

TABLE OF CONTENTS

	Page
Acknowledgement	iii
Abstract	iv
Thai Abstract	vi
Table of Contents	viii
List of Tables	xii
List of Figures	xiv
List of Appendix Tables	xvi
CHAPTER I INTRODUCTION	1
1.1 Introduction	1
1.2 Rationale	3
1.3 Objectives of the Study	4
1.4 Usefulness of the Study	4
1.5 Organization of the Study	5
CHAPTER II LITTERATURE REVIEW	6
2.1 Conceptual Efficiency	6
2.1.1 Input-Output Efficiency	7
2.1.2 Scale	8
2.2 Previous Studies related to Technical Efficiency	10
2.3 Concept of Data Envelopment Analysis and Application	12
2.3.1 Data Envelopment Analysis	12
2.3.1.1 The constant returns to scale input orientation model	12

2.3.1.2 The variable returns to scale input orientation model	14
2.3.2 Application of Data Envelopment Analysis	15
CHAPTER III RESEARCH METHOD	18
3.1 Scope of the Study	18
3.2 Data Collection	18
3.2.1 Secondary data	18
3.2.2 Primary data	19
3.3 Data Analysis	21
3.3.1 The Descriptive Analysis	21
3.3.2 The Quantitative Analysis	21
CHAPTER IV RICE PRODUCTION AND RICE MILLING INDUSTRY IN THAILAND AND TAIWAN	30
4.1 Description of the Study Areas	30
4.1.1 Thailand Geographic Location	30
4.1.2 Taiwan Geographic Location	32
4.2 Rice Production	33
4.2.1 Extent and Production in Thailand	33
4.2.2 Extent and Production in Taiwan	35
4.3 Rice Supply and Utilization	37
4.3.1 Thailand Rice Consumption and Export	37
4.3.2 Taiwan Rice Consumption, Import and Export	39

4.4 Rice Marketing Channel	40
4.4.1 Thailand Rice Marketing Channel	41
4.4.2 Taiwan Rice Marketing Channel	44
4.5 Number and Characteristics of Rice Mills	47
4.5.1 Rice Mill Industry in Thailand	47
4.5.2 Rice Mill Industry in Taiwan	48
4.6 Milling Process	49
4.7 Milling Technology	50
4.8 Summary	52
CHAPTER V CHARACTERISTIC OF RICE MILL INDUSTRY	53
5.1 Background on the Rice Mill Characteristics	53
5.1.1 Age of Rice Mill	53
5.1.2 Entrepreneurship	54
5.1.3 Age of Millers	55
5.1.4 Education	56
5.1.5 Energy Source to Operate Rice Mills	57
5.2 Sources of Paddy for milling	58
5.3 Paddy Purchasing and Paddy Storage	59
5.3.1 How to Purchasing Paddy	59
5.3.2 Method for Drying and Paddy Storage	61
5.4 Management Practices on Rice Mills in Thailand and Taiwan	65
5.5 The Rice Mill Unit	68
5.5.1 Input, Output and the Cost of Rice Mill Operation	68

5.5.2 Rice Mill Processing	70
5.5.2.1 The Traditional Rice Milling System	71
5.5.2.2 The Modern Rice Milling System	73
5.6 Rice Product and Marketing Channel of Rice Mill	76
5.7 Decision of Rice Mill Expansion and Problem in Rice mill Business	79
5.7.1 Decision of Rice Mill Expansion	79
5.7.2 Problem in Rice Mill Business	80
CHAPTER VI EMPIRICAL FINDINGS AND RESULTS	81
6.1 Data Envelopment Analysis	81
6.1.1 Descriptive Statistics of the Variables	81
6.1.2 Data Envelopment Analysis Result	83
6.1.3 Use of DEA Results to Study Inefficiency on Individual Rice Mill	91
6.2 Factors Affecting Technical Inefficiency in Rice Mill Industry	93
CHAPTER VII CONCLUSIONS AND RECOMMENDATIONS	96
7.1 Conclusions	96
7.2 Recommendation	101
7.3 Suggestions for Further Study	103
REFERENCES	104
APPENDICES	111
CURRICULUM VITAE	138

LIST OF TABLES

Table	Page
4.1 Planted area, total production, and average yield of wet season rice and dry season rice in Thailand during 1990/91 – 1999/2000	34
4.2 Planted area, total production, and average yield of wet season rice and dry season rice in Taiwan during 1990/91 – 1999/2000	36
4.3 Production, domestic utilization and export of milled rice in Thailand	37
4.4 Thai rice export classified by major importing countries	39
4.5 Production, domestic utilization and export of milled rice in Taiwan	39
4.6 Number of rice mill by region in Thailand, 1995 – 1999	47
4.7 Comparison of general information of rice and rice mill in Thailand and Taiwan in 1999	52
5.1 Important sources of paddy of rice mill in Thailand and Taiwan	58
5.2 Comparison of drying method using in rice mills in Thailand and Taiwan	63
5.3 Input, output and the cost of rice mill operation in Thailand and Taiwan	70
5.4 Comparison of rice product and market sold by rice mill in Thailand and Taiwan	78
5.5 Comparison of miller decision of rice mill expansion between Thailand and Taiwan	79
5.6 Comparison of production constrains of rice miller	80
6.1 Descriptive statistics for the sample of 36 rice mills in Thailand	82
6.2 Descriptive statistics for the sample of 35 rice mills in Taiwan	82

6.3	Descriptive statistics for the sample of 71 rice mills in Thailand and Taiwan	83
6.4	Summary of the technical efficiency score for all rice mill in Thailand and Taiwan	84
6.5	Comparison of technical efficiency score of rice mill in Thailand and Taiwan	87
6.6	Input use levels of the DMU-1 and its referent DMU in the VRS case	92
6.7	Tobit regression analysis testing technical inefficiency of rice mills in Thailand and Taiwan	94

LIST OF FIGURES

Figure	Page
2.1 Technical efficiency	7
2.2 Production frontiers in the case of one input and one output Constant (CRS) and Variable (VRS) returns to scale	9
3.1 Rice mill system	19
3.2 Tobit's estimation method	27
4.1 Geographic maps of Thailand and Taiwan	31
4.2 Map of Hsien in Taiwan	35
4.3 Marketing channel of rice in Thailand, 1996	43
4.4 Marketing channel of rice in Taiwan, 1997	46
5.1 Comparison of age of rice mill between Thailand and Taiwan	54
5.2 Comparison of entrepreneurship of rice mill in Thailand and Taiwan	55
5.3 Comparison of age of miller in Thailand and Taiwan	56
5.4 Comparison of education level of rice miller in Thailand and Taiwan	57
5.5 Comparison of type of power generation using in rice mill in Thailand and Taiwan	57
5.6 Purchasing paddy equipments of rice mill in Thailand	61
5.7 Sun drying method to decrease moisture level in paddy	62
5.8 Mechanical dryer in Thailand (a) and Taiwan (b)	63
5.9 Comparison of paddy storage in Thailand (a) and Taiwan (b)	64
5.10 The traditional rice milling system in Thailand	72
5.11 Traditional rice mill in Thailand	73
5.12 Modern rice mill in Taiwan	74

5.13	The modern rice milling system in Thailand and Taiwan	75
5.14	Comparison of packing and transporting method in Thailand (a) and Taiwan (b)	76
5.15	Example of rice product in Thailand	78
5.16	Example of rice product in Taiwan	78
6.1	Comparison of distribution of CRS technical efficiency in Thailand and Taiwan	88
6.2	Comparison of distribution of VRS technical efficiency in Thailand and Taiwan	89
6.3	Comparison of distribution of scale efficiency in Thailand and Taiwan	90
6.4	Comparison of the scale efficiency of rice mil industry in Thailand and Taiwan	91

LIST OF APPENDIX

Appendix		Page
A	Firm by firm results of VRS DEA model from DEAP program	110
B	Tobit regression results of source of technical inefficiency in rice mill in Thailand and Taiwan from LIMDEP version 7.0	135