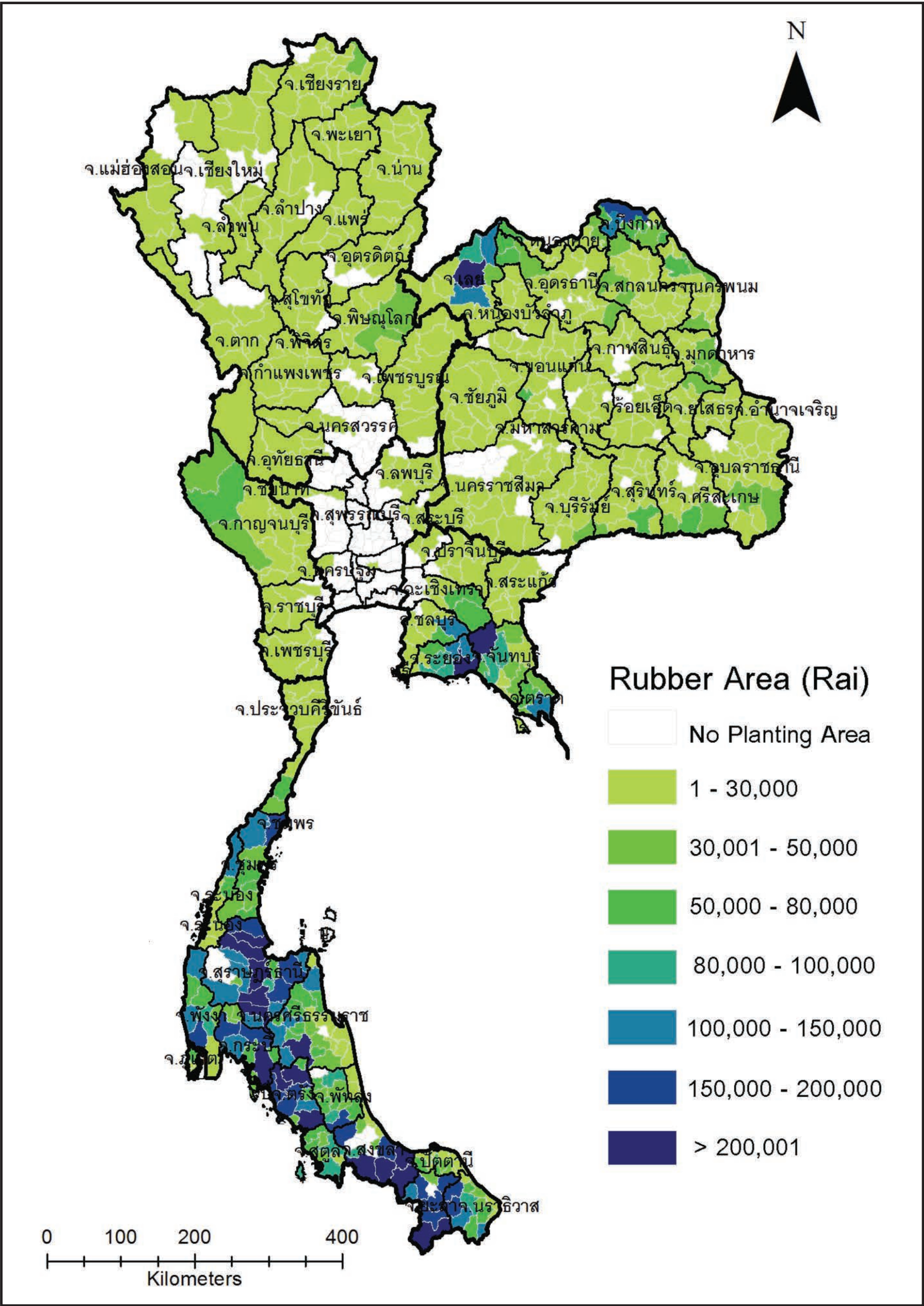


Northern Thailand

17 Provinces
Northern

Mean Annual
Rainfall : 1,300 mm

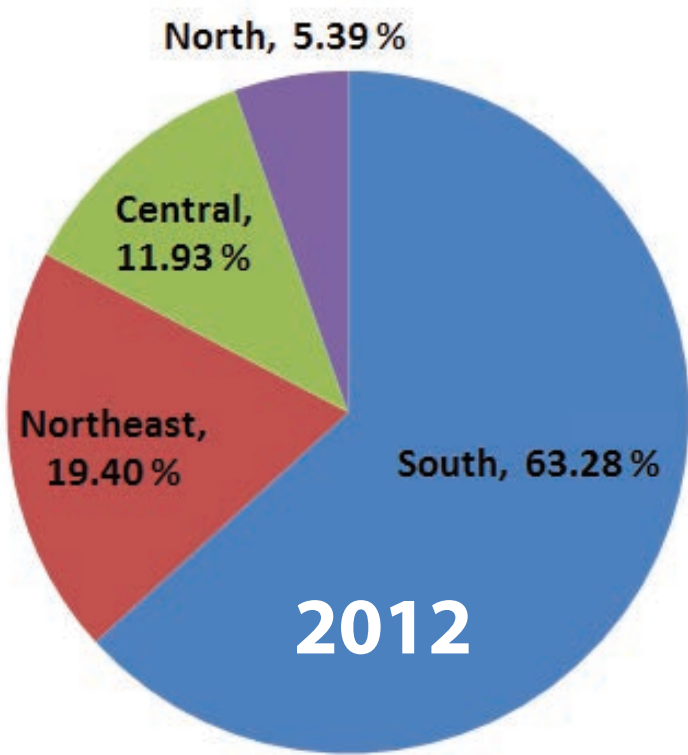
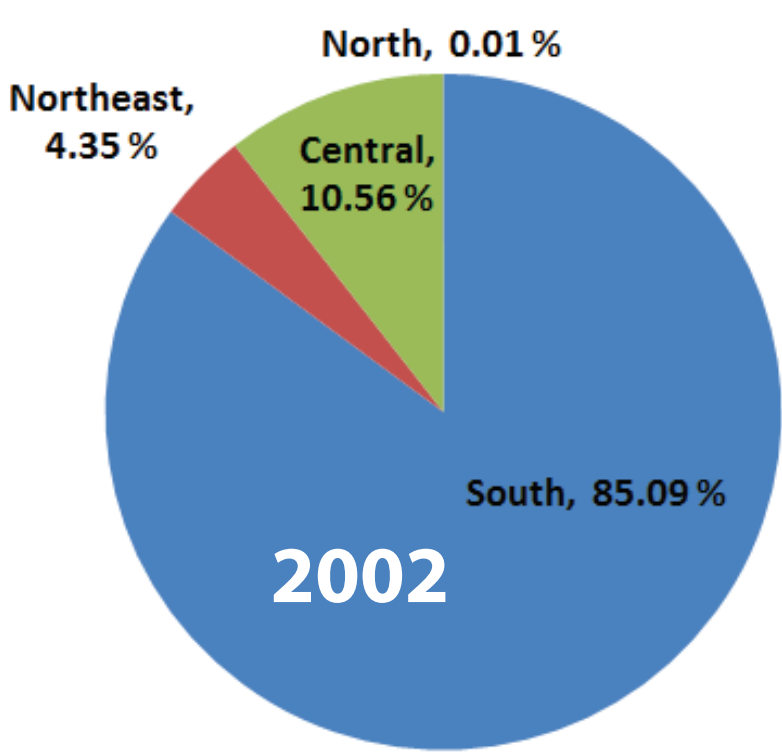


Region	2002		2012	
	Area (million rai)	%	Area (million rai)	%
South	10.56	85.09	12.2	63.28
Northeast	0.54	4.35	3.74	19.40
Central	1.31	10.56	2.3	11.93
North	0.001	0.01	1.04	5.39
Total	12.41	100.00	19.28	100.00

Source: Office of Agricultural Economics , 2014

Rubber Plantation

Rubber is one of Thailand's important economic crops. Latex rubber, raw rubber, and rubber wood are the country’s second highest revenue raising resource. Rubber trees were first cultivated in Sourthern Thailand in Kan Trang District, Trang Province, in 1899. Since its introduction rubber has spread across Thailand, first becoming an important crop of the Southern region, followed by the East, and now also in the Northeast and the North, respectively.



The expanding rubber plantations in the Northern region is in part a result of government policies implemented in 2004, which encouraged farmers in the Northern region to replace garlic, longan, and other crops with rubber. The policies were to reduce the effects of liberalizing trade with China, resulting in these food crops becoming a low revenue resource with a surplus beyond the market demand.



In addition, another important reason for the growth of Thailand's rubber plantations is due to the high price of rubber. There are a number of factors, which have contributed to the rise in natural rubber prices. The first being the higher demand for natural rubber, than the current output. The second is due to speculative investors backing the commodity’s future. And the third is due to the increased rubber processing costs related to the oil energy crisis resulting in higher price of both synthetic and natural rubber.

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