

FACTORS INFLUENCING THE SUSTAINABILITY OF THE OIL PALM INDUSTRY OF SMALL AND MEDIUM ENTERPRISES IN THE SOUTHERN REGION.

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ABSTRACT

This research is to study the factors that influence the sustainability of oil palm industry operations of small and medium sized enterprises in the southern region. The target population is executives, staff, or employees working within the palm oil crushing mill in the southern region. The tools used for data collection were In-depth interview. The research found that Government support, supply chain management, competitiveness, and entrepreneurial operations have an influence on the sustainability of palm oil industry operations of small and medium-sized enterprises in the southern region. In order to be certified according to the Roundtable on Sustainable Palm Oil (RSPO) standards, which is a sustainable palm oil production standard that covers sustainability dimensions and is an internationally recognized standard. The sustainability of the oil palm industry must be achieved by focusing on improving the efficiency of the palm oil industry. Including participation from both the public and private sectors and entrepreneurs in the oil palm industry.

Keywords: sustainability, oil palm industry, small and medium enterprises

INTRODUCTION

Small and medium-sized enterprises are the majority of the country's enterprises that are important to the economic and social development process of Thailand. The palm oil and palm oil industry are considered to play an important role in the Thai economy. Thailand is the world's third-largest palm oil producer with an average yield of 2 million tons per year because Thailand is a source of oil for use as food and biodiesel. (Office of Agricultural Research, 2018). Although the Thai palm oil industry has been developing for about 50 years, there are still significant problems, including farmers' production, water processing, downstream marketing, and government policies. Operators in the Thai palm oil industry face major problems such as fluctuations and slump in product prices, low yield per rai, higher production costs than it should be. And affected by the Renewable Energy Directive (RED) of the European Union (EU). If the problem is not resolved, it will directly affect the economic and financial stability of the operator (Chawin Intrarak, 2019) In southern is the number one oil palm plantation source in the country. (Office of Agricultural Economic Research, 2016) The province that has the most oil palm planted areas is Krabi, followed by Surat Thani, Chumphon and Nakhon Si Thammarat. The researcher is interested to study the factors that influence the sustainability of oil palm industry operations of small and medium-sized enterprises in the southern region in order to create knowledge of the oil palm industry sustainability.

Objectives

This research is to study the factors that influence the sustainability of oil palm industry operations of small and medium sized enterprises in the southern region.

RESEARCH METHODOLOGY

In this research, the researcher uses documentary research by researching and collecting data from various publications, journals, articles, conference reports, websites, and related research. The researcher has used the document selection criteria and up-to-date with relevant situations and has a unit of analysis such as government support, supply chain management, competitiveness, entrepreneurial operations, and sustainability, the oil palm industry operations of small and medium-sized enterprises. And in-depth interviews from key informants, consisting of 9 executives and officers in the department that are involved in the operations of the palm oil industry.

Research Tools

In-depth interview to collect opinions of the sample by using the โดย Face to Face interview with a semi-structured interview. In order to get answers about the factors that influence the sustainability of the oil palm industry operations of small and medium enterprises in the southern region.

Data analysis

The researcher analyzed the data from the documents and analyzed the content by studying from laws, regulations, research, thesis, books, articles, websites, documents, academic conferences and research related studies for analysis and comparison in order to obtain Accurate and reliable information. And perform data validity and reliability checks with triangulation, which considers the consistency and discrepancy of the data from time sources, locations, and people.

RESULTS

According to the research, the results showed that palm oil is a plant that is affected by the Renewable Energy Directive (RED) of the European Union (EU). The proportion of palm oil usage for biodiesel production to total EU palm oil usage increased from 42% in 2008 to 54% in 2018. Although the global oil price in the latter period has decreased considerably, while the area of palm oil production in the world grew by 52% in the same period. And almost all are in the main exporting countries, such as Indonesia, Malaysia and Thailand, respectively. The effect of the RED law on Thai oil palm is a good example, which allows us to learn about the implementation of agricultural policies and other policies, taking into account the potential disadvantages of all-round alternatives, including the short-term impacts. Therefore, we are able to survive in the midst of the rapidly changing challenges of today.

However, the impact of the oil palm industry on the environment also affects other aspects, whether economic or social. Which is a component of sustainability such as Lim & Biswas (2018) describes the production of crude palm oil has an environmental impact and also affects the economy, society and slows sustainability. Therefore, the palm oil industry needs an assessment framework to improve the sustainability and efficiency of crude palm oil production. To achieve this goal, in the past year, a large group of oil palm exporting countries in the world set standards to guarantee and be socially responsible for business operations, no harm to people or the environment. These policies are often applied to supply chain management in the palm oil industry, which is reflected in what is widely considered in the industry for identifying sustainable palm oil. For example Shafie, Azmawani. & Syed (2015) discusses the sustainability of the palm oil industry, consisting of 3P as follows: (1) Profit (2) People and (3) Planet. These are the things that must be handled frequently by manufacturers in the palm oil industry.

CONCLUSION AND RECOMMENDATION

The researcher concluded that nowadays palm oil products are very popular in the new generation life, from margarine, cereals, sweets and pastries, soaps, shampoos, washing powders and cosmetics. In addition, palm oil products can also be used in animal feeds and as biofuels. Oil palm can only be grown in the tropical regions of Asia, Africa and South America. Currently, Indonesia and Malaysia are the world's largest palm oil producers, with a large amount of exports, accounting for 87 percent of the world's output. But in the past year, Indonesia has surpassed Malaysia as the largest producer of palm oil. However, the most important thing in the palm oil industry is that it still needs expansion and sustainability in competition, in line with in-depth interviews. In addition, the challenge for the palm oil industry is improvements in efficiency and effectiveness, cost reduction, opportunity exploration. In order to diversify income and expand demand for palm oil. In order to be certified according to the Roundtable on Sustainable Palm Oil (RSPO) standards, which is a sustainable palm oil production standard that covers sustainability dimensions and is an internationally recognized standard.

Suggestion

The research results can be used as a guideline in determining directions for promoting and supporting the oil palm industry for economic, social and environmental sustainability. By presenting to the Ministry of Agriculture and Cooperatives, the Ministry of Industry, and other government agencies related to palm oil, including palm oil industry operators in the southern region.

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