

Para Rubber Value Network Project phase I

Abstract

There are 4 objectives of this research, i.e. 1) to assess situations and compile information on production and marketing of Para rubber, 2) to formulate a precedent of cooperative administration with linkage from production system of Para rubber farmer's members through supply chain to target market, 3) to link Para rubber business's network from producers to foreign importers under supply chain with agricultural cooperative being leader of the network, and 4) to recommend to government in supporting sustainable Para rubber farmer's development.

The research's results shown that this agricultural cooperative conducted its Para rubber business in 3 manners, i.e. purchased rubber latex and processed to smoked rubber sheet, purchased smoked rubber sheet from its network, and purchased rubber sheet from its members and other farmers. Yantakao Agricultural Cooperative provided working fund to its network members at 500,000 Baht per member without interest rate. The repayment was made by giving in smoked rubber sheet being produced by the network members within 7 days. From conducting of its members' data base, it also found that they needed assistances from the cooperative about quality and price of fertilizer.

Prior to formulate the business plan on processing plant investment for export, study visits on compound rubber processing were conducted, i.e. 1) Than Nam Thip Farmer Group and Yantakao Agricultural Cooperative came up with Para rubber business alliance, 2) Euroma Rubber Ind. Company, and 3) negotiation on mode of linkage Para rubber business alliance with All China Federation of Supply and Marketing Co-ops, People Republic of China. The results of analysis on investment of cue smoked rubber sheet processing plant with capacity of 5,000 ton/year and compound rubber processing plant with capacity of 2,000 ton/year shown that net present value of both projects were worthwhile.

The research's results led to policy recommendations, i.e. in the case of conducting Para rubber business from upstream to export, the cooperative required to establish Para rubber learning center in order to improve quality of Para rubber. In addition, structure of administration should explicitly comprise production division and marketing division for Para rubber product.