TCC group plans to take on cash crops

**Major investments planned for the region**

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Thai Charoen Corporation Group (TCC), the conglomerate controlled by liquor tycoon Charoen

Thailand senator and retired chief of the Agriculture Department.

Mr Charoen is strongly interested in the agriculture sector, but he has no plan to do business relating to livestock production. Export-oriented and energy crops match his interest,” said Mr Ananta, a former Surat Thani senator and retired chief of the Agriculture Department.

According to Ananta Dalodom, Plantheon’s executive vice-president, the new business line was developed at Mr Charoen’s initiative to add value to some of his non-performing rural land assets.

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Plantheon has four major business groups: sugar industrial business; agriculture business; agriculture in foreign countries (notably in Cambodia, Laos And Vietnam); and “agriculture for the future”, offering modern technology for plantations.

For the sugar business, Plantheon owns four mills with a total capacity
of 66,000 tonnes of cane per day under TCC Sugar Group, while Plantheon Limited focuses on industrial crop plantations covering oil palm, rubber, sugarcane and cassava.

Mr Charoen owns more than 100,000 rai of land in 54 provinces including Bangkok. About 20,000 rai have been allocated to rubber since 2004.

The group plans to increase rubber plantations by another 20,000 rai by 2010, mostly in Nong Khai, Kanchanaburi, Chachoengsao, Rayong, Prachin Buri and Loei. According to Mr Ananta, the plantations could produce 10,000 tonnes of rubber sheet per year by 2017.

For other crops, the company plans to expand plantation areas for sugarcane, tapioca and palm oil to cope with rising demand in the future for alternative fuels, as well as grow rice on the 10,000 rai in Nong Khai and Ayutthaya.

Currently, the group operates sugar mills in Lampang, Uttaradit, Suphan Buri and Chon Buri. Mr Ananta said the group plans to plant sugarcane on about 10,000 rai in Kamphaeng Phet and Sukhothai.

The company also intends to relocate its sugar mill from Uttaradit to Sukhothai because the latter has more cane but no mill. With the new mill, farmers will no longer need to transport crops to other provinces.

The company is also looking to expand tapioca planting, mainly to supply ethanol factories, Mr Ananta said. TCC now operates a gasohol refinery in Bang Lane, Nakhon Pathom, with a capacity of 400,000 litres a day.

Mr Ananta said the company had also already invested in 1,000 rai of oil palm in Chumpon to supply biodiesel producers.

Besides agricultural investments in Thailand, Plantheon also sees opportunities in neighbouring countries, especially Cambodia, Laos, and Vietnam.

The company has formed a joint venture with local partners in Cambodia to grow oil palm on 68,750 rai in Koh Kong, Cambodia. Another project in Cambodia also includes 52,500 rai of sugarcane plantations.

More than two billion baht has already been invested in Cambodia. The palm oil business is operated by Mong Reththy Investment Cambodia Palm Oil Co, while the sugar industry is overseen by the MRT-TCC Sugar Investment Co.

In addition, the company operates a port management business in Cambodia through Oknha Mong Port Co.

The company is now applying for approval to develop 62,500 rai into for an oil palm plantation in Cambodia that could produce about 200,000 tonnes of oil a year. A biodiesel factory is also in the pipeline there, said Mr Ananta.

In Laos, the group has set up Paksong Highland Co with local partners to grow sugarcane, coffee, macadamia nuts and horticultural crops such as asparagus in Pakse. The investment is estimated to cost around 600-700 million baht. Its Arabica coffee should hit the market in the next three years.

"We estimate more than five billion baht has been spent in those agricultural and agro-business projects. We are set to invest more than 10 billion baht in the near future to expand the TCC Group's new business lines," said Mr Ananta.

"We believe Thailand's agriculture sector could be more powerful in the
world market, as no other countries in the world produce such a wide
range of energy crops such as palm oil, tapioca, rubber and sugarcane.

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