

Vareepart Ketmee 2013: An Analysis of Price Integration between Gasohol and Energy Crops. Master of Science (Agricultural Economics), Major Field: Agricultural Economics, Department of Agricultural and Resource Economics. Thesis Advisor: Mr. Sorrawat Wisalapron, Ph.D. 122 pages.

According to the fluctuation of oil price in the world market, the government of Thailand has released the alternative energy policy since 2007. There were international reviews related this issue showed that the policy has causally impacted to price transmission between energy crops and alternative energy market. Based on the previous literature, moreover, has confirmed that relationship between energy crops and alternative energy prices was highly connected and integrated market through the movement of energy crops price caused directly to the trend of alternative energy price.

The purpose of this research, therefore, was to study price transmission between alternative energy and energy crops of Thailand focusing on sugar cane and cassava through time series analysis to detect the directional relationship between the variables and compare with the international literature. Based on the diagnostic analysis showed that the relationship of the price in short term between gasohol and energy crops was detected and no long term relationship can be proved. It can be concluded that the Vector Autoregressive Model (VAR) was more appropriate to be model selected as an examiner than the Vector Error Correction Model (VECM). The results of this research can be separated into two points. First, the examining has found that sugar cane price has more influence affecting gasohol price than cassava price, because the molasses from sugar can is more popularized to produce the ethanol due to the lower production cost. Second, the view of the price transmission is not clear enough, because the sugar cane price is different from the other agricultural price. The relationship from both, sugar cane price and gasohol price, is not explicit as it should be. In the conclusion, we point out to the price transmission between alternative energy and energy crops in Thailand that expects to be seen clearly in the near future.

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