

This thesis is a study of the cost and return on investment of 1989/1990 betel nut growing by 100 farmers in the eastern part which has two methods of planting: "low land" planting in Chachoengsao and "high land" planting in Rayong.

The result of the study shows that the amount of betel nut trees planted in one rai of land of the two methods is different, i.e. the "low land" planting has 160 trees and the "high land" planting, 260 trees. For the "low land" planting, the average total planting cost and the average total income of fresh nut for ten years period are baht 71,031.01 and baht 115,273.79 respectively per rai. The average net profit for one betel nut tree is baht 276.50 while the total profit is baht 44,242.78 per rai. If the farmer has to rent a piece of land about 4 rais, the payback period is 7 years and 1 month. The net present value is baht 50,073.10 at the discount rate of 10% and the internal rate of return is 20.06%. If the farmer has his own land, the payback period is 6 years and 288 days. The net present value is baht 63,591.00 and the internal rate of return is 23.17%

For "high land" planting, the average total planting cost and the average total income of fresh nut for ten years period are baht 78,937.32 and baht 137,155.51 respectively per rai. The average net profit for one betel nut tree is baht 223.92 while the total profit is baht 58,218.19 per rai. If the farmer has to rent a piece of land about 4 rais, the payback period is 6 years and 11 months. The net present value is baht 72,780.27 and the internal rate of return is 22.62%. If the farmer has his own land, the payback period is 6 years and 265 days. The net present value is baht 83,840.37 and the internal rate of return is 24.86%.

For sliced dry nut, 222.22 fresh nuts would be used to make one kilo of dry nut with the incremental cost of baht 8.83 and the incremental revenue of baht 2.50. The dry nut should be made if the incremental revenue is more than the incremental cost. Thus if the selling price of one kilo of dry nut is baht 57.50, it is better to make and sell the dry nut if the price of the fresh one is lower than baht 21.90 for 100 nuts.

The above result indicates that the two planting methods yield a satisfactory return, comparing to the present bank fixed deposit interest rate of 9.5%. But the return of the "high land" planting is higher than that of the "low land" planting due to more betel nut trees in one rai of land even though the net profit per one tree of the "low land" planting is higher because of better maintenance and care of the farmer.