

Benjaporn Pookhang 2011: An Analysis of Sugar Cane Procurement Business System in Suphan Buri Province. Master of Arts (Agribusiness), Major Field: Agribusiness, Department of Agricultural and Resource Economics. Thesis Advisor: Associate Professor Sanit Kao-ian, M.S. 144 pages.

The objectives of this study were to investigate agribusiness system of sugarcane production which explanation included the relevant sub-systems of sugarcane agribusiness system, to reveal advantage and disadvantage among sugarcane procurement alternatives for the sugar mills, to conduct cost-return analysis on all types of farmers' sugarcane production in Suphan Buri Province, crop year 2009/10

The study results from cost-return analysis of farmers' s sugarcane production showed that., the farmers with and without contract farming credit for the first year planting earn the profit of 1,891.76 and 1,315.68 Baht/rai, respectively. In the case of second ratoon production, both types of farmers received 5,082.90 and 5,009.55 Baht/rai for their profit, respectively.

The results of cost-return comparison between sugarcane procurement methods of the quota leaders showed that the case of the quota leader procuring from doing their own crop production revealed average production costs 9,803.55 and 6,645.92 Baht/rai for the first and second ratoon production respectively. For this case, the quota leader received the profit of 302.61 and 563.39 Baht/ton from the first and second ratoon sugarcane production, respectively. For the case of the quota leader procuring by contract farming credit, the quota leader bore the cost of interest, harvesting and transporting at 222.59 Baht/ton and this can earn profit of 100.55 Baht/ton. In the case that the quota leader directly bought from the farmers without contract, the quota leader has purchasing cost of 1,037.93 Baht/ton whereby the profit after selling to the sugar mill was 67.51 Baht/ton.

Recommendation which can be drawn from this study is that procurement by doing own sugarcane production of the quota leader will give highest profit among other alternatives. In the case that this procurement method cannot fill entire the quota, the quota leader can procure the rest by procurement with contract farming credit and directly buying without contract. However, the quota leader should take advantages and disadvantages as well as opportunity cost of the fund among these alternatives into consideration in order to reduce risk of business loss.

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Thesis Advisor's signature