

Lakkawan Muangthong-on 2009: A Financial Analysis of Milk Goat Farm Investment in Nonthaburi Province. Master of Arts (Agribusiness), Major Field: Agribusiness, Department of Agricultural and Resource Economics. Thesis Advisor: Professor Mrs. Kanchana Sripruetkiat, Ph.D. 166 pages.

The objectives of this thesis research were to study agribusiness subsystems of milk goat and to compare cost and financial return of milk goat farming investment between small and medium farms. Data were obtained from 30 farms in Nonthaburi Province. Farm with milk goats less than 30 classified as small farm while less than 60 classified as medium farm.

A study of agribusiness subsystems of milk goat covered 5 agribusiness subsystems: input supply, production, processing, distribution, and agricultural loan subsystems. Input supply subsystem was composed of land, goat milk breed, feed and labor. Production subsystem was included building area, feeding format and milking a goat. In processing subsystem most farmers didn't process goat milk but they sold some raw milk to processors who transformed it into pasteurized goat milk and cheese. In distribution subsystem most farmers sold raw goat milk directly to consumer and milk goat to farmers in Nonthaburi Province. In agricultural loan subsystem most farmers didn't take loan from formal financial institutions. Cost and return analysis showed that the return over cost for small and medium farm were 78.16 and 82.38 Baht, respectively. A farmer with medium farm received net return greater than small farm.

Farmers' own investment with discount rate at 7.50 per cent showed that NPV, BCR, and IRR for small farm were 100,288.75 Baht, 1.19, and 26.89 per cent; and for medium farm were 263,697.02 Baht, 1.20, and 26.77 per cent, respectively.

A switching value test for farmers' own investment expressed that SVT_B for small and medium farms were 16.31 and 16.32 per cent, while SVT_C were 19.48 and 19.50 per cent, respectively. Thus, milk goat farming investment for both small and medium farms had high degree of financial risk. To reduce financial risk, goat milk cooperative should be settled with government supporting in high yield milk goat breeding, and effective goat milk farms management to farmer.

Student's signature

Thesis Advisor's signature