

สารนิพนธ์

THESIS ABSTRACTS

THE ROLE OF GOVERNMENT IN CROPS PROMOTION: CASE STUDY OF KENAF

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Agricultural production which includes crops, forestry and fishery, is the life-blood of the economy of Thailand. Crops are the most important source of gross national product. The chief crops such as rice, kenaf, maize, are major export items. Since 1955 kenaf cultivation has expanded very rapidly and kenaf products have become important export goods. In 1961 the revenue derived from the exportation of kenaf was the second to all other crops and a third of total exports. Because of its relative importance to the Thai economy, and since the government has an important role in many phases of kenaf cultivation and distribution, the writer decided to study the role of government in kenaf promotion. The study covers the role of government in agriculture, cultivation, industrial consumption of kenaf and its export, as well as problems concerning kenaf promotion.

The role of government in kenaf promotion is two fold. In connection with kenaf cultivation, figures show that both acreage and productivity has been increased at a very high rate since 1955, as shown in the following table:

Production and Export of Kenaf
(1955-1961)

Year	1955	1956	1957	1958	1959	1960	1961
Particular							
Area of cultivating (rai)	62,374	124,746	89,416	140,604	295,269	902,703	—
Production (ton)	11,172	19,574	20,378	32,518	53,852	187,553	—
Buyer Countries	11	11	14	18	18	20	29
Export revenue (฿ 1,000)	8,536	18,644	46,097	69,449	88,321	230,023	626,450
Export quantity (ton)	2,935	5,859	14,579	27,587	37,317	61,768	143,476
Quantity index	100	199.95	496.96	943.10	1,271.16	2,130.99	4,887.19

The expansion of kenaf is due to two factors. First, yield per rai (in terms of money) of kenaf cultivation in the North-East is higher than other crops which are cultivated in that area. Second, since 1959 world production of jute has decreased due to floods in major export countries and the market for jute, thus, has been a "seller market". Since kenaf can be used as a substitute for jute in the production of gunny bags, by using a higher percentage of kenaf in the blending with jute, the need for Thai kenaf has increased. At present, however, the jute market has been changed from a "seller's market" to a "buyer's market". Accordingly, price has decrease along with demand. Our concern for the future is thus a concern for low prices and over-production. The government has tried to solve the first problem through price supports (government promise to purchase all kenaf and jute production at fixed prices). But the volume of kenaf production is so great that government price supports were not effective. Therefore prices support, at present, cover only jute and kenaf of Grades Super, A and B.

Other problems facing the government are those of as seed and quality. Most of the kenaf seed used at the present time is "Chinese seed" which is inferior to "Cuba seed". The government recognizes this fact and has tried to encourage the use of "Cuba seed". But the role of government is so limited by manpower, materials and budget that production of Cuba seed for distribution to farmers is still very small. A number of farmers in some provinces in the North-East had been exploited by some merchants in form of seed borrowings at confiscatory interest rates. Another problem is inferior quality of kenaf. A major cause of inferior quality stems from the improper method of kenaf-washing in arid areas.

In the production-end, the government has engaged in gunny bag manufacturing by running three mills. Before 1951 Thailand imported all its gunny bags, at a cost of more than one hundred million bahts per year. In the period 1951-1954, the government established three gunny bag mills but production from these mills meets only half of domestic demand. These three mills faced several serious problems such as high cost of production and inferior quality resulting in heavy losses to the industry. Their product cannot compete with foreign gunny bags. These industries have been supported by government in many ways: the government supplies raw material at low prices; sets price comparatively higher than market prices to sell to importers in return for importing rights; and, distributes all products. It also subsidizes the mills from income earned for expansion of activities. Despite this assistance, the mills still operate in the red.

In conclusion, the role of government in kenaf cultivation is very narrow because this activity does not offer direct benefit to any particular governmental unit. But government engages in many activities concerning the kenaf industry in the form of creating a complex of public enterprises, as well as very sympathetic policies. In order to accomplish the goal of promoting kenaf as a crop and as an industry the government should try to balance its activities in both areas.

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