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Abstract

After rice and sugar cane, cassava accounts for the third largest arable land in Changwat Khon Kaen, ranking eighth in the country. It is therefore considered major crops for the province. Further studies on cassava business in the province are needed so as to collect more information for planning on the development of the business and competitiveness.

This study aims to 1) investigate the situations of the cassava production and marketing in Changwat Khon Kaen 2) examine the internal and external environment of the cassava business in Changwat Khon Kaen, and 3) make strategic plans for the cassava business in Changwat Khon Kaen.

The research has been conducted using secondary data collected from governmental organizations, related associations, and related reports in regard of production, marketing, and governmental measures aimed to promote cassava industry. The situations of production and marketing were concluded. The internal and external environment of the cassava business were analyzed for making strategic plans for the cassava business in Changwat Khon Kaen.

It was found that cassava production happens all the year round, continuously supplying its produce to the market. Primary cassava products – chips, cassava pellets and flour – are generated by processing plants. Most of these products are supplied abroad through exporting entities.

There are several problems for cassava business in Changwat Khon Kaen. In terms of production, most minor agricultural producers are not sufficiently educated on the development of productivity. They are also burdened with high labour costs. The amount of the produce is changeable as a result of fluctuating market prices and dependence on foreign markets. Provincial consumption of the products are relatively low since most of them are sold to exporters. This results in unstable prices which heavily depend on foreign markets. The production is, in turn, affected since they are dependent on the selling prices. When their asking prices are met, the production is heightened. And when the selling prices fall, the production slows down. This causes flour factories to have difficulties managing the raw material.

Governmental organizations are currently taking part in the development of cassava industry by providing further promotional measures, education in productivity development, support to the research for new products from cassava, and additional

promotion of domestic consumption of cassava products. Therefore, cassava is another plant likely to make substantial income for minor producers in Changwat Khon Kaen.

The following measures are suggested. 1) Productivity should be enhanced by the producers in terms of selecting appropriate varieties, applying the academic production fundamentals provided the government planting and tending, and consolidating the minor producers so as to increase their bargaining power when faced with buyers. 2) Product quality should be improved by processing entrepreneurs so that market demands are met. This can be done by decreasing the contaminants, by signing business contracts with agricultural producers so as to manage the raw material efficiently, and by consolidating with other processing entrepreneurs in order to prevent cut-price competition and to increase the bargaining power when faced with buyers. 3) Information and techniques on production should be continuously handed over by governmental organizations to the agricultural producers. Processing procedures should be supported so as to meet the needs of the market. Financial support and production materials should be provided for systematic expansion of the cassava industry. More marketing channels should be sought. Domestically, additional consumption of cassava products should be encouraged in various industries, especially the animal food industry. As to international markets, further negotiations should be made so as to reduce the commercial sanction and make the use of cassava products more popular.