

Kittiphan Hansamorn 2012: Decision Behavior on Shock Management of the Farm Households in Ubon Ratchathni Province. Master of Science (Agricultural Economics), Major Field: Agricultural Economics, Department of Agricultural and Resource Economics. Thesis Advisor: Mr. Kampanat Vijitsrikamol, Ph.D. 88 pages.

The rural farm households have readiness and factors related to their livelihood differently in facing unexpected and immediate occurrences. As a result, they have to encounter with higher expenses and losses in income and assets. These occurrences are namely "shock". In this study, there are 2 types of decision made by the farm household regarding of shock management: 1) decision to manage shocks so as to mitigate or eradicate the impacts and 2) decision not to manage the shocks. The objectives of this study aim to obtain socio-economic data of the farm households, classification of the farm households in terms of shock management, and factors affecting the farm household's decision on shock management. The study was conducted by interviewing 133 heads of the farm households in Ubon Ratchathathni province, 2009/2010. The quantitative analysis was done by applying a binary logit model.

The results indicated that most shocks, 65.29%, were shown in terms of agricultural shocks. Among these, drought and increasing input prices took 27.49% and 15.12%, respectively. Overall, impacts of the shocks caused the farm households to pay higher expenses and lost income including assets 7,238 baht per year on the average. The monetary damages in accordance with the farm household's decision on shock management were 7,421 and 6,892 baht per year for the household associated with and without shock management, respectively. As such, the reason behind the household's decision mainly depended on the value of damages drawn from shocks. In terms of factors affecting the decision on shock management, it revealed that number of family labor, number of shocks, and impacts of the shocks were major factors influencing the households to manage the shocks. However, important obstacles for the household to manage the shocks were number of family dependence and age of family members, respectively.

In order to encourage the farmers in Ubon Ratchathathni to manage their shocks, responsible government agencies should acknowledge the farmers to know how to properly manage risks and uncertainties in terms of diverse farming system to mitigate impacts from natural disasters. In addition, local employment should be promoted so as to attract family labors staying on their farms to manage the shocks. Lastly, variety of measures should be set to assist the farmers in adaptation to future shocks.

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Thesis Advisor's signature