

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 Cooperative Economics

THE FEASIBILITY STUDY FOR THE SEED CORN PRODUCTION**COMPANY IN LOPBURI PROVINCE**

By

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The aim of this independent research was to examine economic, social and financial possibilities of investment in corn seed production in Lopburi, the results of which will be used as a guideline for making decision on investment in this kind of business.

From this research, it was found that the extension rate of the corn growing areas decreased, and the farmers increasingly tended to use the blended corn seeds from private growers rather than local corn seeds and those provided by the government. The study of possibilities of investment in corn seed producing factories in Lopburi by using the information about the extension rate of corn planting areas in 1987-97 revealed that the corn-growing areas dropped from 10.94 million rai in 1987 to 2.18 million rai in 1988. The blended corn seed growing areas increased to 5.85 million rai while only 0.4 million rai was used for growing corn seeds provided by the government.

From the study of the expansion of blended corn seed growing areas, it can be predicted that, in the year 2002, the growing areas of blended corn seed will be 8.1 million rai and 20,270 tons of blended corn seed will be used. The demand for corn seed in the market was about 2,700 tons, much higher than the production.

There was only 0.16 million acres. In 1997, the study of the expansion of blended corn seed use could be considered by calculating the rate of use of blended corn seed. By looking at the amount of present use, and growth rates, predictions have been made. These show that in 2002, there will be about 3.24 million acres, and the blended corn seed used will be around 20,270 tons. If we study the corn seed marketing, we see that the demand for corn seed in the market is about 2,700 tons. It shows that demand is still higher than production.

The analysis of the budget for the project has been studied over 5 years. Investment has been 517,654,552 baht. The result of the Net Present Value discount rate of 18% equals 132,414,860.37 baht. The benefit from the Internal Rate of Return investment is 60.44%, the capital paid back (Pay Back Period) within 3 year, and the average return on capital was 1.28%. The technical and social analysis of the planning can be divided into three sections: Office, Production, and Storage of the agricultural products for sale. The exploration between 1987-88 could be adapted from the corn seed manufacturing factory. Lopburi is a province in the central region of Thailand, and it is an agricultural area that has great potential, giving a high agricultural return of 574 kilograms per 0.4 of an acre in 1995-96. Moreover it is a source of production that has convenient transportation for sending corn all over the country. In the social perspective, the establishment of the factory gives job security and increases income, including the saving of money. The money generated will also help to develop education in the area, and improve health.

From the study above, the analysis of all areas suggests that investment is a feasible option.