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 Independent Study Advisory Committee : Assoc.Prof. Charun Dayananda,  
 Asst.Prof. Piansak Pakdee

### Abstract

The objectives of this research were to study the cost of the production and cash return, the break even point, the financial statement analysis, marketing channel of milk plant, effect of government policy to the business of pasteurized milk of Khon Kaen College of Agriculture and Technology Manjarkiri District, Khon Kaen Province.

The Findings of the costs of production and cash returned of the budget year 2001 were produced 9,041,176 bags, and were separated into the fresh and the sweetened flavour as 1,646,201 bags (18.2078 percent), 7,394,975 bags (81.7922 percent) respectively. Total costs of production were 38,705,184.30 baht , and were separated into total variable cost and total fixed cost as 37,595,073.56 baht (97.1319 percent), 1,110,110.74 baht (2.8681 percent) respectively.

Most of variable cost of the fresh flavour including raw milk material and transportation were 60.9942 and 26.2249 percent compared to 59.4554 and 25.5673 percent of the sweetened flavour. The cash fixed cost of total fixed cost was 44,023.74 baht and the non cash fixed cost was 1,066,087 baht (not included depreciation and operation). An average total cost of the fresh and the sweetened flavour were 4.1922 baht and 4.3007 baht per bag respectively.

Total revenue of pasteurized milk, total cost of production, net profit were 40,611,024.95 baht, 38,705,184.30 baht, 1,905,840.65 baht respectively. Net revenue and net profit of fresh flavour were 0.4806 baht per bag and 0.3578 baht per bag compared to the sweetened flavour were 0.4721 baht per bag and 0.3493 baht per bag.

Break even point of the fresh flavour was 2,309,843.4041 bags and the sweetened flavour was 2,351,431.3493 bags, break even point which valued of the fresh flavour was 10,509,824.6643 baht, the sweetened flavour was 10,934,143.0358 baht.

Financial statement analysis of liquidity ratios were current ratio, quick ratio at 4.115 , 4.087 times respectively. Leverage ratios were debt ratio, total to owner's equity ratio at 0.1279, 0.1467 times respectively. Return on investment before and after tax were 27.06

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percent and 18.94 percent. Net profit margin before and after tax were 4.69 percent and 3.285 percent.

Most of marketing channels including school milk programme, co-operative store and Khon Kaen College of Agriculture and Technology students were 40,482,177.45 baht (99.683 percent), 128,847.50 baht (0.317 percent) respectively. The raw milk resources came from Khon Kaen Dairy Co-operative, Dairy Farming Promotion Organization of Thailand (D.P.O.), and Khon Kaen College of Agriculture and Technology dairy farm were 81.537, 18.1446 and 0.3184 percent respectively.

Intervention effects of products from the government policy on non and co-operative group that depend on The Dairy Co-operative Federation of Thailand Limited, and small farmer group had positive effects on prices, milk quality and numbers of farmers.

The zoning had negative effects on raw milk and supplier from Khon Kaen dairy Co-operative and D.P.O.. Marketing and pasteurized milk production had decreased from 50,000 bags per day to 35,000 bags per day. Cost of production was increased. Consequence, marketing bargain, cost of marketing and transportation were decreased. Although the lowering bargain and type of brand had limited according to zoning effects, the consumer including pre-school children and student from grade 1-4 had a good quality and quantity of pasteurized milk, but the one who concerned purchasing milk were restricted on choosing the brands.