Title : AN ANALYSIS OF BENEFIT AND COSTS DURIAN PRODUCTION

AT NONTHABURI PROVINCE IN 1991

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Durian is listed as Thailand's first-ranking fruit of economic importance. IT is widely populary eaten. Even though increase in the output each year, there is no decline in the purchase and sale volumes. Fruits have been ranked, with durian being esteemed as "King of Fruits".

The worldwide famous source of durian production must certainly be Nonthaburi Province, noted for its "Muang-Non Durian". However, Nonthaburi has now become almost only one and the same as Bangkok. Presently, its role in agriculture (orchard crops) is inevitably declining, leading to the emerge of new famous sources of durian production in Chantaburi, Rayong, Prachinburi and such southern provinces as Chumphon and Nakhon Si Thammarat. Kowever, Muang-Non durian is still preferred by consumers because of its sweetness in taste, thus accounting for its relatively higher price than those of the durians of other regions.

With respect to durian orchard gardening, if one merely takes a look at the output and the price of the produce earned each year by a durian producer, one will find that they earn a very high income; but in fact, the case is not so, because in a successful durian production work there are a great deal of obstacles,

particularly problems about a water source, diseases and pests harmful to durian trees, which are regarded as being among the parameters involved in the calculation of the cost of durian production.

Durian orchard gardening is a delicate work. It calls for a rather high level of skill and experience and an expense budget sufficient to invest to some extent. Although a number of producers have quited the occupation due to the problem of durian diseases, which causes the maintenance cost to rise, and also due to a payback period as long as 5-8 years, yet there are a good number of new-generation producers who are still enamored and fascinated by the price of durian. So these new-generation producers must necessarily seek after skill and experience from various sources. However, a durian orchard is nothing impossible.

As regards durian orchard gardening, the student has studied about the botanic character of the durian tree and investigated the cost and the return of durian production by collecting data on the cost and the return to be obtained by producers from investment in durian production and directly studying data from documents, publications and reports on durian cultivation.

Regarding durian orchard gardening, it has studied about the costs of production in areas sized 1-4 rai and 5-8 rai by establishing it that the cost of durian cultivation comprises of the cost of young durian plants, the cost of soil preparation and fertilizer application, the cost of planting, the cost of fuel, the cost of labor, the cost of agricultural tools used in cultivation, the cost of agricultural tool repair and the land tax. As the result of studying these costs, it has known that the cost for a period of 10 years in a cultivation area of 1-4 rai is Baht 180,383.20 and that in a cultivation area of 5-8 rai is Baht 346,366.60

Based on the analysis on the cost, the quantity and the profit in the case where the producers want to earn more income or wants to lower the Break-even point, he must try to reduce the cost incurred and the increase quantity of cultivation in order to increase the quantity of durian fruits or increase the price of durian, of which the most import antalternative that the grower will be able to take is to increase the quantity of durian fruits by letting the durian trees retain fruits in a larger quantity than that of durian fruits at the cost point by enlarging the cultivation area.

The analysis of the return on investment of durian production, using the method, of analyzing and evaluating investment that gives its return in a period of 10 years, has revealed that in the cultivation areas of 1-4 rais and 5-8 rais the rates of return on investment are 36.78 % and 41.09 % respectively; the payback periods are both 5 years; the net present value, with interest rates of 12% and 15% in the cultivation area of 1-4 rai is Baht 137,284.68 and Baht 111,381.63 and in the cultivation area of 5-8 rai it is Baht 296,325.90 and Baht 240,215.12 respectively. In addition, the study of the internal rates of return in the areas of 1-4 rai and 5-8 rai has revealed them to be 11.14% and 12.04% respectively.