdued. Some smallholder sugarcane farmers, particularly in the northeast, may shift to alternative crops in MY 2026/27. Thailand's continuing sugar tax on beverage reformulation and household use will keep domestic sugar consumption stable. Thai sugar traders report an increase in demand from their overseas customers in MY2025/26 though Post forecasts a return to more typical sugar export levels in MY 2026/27.

Post forecasts marketing year (MY) 2026/27 sugarcane production to decline by 8 percent from the MY 2025/26 peak as planted area contracts following the February announcement of the Office of Cane and Sugar Board (OCSB) that placed the farm-gate price below the cost of production. Post forecasts MY 2026/27 sugar production to fall 16 percent from MY 2025/26, driven solely by lower sugarcane availability.

Post estimates MY 2025/26 sugarcane production to increase 7 percent from MY 2024/25 supported by favorable weather conditions, attractive farm-gate returns relative to competing crops, and continuing yield growth. Greater cane availability and an improved commercial cane sugar (CCS) extraction rate of 110 kilograms per metric ton of cane under the 97 percent green cane share will result in MY 2025/26 sugar production exceeding MY 2024/25 by 10 percent. Post assumes the 97 percent green cane share persists into MY 2026/27, treating fire-free harvesting as a structural feature of the industry driven by regulatory pressure, mill economics, and sunk investment in green-harvest equipment.

Post forecasts domestic sugar consumption to remain stable in MY 2025/26 and MY 2026/27, a 10 percent drop from MY 2024/25, reflecting a balanced outlook in which tourism recovery offsets structural demand restraint from the sugar excise tax. The December 2025 ban by China on Thai syrup should not directly reduce Thailand's recorded sugar exports. Its impact is instead transmitted through domestic industrial and processing demand. Rising fuel prices in response to conflict in the Middle East have increased interest in greater utilization of domestic biofuels, but to date the Thai government has not announced additional measures incentivizing ethanol production. Thus, Post maintains a stable projection for sugarcane utilization for ethanol for MY 2025/26 and MY 2026/27.

Post estimates MY 2025/26 sugar exports to increase by 20 percent relative to MY 2024/25, reflecting adequate export availability due to strong production and geographic proximity to key markets. Post forecasts MY 2026/27 exports to decrease by 14 percent in MY 2026/27, as lower production reduces the exportable supply and Brazil and India intensifies competition in core Asian markets.

1. Production

1.1 Sugarcane

Table 1: Thailand’s Sugarcane Production

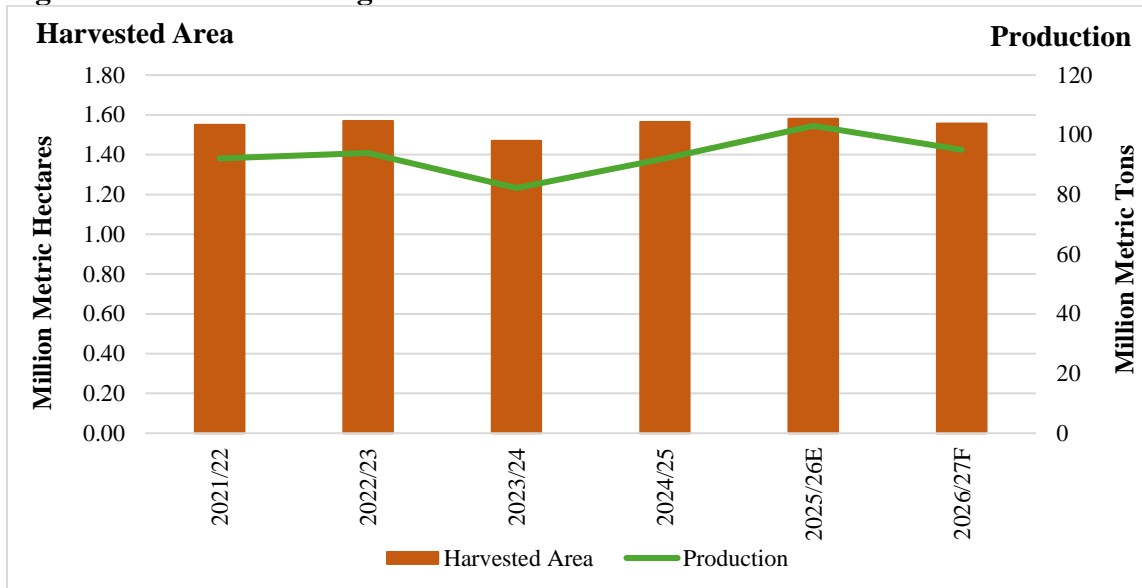
Sugar Cane for Centrifugal Market Year Begins	2024/2025		2025/2026		2026/2027	
	Dec 2024		Dec 2025		Dec 2026	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1655	1655	0	1670	0	1650
Area Harvested (1000 HA)	1565	1565	0	1579	0	1556
Production (1000 MT)	95900	95900	0	103000	0	95000
Total Supply (1000 MT)	95900	95900	0	103000	0	95000
Utilization for Sugar (1000 MT)	93100	93100	0	100200	0	92200
Utilization for Alcohol (1000 MT)	2800	2800	0	2800	0	2800
Total Utilization (1000 MT)	95900	95900	0	103000	0	95000
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

On February 10, 2026, the caretaker Cabinet announced the initial sugarcane price for MY 2025/26 at 890 baht per metric ton (MT) (\$29/MT)¹ a 23 percent decline from the MY 2024/25 price of 1,160 baht per MT (\$37/MT) and the lowest since MY 2020/21. At 890 baht per MT, sugarcane production is below the OCSB-reported cultivation cost of approximately 1,358 baht/MT (\$44/MT). Thus, sugarcane cultivation becomes less attractive compared to alternative crops, such as less input-intensive cassava, for a significant share of Thai farmers, particularly smallholders in the upper northeastern region where production costs are highest and most farmland is not irrigated. Furthermore, cassava prices in 2025 have partially recovered while fertilizer prices in 2026 have been on the rise. Post therefore projects a modest planted area contraction of 1.5 percent in MY 2026/27 (Figure 1.1.1), consistent with the historical pattern in which a farm-gate price decline of 20 percent or more triggers a 1.5–2.0 percent contraction in planted area as smallholders redirect marginal land to lower-input competing crops. Consequently, Post forecasts MY 2026/27 sugarcane production to ease 8 percent from peak MY 2025/26 production.

Post estimates MY 2025/26 sugarcane production to increase 7 percent from MY 2024/25 marking the highest output since MY 2018/19. Three factors drive the increase (i) favorable precipitation during key growth stages, (ii) farm-gate returns that remained attractive relative to competing crops, such as cassava, and (iii) OCSB-set guaranteed minimum sugarcane price encourage farmers to stick with sugarcane cultivation.

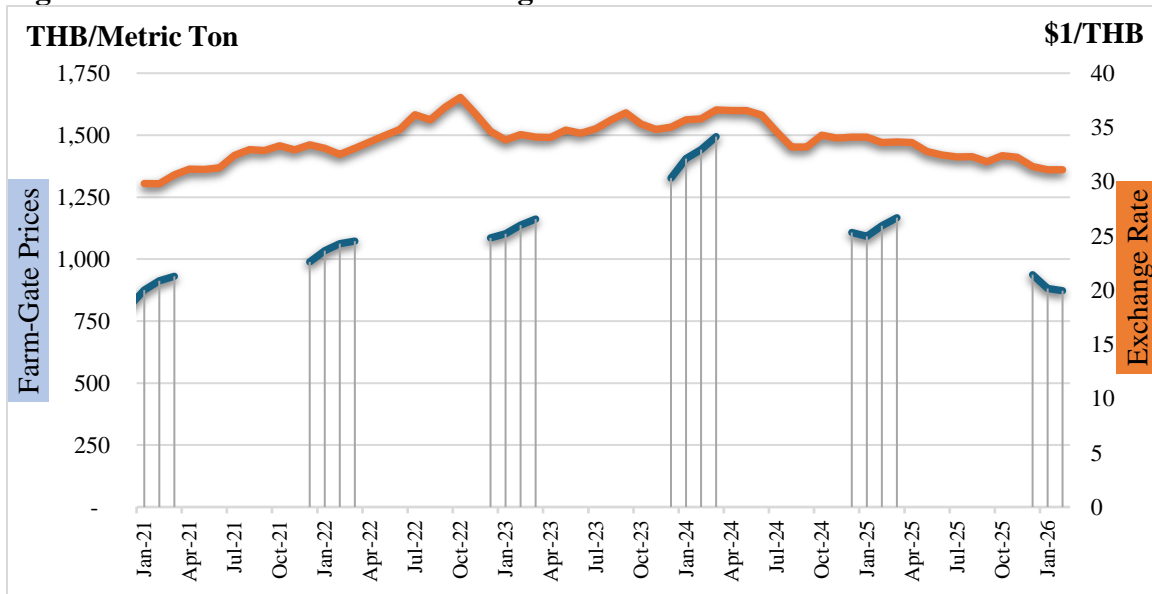
¹ The average exchange rate in February 2026 (the latest available export 330data) was \$1=31.11 Thai baht (Bank of Thailand)

Figure 1.1.1 Thailand: Sugarcane Area and Production



Sources: Office of Cane and Sugar Board, Ministry of Industry and FAS Estimation

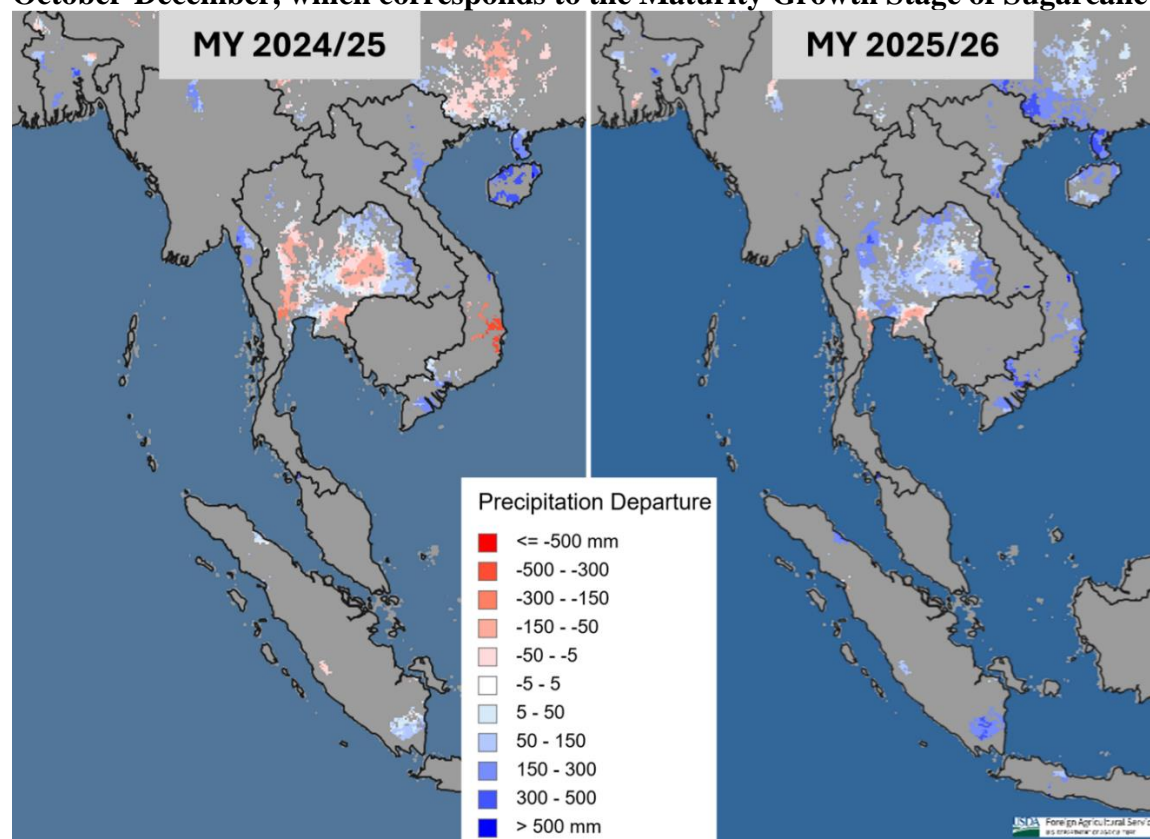
Figure 1.1.2 Thailand: Farm-Gate Sugarcane Price



Sources: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives and Bank of Thailand

The Thai Meteorological Department (TMD) reported that average precipitation during the tillering and elongation growth stages of MY 2025/26 sugarcane was above normal across Thailand’s northeast and lower north regions (see Figure 1.1.3), which respectively account for 44 percent and 24 percent of the total sugarcane planting area. These La Niña conditions have supported a meaningful recovery in both yield and sucrose content. However, in calendar year 2026, TMD is predicting Super El Nino conditions to materialize.

Figure 1.1.3 Thailand: Comparison of Year-on-Year Precipitation Departure during October-December, which corresponds to the Maturity Growth Stage of Sugarcane



Source: USDA - Foreign Agricultural Service, Global Agricultural & Disaster Assessment System

The relative attractiveness of sugarcane to Thai farmers strengthened during MY 2024/25, supported by two reinforcing price signals. Farm-gate prices for competing crops fell sharply in the first three months of MY 2024/25 compared to the same period in MY 2023/24, cassava by 38 percent and corn by 4 percent, narrowing the economic case for crop switching. At the same time, the government's guaranteed minimum sugarcane price of 1,160 baht per MT (\$37/MT) for MY 2024/25 remained above the returns available from alternative crops. Together, these dynamics gave farmers strong incentives to sustain or expand cane plantings, contributing to consecutive years of robust cane acreage and production in both MY 2024/25 and MY 2025/26.

In MY 2025/26, 97 percent of the sugarcane harvest was green cane (i.e., not burned), the highest share on record, compared to 85 percent in MY 2024/25 and the 10-year average of 63 percent. Green cane produces materially higher CCS yields than burnt cane by preserving sucrose content at the point of harvest. The OCSB reports a sugar extraction rate of 110 kg per MT of cane in MY 2025/26, up from 109.17 kg in MY 2024/25 and recovering from the drought-depressed 107.20 kg in MY 2023/24. Confirming the estimate, the OCSB crushing report as of March 30, 2026, records 102.3 MMT of cane utilized with the season nearly over, effectively locking in the 103 MMT estimate.

Post assumes the 97 percent green cane share continues in MY 2026/27, with fire-free harvesting treated as a structural feature of the industry driven by regulatory pressure to reduce air pollution, mill economics, and sunk investments in green cane harvesting equipment.

1.2 Sugar

Table 2. Thailand: Sugar Production

Sugar, Centrifugal Market Year Begins	2024/2025		2025/2026		2026/2027	
	Dec 2024		Dec 2025		Dec 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Thailand						
Beginning Stocks (1000 MT)	10556	10556	10746	11296	0	12254
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	10040	10240	10250	11258	0	9500
Total Sugar Production (1000 MT)	10040	10240	10250	11258	0	9500
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)	20596	20796	20996	22554	0	21754
Raw Exports (1000 MT)	2700	2700	3700	3500	0	2800
Refined Exp.(Raw Val) (1000 MT)	3150	3150	3300	3500	0	3200
Total Exports (1000 MT)	5850	5850	7000	7000	0	6000
Human Dom. Consumption (1000 MT)	4000	3650	4000	3300	0	3300
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	4000	3650	4000	3300	0	3300
Ending Stocks (1000 MT)	10746	11296	9996	12254	0	12454
Total Distribution (1000 MT)	20596	20796	20996	22554	0	21754
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

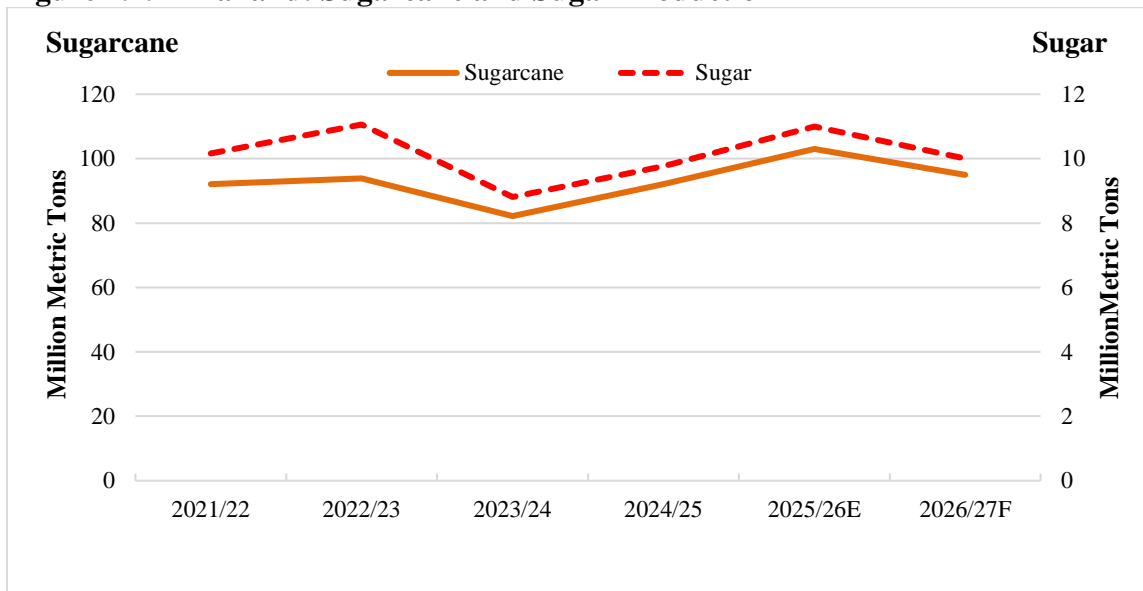
Nintey-seven (97) percent of Thailand’s sugarcane goes toward sugar production. Similar to prior years, the remaining approximately 2.8 MMT of sugarcane will be utilized as feedstock for ethanol production in both MY 2025/26 and MY 2026/27. There are two sugar juice-based ethanol plants in Thailand and their full joint operational capacity a year is 2.8 MMT of sugar cane equivalent. One plant specifically produces ethanol for fuel and utilizes around 1.0 MMT of sugarcane. The other plant produces ethanol for industrial uses, particularly bioplastics and biochemicals, and uses around 1.8 MMT of sugarcane.

Post forecasts MY 2026/27 sugar production to drop by 16 percent from MY 2025/26. A reduction in harvested cane area described above will drive contraction in sugar production. According to the OCSB, the average sugar yield per MT of cane is 110 kg, assuming 97 percent green cane share and no degradation in mill extraction efficiency. Sugar mill sources report no change in processing performance.

MY 2025/26 sugar production was 10 percent above MY 2024/25 due to higher sugarcane availability and greater proportion of crushed green cane (97 percent).

Post revised up its MY 2024/25 sugar production number based on the latest OCSB publication.

Figure 1.2.1 Thailand: Sugarcane and Sugar Production



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

2. Consumption

On December 10, 2024, China's General Administration of Customs (GACC) banned Thai sugar syrup imports, effectively eliminating Thailand's access to its dominant syrup export market. According to Post sources, the measure was enacted to protect China's domestic sugar industry following a surge in duty-free Thai sugar syrup exports under the bilateral free trade agreement during 2022–2024 (see prior Thailand Sugar report). China accounted for approximately 96 percent of Thailand's total syrup exports in MY 2023/24, the last full pre-ban marketing year. The ban was subsequently expanded in October 2025 to cover six additional sugar product categories from Thailand.

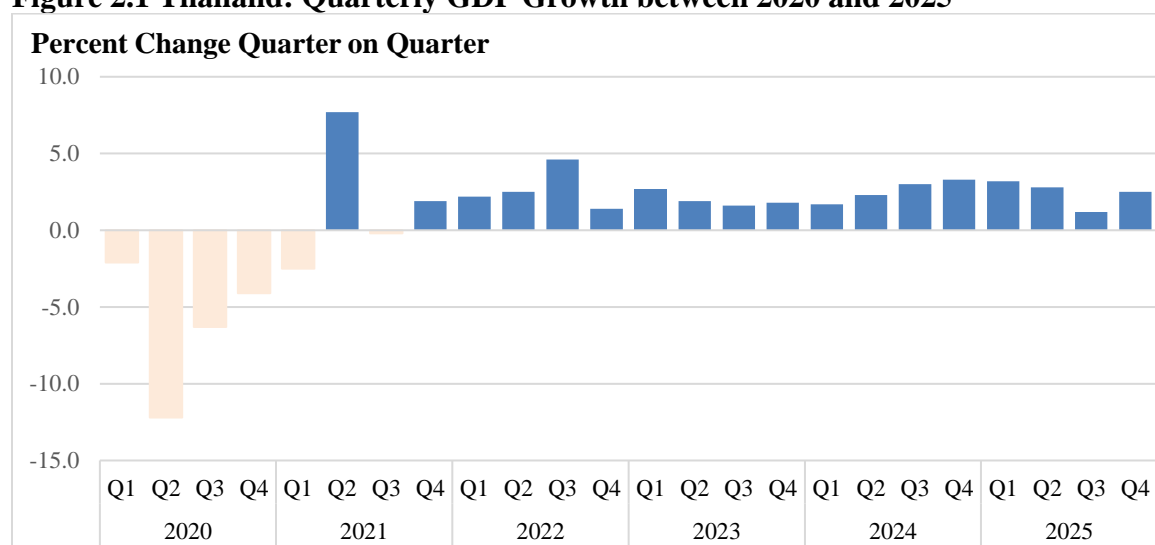
Because sugar syrup is a processed product, it falls outside the centrifugal sugar trade classification; the GACC ban therefore does not directly reduce Thailand's recorded sugar exports. Its impact is instead transmitted through domestic industrial demand: Thai processors who previously manufactured syrup for export to China have sharply curtailed production, reducing their offtake of industrial sugar from the domestic market.

Post revised MY 2024/25 domestic consumption down 4 percent from MY 2023/24, reflecting the initial impact of the ban on processor demand (see a prior Thailand Sugar report). Post projects MY 2025/26 domestic consumption to fall a further 6 percent from the previous year, as the ban's effect on export-oriented processors deepens and demand continues to contract. With no resolution to the trade restriction in sight, Post forecasts MY 2026/27 domestic consumption to remain broadly flat relative to MY 2025/26, as the adjustment to the loss of syrup manufacturing demand is largely complete.

Partially offsetting the decline in industrial demand, the Office of the National Economic and Social Development Council (NESDC) projects GDP growth of 2.0 percent in 2026 (see Figure 2.1), supported by private consumption growth of approximately 3.3 percent and a recovery in government spending and investment. The Tourism Authority of Thailand (TAT) targets 36 million foreign arrivals in 2026, an increase of 11 percent recovery from 33 million in 2025, generating an estimated 2.8 trillion baht (\$90 billion) in total tourism revenue, is expected to provide incremental demand support to Bangkok and resort-destination food service, bakery, dairy, and beverage channels. These tourism and private consumption tailwinds are expected to contribute to incremental sugar demand through hotels, restaurants, and food manufacturing channels, broadly sufficient to sustain the 4.0 MMT consumption level.

However, the sugar excise tax (see Phase IV in Table 2.1) continues to act as a structural ceiling on beverage sector demand. The Excise Department of the Ministry of Finance reported in late 2025 that manufacturers have reached the practical reformulation ceiling at 7.3–7.5 grams per 100 ml. Thai industry expects the beverage sector's sugar demand to stabilize near current levels.

Figure 2.1 Thailand: Quarterly GDP Growth between 2020 and 2025



Source: Office of National Economic and Social Development Council

Table 2.1 Thailand: Sugar Tax on Non-Alcoholic Beverages

Sugar Content (Grams/ Milliliters)	Excise Tax on Sugar Content (baht/liter)			
	Phase I: Sep 2017 - Sep 2019	Phase II: Oct 1, 2019 – Sep 30, 2021	Phase III: April 1, 2023 – Mar 31, 2025	Phase IV: 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, Ministry of Finance

3. Trade

Post projected MY 2026/27 sugar exports to ease by 14 percent from MY 2025/26 as the production contraction resulting from reduced harvested sugarcane area and low farm-gate cane prices compresses the exportable surplus. Post forecasts refined sugar exports to exceed raw sugar exports in MY 2026/27, at 3.2 MMT refined versus 2.8 MMT raw. This is consistent with the production-mix relationship established across the historical bilateral trade data, which shows refined exports equaling or exceeding raw in every marketing year where production was at or below approximately 10.5 MMT, absent exceptional surplus conditions.

Indonesia and South Korea are the primary destinations for Thai raw sugar, with both markets operating substantial domestic refining industries. Cambodia, the Philippines, and Laos import predominantly refined sugar from Thailand to supplement domestic supply for food manufacturing and retail use.

For sugar-importing countries in ASEAN, Thailand's geographic proximity, standard halal certification for sugar, preferences under the free trade agreement, and established quality and reliability provide durable competitive advantages over sugar from other sources. The export decline is therefore a supply-side outcome rather than a signal of weakening demand, as Thai traders and mills prioritize supplying domestic demand before committing remaining supplies to export channels. Based on the latest reports, the sugar industry does not anticipate further reductions in Thai sugar exports in MY 2026/27 in response to rising shipping costs because Thailand's key markets are regional.

Geopolitical and logistical uncertainties, including disruptions to global agricultural trade flows and shipping routes, continue to underpin Asian buyers' preference for reliable, proximate origins, reinforcing Thailand's role as a key regional supplier given its elevated stock position and established regional trade infrastructure. Covrig Analytics, among the more optimistic analyst projections, projects ICE No. 11 futures to recover modestly from the February 2026 multi-year low of 14.20 U.S. cents per pound as the global surplus narrows from 4.7 MMT in MY 2025/26 to 1.4 MMT in MY 2026/27. Thai industry contacts shared that a potential increase in global sugar prices would improve Thai FOB returns and narrow the competitive gap with Brazilian origin sugar in Asian markets.

Post estimates MY 2025/26 total sugar exports will grow by 2 percent from MY 2024/25, reflecting adequate export availability and the resumption of Indonesian raw sugar procurement following the MY 2023/24 dip. This export performance is consistent with stable domestic consumption and steady stocks. Post revises the mix to an equal 3,500 MT split between primary sugar and refined exports. Thai sugar industry sources confirmed that Thailand competes on freight-adjusted cost parity with Brazilian and Indian origin sugar in key Asian markets providing an estimated freight advantage of approximately \$15–20 per MT freight over Brazil. This cost advantage sustains Thai competitiveness in Indonesian, South Korean, and Japan markets and allows for procurement without requiring price discounts.

4. Stocks

Post expects sugar ending stocks to edge up marginally in MY 2026/27 from MY 2025/26, continuing a multi-year accumulation trend despite a significant decline in production. Although Post's projection of MY 2026/27 production is to fall to 9.5 MMT, ending stocks continue to build because Thai mills and traders are expected to respond to tighter production by trimming export commitments rather than liquidating inventory. The sustained stock overhang reflects an accumulation from consecutive strong harvests in prior years rather than freely tradeable surplus and well beyond Thailand's domestic supply obligation (OCSB requires a minimum safety stock of approximately 200,000 MT). Thai mills and traders structurally prefer to maintain elevated inventory buffers for several reasons: to preserve pricing leverage in forward export contracts, to hedge against the production volatility inherent in rain-fed cane cultivation, and to meet unpredictable domestic procurement requirements.

5. Policy

Thailand's 10-Year Cane and Sugar Plan (2015–2026) is approaching expiration. The WTO settlement constraining sugar price support mechanisms limits the government's ability to introduce new forms of production or export subsidy. Post expects the regulatory environment for MY 2026/27 to remain materially unchanged with the minimum price guarantee mechanism continuing and anchored to world market conditions.

The Cabinet sets the initial sugarcane price, which informs planting decisions. The final price for MY 2025/26 remains to be announced; based on ICE No.11 near 14 US cents per pound, Post does not expect a material upward revision.

Since June 2021, the OCSB has incentivized green cane harvesting to reduce agricultural burning during harvest and reduce particulate matter (PM2.5) pollution. This approach to reward sugarcane farmers who do not burn with a premium at sugar mills has produced a structural shift in harvesting practices and increased extraction rate.

Thailand's progressive sugar excise tax entered its fourth and most stringent phase on April 1, 2025 (Table 2.1).

Appendix

Table 3 Thailand: Yield and Prices for Sugar and Molasses

	MY2024/2025	MY2025/2026 (Preliminary)	MY2026/2027 (FAS Forecast)
Yield per metric ton of cane			
Sugar (kg.)	100.51	103.84	103.00
Molasses (kg.)	39.92	35.66	35.00
Farm price (ex-factory): Baht/Ton	1,126	890	940
Wholesale prices			
Sugar (Baht/100 kg.)	2,100	2,100	2,100
Molasses (Baht/Ton)	4,039	5,000	5,000

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

Notes: Molasses wholesale prices for MY 2025/26 and MY 2026/27 are subject to revision pending confirmation from OCSB
The average exchange rate in February 2026 (the latest available export data) was \$1=31.11 Thai baht (Bank of Thailand)

Table 4 Thailand: Total Sugar Exports

Unit: Metric Tons Raw Value

Destination	2021	2022	2023	2024	2025	% Change
Indonesia	1,155,493	2,617,307	2,233,718	937,419	1,611,296	71.9
Cambodia	555,825	630,564	631,828	810,288	821,460	1.4
South Korea	278,836	770,848	735,132	486,613	593,221	21.9
China	146,582	355,086	302,793	238,944	234,634	-1.8
Malaysia	154,930	441,678	521,991	228,362	224,083	-1.9
Taiwan	251,037	228,418	265,718	152,609	169,535	11.1
Japan	201,801	105,525	98,943	116,572	107,757	-7.6
Singapore	104,180	54	149,355	104,414	88,663	-15.1
United States	15,782	18,671	23,599	22,921	14,257	-37.8
Other	987,156	1,888,498	1,801,430	2,336,872	2,290,217	-2.0
Total	3,851,622	7,056,649	6,764,507	5,435,015	6,155,584	13.3

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

Table 5 Thailand: Raw Sugar Exports

Unit: Metric Tons Raw Value

Destination	2021	2022	2023	2024	2025	% change
Indonesia	1,030,382	2,420,367	2,092,803	879,754	1,560,086	77.3
South Korea	180,034	677,561	642,254	394,631	503,743	27.6
Malaysia	48,603	368,996	443,707	119,262	15,808	-86.7
Vietnam	161,324	46,170	107,576	227,156	131,301	-42.2
Japan	131,962	102,801	97,162	115,158	106,500	-7.5
Taiwan	100,731	93,082	86,079	21,832	20,752	-4.9
United States	15,679	18,106	21,961	21,697	14,257	-34.3
Philippines	-	-	10,406	94	-	-
Tanzania	-	2,565	2,563	500	3,600	620.0
Singapore	844	-	1,728	7,064	1,444	-79.6
China	6,000	108,591	770	49979.6	25427	-49.1
UAE	91	79	168	544.8	251.43	-53.8
Others	22,351	12,626	72,454	110,086	115,530	4.9
Total	1,698,001	3,850,944	3,579,630	1,911,322	2,498,699	30.7

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

Table 6 Thailand: White and Refined Sugar Exports

Unit: Metric Tons Raw Value

Destination	2021	2022	2023	2024	2025	% change
Bangladesh	171,815	401,816	642,689	2,387	19,125	701.2
Brunei	549,136	627,614	631,397	5,070	5,062	-0.2
Burma	140,918	460,281	417,152	60,166	94,412	56.9
Cambodia	140,582	246,495	302,023	809,102	820,148	1.4
China	103,336	105,256	147,627	188,965	209,207	10.7
Indonesia	123,111	196,940	140,915	57,665	51,209	-11.2
South Korea	98,802	93,287	92,878	91,982	89,478	-2.7
Laos	106,327	72,682	78,284	334,874	358,506	7.1
Malaysia	238,108	73,212	67,876	109,100	208,275	90.9
Pakistan	-	96,926	43,323	250	91,550	36520.0
Philippines	27,037	15,110	14,106	203,138	400,429	97.1
Singapore	6,006	4,626	3,340	97,351	87,220	-10.4
Sri Lanka	1,202	1,498	1,043	7,037	11,437	62.5
Tanzania	-	24	498	29525	17950	-39.2
UAE	54	2,113	428	14605.61	16410.18	12.4
Vietnam	-	54	-	57867.77	107067.91	85.0
Others	304,594	575,331	451,606	1,418,172	1,068,937	-24.6
Total	2,153,621	3,205,706	3,184,877	3,487,257	3,656,424	4.9

Source: Office Cane and Sugar Board, Ministry of Industry

Table 7 Thailand: Sugar Utilization by Industries

Unit: Metric Tons

Type of Industry	2021	2022	2023	2024	2025
Beverages (Excluding Alcoholic Drink)					
Refined Sugar	223,168	234,899	196,451	189,989	175,654
White Sugar	179,357	192,236	238,922	206,023	151,792
Sub - Total	402,525	427,135	427,135	396,011	327,446
Cake & Bread and Alcoholic Drink					
Refined Sugar	1,158	16,150	17,982	20,251	19,282
White Sugar	46,140	42,454	36,152	48,999	51,677
Sub - Total	47,298	58,604	58,604	69,250	70,959
Fruit & Food Products					
Refined Sugar	80,444	77,454	75,209	79,075	64,162
White Sugar	192,725	221,601	240,857	162,802	215,942
Sub - Total	273,169	299,055	299,055	291,877	280,104
Dairy Products					
Refined Sugar	18,451	18,588	18,693	17,230	21,995
White Sugar	163,997	171,653	155,588	167,680	159,901
Sub - Total	182,448	190,241	190,241	184,911	181,896
Confectionary Products					
Refined Sugar	1,364	887	1,171	324	934
White Sugar	12,791	14,170	14,306	14,129	14,627
Sub - Total	14,155	15,057	15,057	14,453	15,561
Pharmaceutical Products & Miscellaneous					
Refined Sugar	12,791	21,547	25,307	12,823	12,335
White Sugar	12,110	23,327	26,855	25,541	18,794
Sub - Total	24,901	44,874	44,874	47,228	31,130

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

Attachments:

No Attachments