Has oil palm a future in NE Thailand?

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Why oil palm production in Northeast Thailand?

- In 2005 Policy for energy self-sufficiency & sustainability
- In 2006 Policy aiming at expansion of oil palm for biodiesel
- Expansion in the South is below expectation
- Promotion of oil palm production in the North East region

http://www.siambioenergy.com
Is it possible to produce oil palm in the NE?

- Only some areas (green) have suitable soils
- Very dry: 6-7 months rainfall < 100 mm.
- Good planting material provided
- Interest-free loans to establish plantation
- Training on Good Agricultural Practices

Who are the farmers in the North East?

**Oil palm adopter**

- 1 ha-Rice; self sufficiency
- 3 ha-Rubber
- 2 ha-Oil palm, in low rice producing, flooded or abandoned land

**Non-Oil palm adopter**

- 1 ha-Rice; self sufficiency
- 3 ha-Rubber

Palm oil to add value to useless land, diversify on-farm income generation

Farming, diversify with off-farm income generation

(NEA, 2005)
What is the marketing infrastructure?

1. A local Small CPC
   - 4 Baht/kg
   - (result from regression analysis)
   - Survey (n=108)

2. Local middleman
   - 2 Baht/kg
   - Compliance to fertilizer and irrigation recommendations is low
   - Compliance depends on income from rice and other crops, age of oil palm and oil palm training (result from regression analysis)

3. Local middleman + harvesting
   - 5 Baht/kg

Do farmers apply Good Agricultural Practices?

- Compliance to fertilizer and irrigation recommendations is low
- Compliance depends on income from rice and other crops, age of oil palm and oil palm training (result from regression analysis)
Does GAP lead to high production/ha?

- Yield significantly (p<0.05) differs with tree age and irrigation
- Soil texture does NOT significantly affect yield
- Largest yield of 30 ton/ha in tree with highest age with irrigation

Is there effect of fertilizer application on yield?

- NB Application of N is highly correlated with application of other fertilizers so yield effect cannot be attributed to N alone
Oil palm does have a future in NE Thailand!

- For farmers that have sufficient land, income and oil palm training to invest in on-farm diversification
- When market infrastructure leads to regular collection, timely delivery to the mill and attractive farm gate prices
- When irrigation infrastructure and affordable fertilisers are available to overcome soil and rainfall constraints to high yields

Oil palm does have a future in NE Thailand

The new zoning policy prohibits government investments for oil palm in the North East.

- Oil palm development in the North East will hence depend on private sector investments
- A new mill has recently been build in the area showing that the private sector sees the potential
KHOB KHUN KA
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THANK YOU

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