

ABSTRACT

Abstract of thesis submitted to the Graduate School of Maejo University in partial fulfillment of the requirements for the degree of Master of Science in Agricultural Economics

FACTORS AFFECTING SUPPLY OF CASSAVA IN THAILAND**BY****KITSANA TRIYARN****MAY 1999**

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The objectives of this research were to study 1) factors affecting supply of cassava in Thailand; 2) elasticity of supply of cassava; and 3) government policy affecting the supply of cassava in Thailand.

The secondary data from crop years 1973/74 to 1974/95 were used for analyzing factors affecting the supply of cassava, i.e. planting area, the price of pelleted cassava, and the policy on growing rubber plant to replace cassava. The equations were estimated by using multiple linear regression.

The results indicated through double-log form analysis that the supply of cassava and all three factors were statistically significant. While the planting area was significant factor, the price of pelleted cassava and the policy on growing rubber plant to replace of cassava were highly significant factors. The three factors could be accounted for 98.17 % of supply for cassava, while the remaining for 1.83 % was influenced by the other extraneous factors .

The elasticity value of supply for cassava in relation to the planting area, the price received for pelleted cassava in the previous year, and the policy on replace next of cassava growing area by rubber plantation for the year were 0.98 and 0.13 respectively, which indicated low elasticity.

Due to the Common Agricultural Policy Reforms: (CAP Reforms) had changed by the European Union to decrease price of the alternative grains for pelleted cassava resulting in the low

price of pelleted cassava. The researcher recommended that the government policy on decreasing cassava area by alternative agricultural activities, such as, perennial plant, livestock production and some alternative crops that had expandable the market were needed within the land area of one million rais.