

Natthakamon Aungkura 2014: Impacts of Rice Policies on Agricultural Futures Exchange of Thailand. Master of Science (Agricultural and Resource Economics), Major Field: Agricultural and Resource Economics, Department of Agricultural and Resource Economics. Thesis Advisor: Assistant Professor Visit Limsombunchai, Ph.D. 94 pages.

This study aimed to investigate the impacts of rice policies on Agricultural Futures Exchange of Thailand (AFET). The data used in this study were daily trading volumes and settlement prices of white rice (5% broken) during 2006-2012. The study mainly focused on 2 rice policies; they were Rice Price Guarantee Scheme and Rice Pledging Scheme. Event study Analysis, which comparing trading volumes, returns and volatilities of returns 7, 30, 60, 90 and 180 days before and after the policies changed, and the GARCH (1,1) models were applied in this study.

The results indicated that under the Price Guarantee Scheme of Abhisit Vejjajiva, the trading volumes, returns, and volatilities of returns on white rice (5% broken) in AFET were higher than those in Yingluck Shinawatra's and Samak Suntoravej and Somchai Wongsawat's Rice Pledging Scheme. Furthermore, under the Rice Pledging Scheme of Surayud Chulanont, which the pledging prices were set below the market prices, the trading volumes, returns, and volatilities of returns on white rice (5% broken) in AFET were higher than those in Samak Suntoravej and Somchai Wongsawat's and Taksin Shinawatra's Rice Pledging Scheme, which the pledging prices were set higher than the market prices.

This study suggested that Rice Pledging Scheme should not set the pledging prices higher than the market prices, but they should be set close to the market prices to attract the investors to participate in AFET. In addition, to avoid the unneeded impacts to the AFET, rice price subsidy policies should consider the production costs and market mechanism when determining the prices of the programs.

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Thesis Advisor's signature