

Abstract

This research is to study market potential in the Royal Project Extension Areas (RPEAs). The main objective of this study is to examine the situation of production, and marketing of three agricultural product groups—vegetable crops, fruits, and flowers—in the eleven study areas within the Mae Ping river basin. This study analyzes the merchant middlemen intermediaries and consumers' needs, in order to determine market potential and strategies for the RPEAs in study areas. The data gathering methods used in the study are; interviews, and focus groups discussion. In addition, secondary data from several sources such as census data, statistical reports, electronic data, and published data from both government and public sector, are also used to analyze the overall situation of this study.

The marketing channel study surveyed sixty wholesalers, retailers, and consumers in Chiang Mai and Kamphaeng Phet province from April to June, 2015. The results of this study indicated that five of overall respondents are fruit wholesalers and retailers, who identified that the fruits they sell include mango, passion fruit, gooseberry, strawberry, avocado, seedless grape, and plum. The majority responded that these produce are sourced from the RPEAs and wholesalers from Muangmai market in quantities of ten-kilogram bags, and later resold at Mae Hea, Baan Ta Wai, Phu Doi market, or sent to refrigerated rooms in Uttaradit by truck. From the findings, which show that the daily demand exceeds the supply, a suggestion for the RPEAs is to increase the fruit production in order to fulfill the daily demand of the market. Twenty-five of overall respondents are vegetable wholesalers and retailers, whose selling products include Chinese kale, baby Chinese kale, various types of lettuces, cabbage, sweet corn, bell pepper, and tomato. The majority responded that these produce are sourced from the RPEAs as well as other farmers in quantities of ten-kilogram bags, and later resold at Muangmai and Baan Sam markets, or sent to Nong Dok Song Len market. According to the findings, a suggestion is to expand the production of vegetables above, in which they are not yet produced by the RPEAs but appeared in high demand and sourced elsewhere. Seven of overall respondents are flower wholesalers and retailers, who sold ornamental (house plant) flowers. These produce were supplied from JJ, Sanamluang, Klong Sibha markets in Bangkok, and Prachinburi, while few were sourced in Chiang Mai. The price of these flower plants have remained stable at about ten baht per unit. Consumers of these flower plants are mostly

government offices and event planning agencies. In addition, cut-flowers were sourced from Doi Inthanon, Kun Klang village, Pongyang, Mae Wang, Mae Rim, Chiang Rai, Lampang, and China. The price of these flowers vary according to their evaluated quality, grade, and the season. Cut-flowers farmers either are contracted for whole crops, elicit and take orders from merchant middlemen for picking up, or taking their harvests to market directly themselves.

In the aspect of customer demand, the study was conducted on surveying the customer's behavior of 120 people, who are 20-39 years old with 10,000 to 29,000 baht monthly income, in Chiang Mai City during March, 2016. The result of this study found that for vegetables, the consumers buy fresh vegetables once a week primarily from local markets and secondary from central markets. In general, they buy non-pesticide, organic, and other vegetables depending on the availabilities of products. Regular vegetables consumption are Japanese cucumbers, sweet peppers, pattypan squashes, Lumina pumpkins, and egg plants. Nonetheless, long beans, sweet beans, kale and Chinese kale, which are highly demanded, are usually short in supply. Consumer purchasing preferences for vegetables are freshness, size, quality, and the ease of locations of the stores. However, brands and pesticide usage on the products are not importantly taken into their consideration. For fruits, the consumers buy fruits once a week from supermarkets, central fresh markets, and street fruit vendors. As found in the case of vegetables, fruit consumers do not pay attention too much on brands and pesticide usage. Favored fruits are watermelons, pineapples, oranges, grapes, pears, strawberries, kiwis, and passion fruits. Cold climate fruits like seedless grapes, strawberries, grapes, cherries, and avocados are usually lack of supply. Likewise, freshness, size, quality, and buying locations are the main factors that affect the fruit consumers' buying decision. For flowers, the majority of consumers also buy flowers once a week mostly from fresh market. The flowers are usually purchased in the form of sheaves and then rearranged by the buyers. Pesticide usage is not concerned by most buyers in this case. The most popular flowers are; chrysanthemums, and following by roses, respectively. Typically, flowers are not insufficient in the market. Consumer purchasing preferences are freshness, and buying locations which have the reasonable price.

Keywords: Market potential, Royal Project Extension Area, Vegetable crops, Fruits, Ornamental flowers, Cut flowers