

Nalinee Kongsuban 2008: A Financial Analysis on Pummelo Orchard Investment, Amphoe Wiang Kaen, Changwat Chiang Rai. Master of Science (Agricultural Economics), Major Field: Agricultural Economics, Department of Agricultural and Resource Economics. Thesis Advisor: Associate Professor Somkit Tugsinayisutti, M.A.B. 130 pages.

The objectives of this study were to determine an optimum age of replanting, to analyze worthiness of investment , and to analyze investment risk of pummelo orchard in Amphoe Wiang Kaen, Changwat Chiang Rai. This research specifically focused on Thong Dee variety. Primary data from 50 farmers in crop year 2006/07 were used. The analyzes were done via capital budgeting method and financial analysis of investment.

Under 20 years of time duration of the pummelo investment, the optimum age of replanting was not found because the farmers' revenues had increased up to the last year of the analyzing period. The financial analysis on pummelo orchard investment using discount rate at 7.50 percent per year found that the investment was worthiness, since the NPV was 534,858.23 Baht, the BCR was 1.61, and the IRR was 15.54 percent. In addition, the risk analysis found that the cost could increase to 61.01 percent and the return could decrease to 37.89 percent, implying that the risk from a decrease in investment return was higher than the risk from an increase in investment cost. This research suggested that the pummelo orchard in Thong Dee variety should be supported in Amphoe Wiang Kean, Changwat Chiang Rai. Moreover, the government should support financial resource to the farmers.

---

Student's signature

---

Thesis Advisor's signature

/ /