

AGRICULTURE

Sugar high in store for KTIS with 26.4% surge in cane

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SET-listed Kaset Thai International Sugar Corporation Plc (KTIS) forecasts sugar production to rise this year, expecting to finish its 2017-18 sugar-crushing season in May with 11 million tonnes of sugar cane, a 26.4% rise from the 2016-17 period.

Deputy chief executive Nathapun Siriviriyakul said that all three sugar mills — KasetThai Factory, Ruampol Factory and Thai Identity Factory — have produced 10 million sugar sacks combined, equal to 1 billion kilogrammes from 10 million tonnes of sugar cane.

He said the higher volume of sugar cane and sugar is in line with the overall industry this year, projected to produce 130 million tonnes of sugar cane, a 39.8% rise.

“With the positive trend from the upstream sector, we forecast momentum for a massive volume of bagasse and sugar-cane leaves to be circulated into KTIS’s three biomass power plants, meaning more fuel to generate electricity,” Mr Nathapun said. “Some bagasse will also support KTIS’s downstream paper pulp products.”

He said the high volume of sugar cane and sugar can generate a higher financial performance for KTIS in 2018, but myriad risks could impact the country’s sugar industry, such as global sugar prices and currency exchange, since roughly 70% of the country’s sugar production will be exported.

Last year, KTIS posted a rise in total revenue of 20.5% to 18.19 billion baht and a net profit surge of 225.9% to 645.5 million baht.

Meanwhile, the country produced 100.3 million sugar sacks from 93 million tonnes of sugar cane in the 2016-17 sugar-crushing season.

Founded in 1957, KTIS runs four business units — sugar, paper pulp, ethanol and electricity — mainly in Nakhon Sawan and Uttaradit provinces.

The sugar business comprises 77% of KTIS’s revenue, while the ethanol and paper pulp segments represent 9.4% and



A farmer harvests sugar cane in Suphan Buri province. JIRAPORN KUHAHAN

7.2%, respectively.

For the electricity sector, Mr Nathapun said KTIS recently began full operations at three biomass power plants, Kaset Thai Bio Power, Ruampol Bio Power and Thaiekaluck Power.

This will be the first year in which the company can secure complete full-year revenue in the segment.

Mr Nathapun said the company’s 7-billion-baht biochemical complex in Nakhon Sawan is in the final draft of engineering design to construct all related infrastructure in two development phases.

The biochemical complex is a joint venture with Global Green Chemical Plc (GGC), the SET-listed biochemical arm of PTT Global Chemical Plc, on a 2,000-rai plot near KTIS’s sugar farm.

Each company will own a 50% stake in the project.

“Our purpose is to attract other local and foreign investors to make biochemical products in this complex, and the first phase will make ethanol, water vapour and electricity,” Mr Nathapun said.

KTIS shares closed yesterday on the Stock Exchange of Thailand at 6.20 baht, unchanged, in trade worth 131,030 baht.