

## AGRICULTURE

# Cabinet gives nod to sugar-cane hike

## POST REPORTERS

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The cabinet has decided on the final sugar-cane price for the 2016-17 milling year of 1,083.86 baht a tonne, higher than the initial cane price.

Nathorn Chatusripitak, an adviser to the Prime Minister's Office minister, said the final prices were for sugar cane with a commercial cane sugar (CCS) sweetness level of 10.

CCS measures the sweetness of cane, with a higher sugar content resulting in larger sugar output and a higher CCS.

The cabinet yesterday also imposed a price increase for sugar cane equivalent to 65.03 baht per CCS per tonne.

The return for sugar production and distribution was set at 464.51 baht per tonne of sugar cane crushed.

The sugar-cane industry has been highly regulated by the government since the 1984 Cane and Sugar Act.

The main features of the act include controlling sugar-cane production, the allocation of sales quotas, the setting of prices for sugar cane and sugar, and a

revenue-sharing system.

The price of sugar cane is predetermined on an annual basis by the Office of the Cane and Sugar Board and is announced in October.

The board estimates the revenue from the sale of sugar to set the initial sugar-cane price. This price is used by sugar millers as a basis for calculating the initial price paid to planters.

At the end of the sugar production cycle, which is usually around September, the board re-evaluates the revenue from the sale of sugar and announces the final sugar-cane price.

If the actual final price, based on actual world price, is lower than the initial price set by the board, the Cane and Sugar Fund compensates the millers for the shortfall.

According to Mr Nathorn, because the final price set by the cabinet is higher than the initial sugar cane prices of 980-1,050 baht a tonne sugar mills have to pay the difference to the planters within 15 days.

Thailand produced about 92.95 million tonnes of sugarcane in the 2016-17 milling season, with an average CCS of 12.28.



**A sugar-cane farm in Khon Kaen. The new cane prices are higher than those imposed in October.**