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COSTS AND RETURNS OF CHUANTANEE WOVEN FABRIC PRODUCTS FROM THE BAN TRANG WOMEN WEAVING GROUP IN BAN TRANG, PATTANI, THAILAND

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Abstract

The analysis of costs and returns of Chuantanee Woven Fabric Products from the Bantrang Women Weaving Group in Ban Trang Subdistrict, Mayo District, Pattani Province, Thailand aimed to analyze the costs and returns of Chuantanee woven fabric, also known as “Leema” fabric, produced by this Women Weaving group and to provide a guideline for costs and returns analysis of this product. The population consists of members of the Chuantanee Women Weaving Group, with a sample size of 15 selected through purposive sampling. Data was collected using interviews. The research findings revealed that the production costs of the Chuantanee woven fabric are higher than the revenue. Decisions regarding the sale of the Chuantanee woven fabric should consider various factors such as market demand, sales channels, and pricing strategies. Adjusting the pricing to better align with production costs and controlling additional costs are recommended to increase profitability.

Keywords: Production Cost, Return, Chuantanee Woven Fabric, Women Weaving Group

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Introduction

Thailand is renowned for its handicraft products, particularly its exquisite woven fabrics, which reflect different regions' environments, lifestyle, customs, and diverse cultures. Weaving is an art form that signifies the community's identity (Chudhavipata, 2012). The beauty and patterns of woven fabrics also represent the civilization and heritage of these communities, passed down through generations. Woven fabrics are increasingly popular among Thai and international customers due to promotion by both the government and private sectors. An interesting market for Thai textiles is the ASEAN market. In 2014, Thailand's textile exports grew by 0-3%, and the country remains highly competitive in the textile industry compared to other countries (Kasikorn Research Center, 2014). Different women's groups produce textiles based on their skills and ancestral wisdom, showcasing their regional uniqueness or lifestyle (Tosata et al., 2017). The Ban Trang's Weaving Group in Ban Trang Subdistrict, Mayo District, Pattani Province, is a collective of local women who produce clothing, focusing on traditional patterns such as Sri Trang, Kosang, Spiral, Puffer, and Lantern patterns. These patterns reflect the lifestyle of the people of Ban Trang and have been recognized as a five-star local fabric product of Pattani (Mayo District Community Development Office, 2018).

The Chuantanee Weaving Group in Ban Trang, Pattani, has been operating since 1983. Most members engage in farming, gardening, or community leadership roles, with some working in public service. The group's primary goal is to address similar economic issues that they cannot solve alone. They face challenges in analyzing the costs and returns of Chuantanee woven fabric due to a lack of experience and knowledge in this area. This has led the researcher to focus on promoting knowledge about cost and return analysis for community enterprise products. This aim is to enhance product value, create sustainable self-reliance, and strengthen the local economy. As Mankong (2021) states, national development should foster growth, reduce poverty and unemployment, address social inequality, and ensure more equitable income distribution. Additionally, it should provide quality social services and promote competitiveness and sustainability in community enterprises. Therefore, the researcher is interested in studying the costs and returns analysis of Chuantanee woven fabric produced by the Ban Trang women weavers to aid investment decisions and provide useful information for others interested in producing Chuantanee fabric, ultimately supporting household income.

Literature Review

Theory of Costs

Thanaanawat & Wangtichob (2024) emphasized that for community enterprise groups or other community groups, understanding the various components of production costs—such as raw materials, labor, and production expenses—is crucial for effective production planning. This understanding allows them to analyze the returns on investment, providing a clear view of their actual profits. Additionally, it helps them grasp the concept of breakeven analysis, determining how many products the community needs to sell to cover their investment costs. This is a critical step in deciding whether to continue with production or not.

Costs refer to the value of resources expended to produce goods or services, and this value must be measurable in monetary terms. These costs are considered "expenses" when they provide returns to the business immediately. In contrast, costs that provide future returns are categorized as "assets" (Thongsukowong, 2016). The cost elements include direct materials, direct labor, and production expenses.

1) Materials are a crucial component in the production of finished goods. The costs associated with using materials in production can be categorized into two types:

1.1) Direct Materials: These are the primary materials used in production that can be clearly identified and measured for specific products in terms of quantity and cost. They constitute the majority of materials used in manufacturing that particular product. For example, processed

wood is a direct material for furniture production, and fabric used in the clothing industry is another example.

1.2) Indirect Materials: These are materials that are indirectly related to the production process but are not the main materials. Examples include nails, glue, sandpaper used in leather or furniture making, lubricating oil for machinery, and threads used in sewing clothes. Typically, indirect materials are referred to as "factory supplies" and are considered part of manufacturing overhead costs.

2) Labor refers to the wages or compensation paid to employees or workers involved in the production of goods.

3) Manufacturing overhead includes all costs associated with production that are not classified as direct materials or direct labor. This encompasses indirect materials, indirect labor, and other production-related expenses such as utilities (water, electricity), rent, and depreciation.

Concepts of Returns

Profitability ratios are used to measure the efficiency of operations within a business. These ratios can be divided into two categories: 1) Profitability Ratios Relative to Sales: This measures the ability of the business to generate profit from its sales. 2) Profitability Ratios Relative to Investment: This shows how effectively the business can generate profit relative to its invested capital. These ratios indicate how well the business is performing in terms of profitability compared to net sales. Therefore, returns are considered income or returns derived from investments (Phachongwong, 2018).

Related Research

Wuttikanokkan et al. (2024) studied the costs and returns of producing One Tambon One Product (OTOP) picnic mats from the Ban Nong Ya Rak community in Pudsar Sub-district, Muang District, Nakhon Ratchasima Province. The study aimed to 1) examine production costs, 2) study returns from production, and 3) analyze costs and returns for OTOP products. Data were collected through in-depth interviews and workshops on cost and return analysis, and financial statements were prepared and analyzed. The overall research findings indicated that: 1) Direct labor costs, manufacturing expenses, and operational costs are essential for businesses to understand for effective resource management. Clear and reliable financial reporting helps businesses to achieve sustainable growth.

Sudinpreeda (2023) studied the costs and returns of Batik fabrics produced by the Narabatika Group in Muang Narathiwat District, Narathiwat Province. The study aimed to examine the production methods of Batik fabrics and assess the costs and returns associated with the Batik business. The research population consisted of 7 members of the Narabatika Group. Data was collected using a structured interview and analyzed descriptively using percentages, cost calculations, revenue, and gross profit. The findings revealed that Batik fabrics produced by the Narabatika Group can be categorized into two types: printed Batik and drawn Batik. The average production cost for printed Batik was 175.20 THB per yard, while the cost for drawn Batik was 264.22 THB per yard. The average monthly gross profit from selling Batik fabrics was 42,227 THB, with the gross profit from printed Batik being higher than that from drawn Batik, amounting to 38,360 THB.

Conceptual Framework in Research

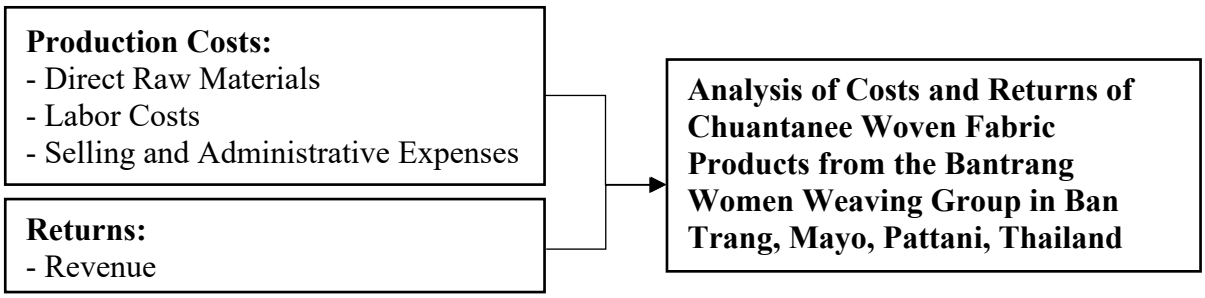

Figure 1 Conceptual Framework in Research

Research Methodology

Population and Sampling

The population and sample for this study were the members of the Ban Trang Chuantanee Women Weaving Group in Ban Trang, Mayo,Pattani, Thailand through a purposive sampling method.

Data Collection

The primary data collection tool is a structured interview. The interview Guide for the Ban Trang Chuantanee Weaving Group is composed of 5 sections. Section 1: General information about the Ban Trang Chuantanee Women Weaving Group in Ban Trang, Pattani. Section 2: Information on production processes and costs incurred by the Ban Trang Chuantanee Women Weaving Group. Section 3: Information on income and returns from the sale of products from the Ban Trang Chuantanee Women Weaving Group. Section 4: Problems and obstacles encountered by the Ban Trang Chuantanee Women Weaving Group. Section 5: Recommendations.

Distribute the interview guides to the Ban Trang Chuantanee Women Weaving Group, collect completed interviews from the participants, and verify the accuracy and completeness of the responses for analysis.

Data Analysis

In this study, the researcher analyzed data related to the operational characteristics and production processes using interviews as a guide and conducting observations. The data was then qualitatively analyzed and presented through descriptive narration, which covers the operational characteristics and production processes of the Ban Trang Chuantanee Women Weaving Group, located in Ban Trang, Pattani. The cost-related data was analyzed and presented separately, including production costs, selling, and administrative expenses. A comparative analysis of revenue was conducted, detailing the gross profit for each product, and the findings are presented.

Research Findings

General Information about the Chuantanee Women Weaving Group

The Chuantanee Women Weaving Group in Ban Trang is located at No.5, Moo 2, Ban Trang, Mayo, Pattani, Thailand. The group is led by Siriorn Thapnil, a 63-year-old female with a primary school education. Her main occupation is weaving local fabrics. She has self-learned and gained techniques in producing Chuantanee fabrics from herself and other members of the Chuantanee Women Weaving Group in Ban Trang. She has over 30 years of weaving experience and has continuously developed the Chuantanee fabric products to be recognized until today. The products are produced and sold online on a pre-order basis, and customers can also support the production at the Chuantanee Women Weaving Group in Ban Trang, Pattani.

Chuantanee Fabric Production Process

Chuantanee fabric production process involves examining the entire process, starting from preparing raw materials and production equipment. This includes preparing materials like cotton and terylene, and equipment such as weaving looms, heddles, shuttles, large pans, dyeing pots, gas stoves, bobbins, scissors, sealing bags, thread guides, and combs. Once all the raw materials and production equipment are prepared, Step 1 involves preparing the cotton to create the warp threads. This includes winding the threads onto spools, using the spools to stretch the threads, placing them into the loom's reed, combing the threads, and then setting up and tying the heddles. Step 2 focuses on preparing the weft threads and weaving the fabric. This involves winding the threads onto spools, tying the pattern design, binding the pattern with twine, dyeing the threads, removing the twine, winding the threads onto smaller spools, and then weaving the fabric to complete the design.

Costs and Returns of Chuantanee Woven Fabric Products

The initial investment costs include 1) Production equipment costs: weaving looms (20 units) at 600,000 THB., heddles (20 units) at 4,000 THB., shuttles (20 units) at 7,000 THB., large pans (1 unit) at 950 THB., dyeing pots (10 units) at 5,000 THB., gas stove (1 unit) at 450 THB., scissors (20 units) at 400 THB., sealing bags (1 kg) at 140 THB., thread guides (2 units) at 10,000 THB., combs (1 unit) at 50,000 THB., pattern setters (3 units) at 15,000 THB., and bobbins (20 units) at 300,000 THB. 2) Raw material costs: cotton (5 kg) at 9,300 THB. and terylene (5 kg) at 17,500 THB. 3) Production costs: utilities: 1,500 THB. per month, chemical dyes: 96 THB. per box, and string: 150 THB. per dozen. 4) Sales and administration costs: depreciation of equipment: 56,159.98 THB., and monthly income from Chuantanee fabric sales: 5,000 THB.

Weaving one piece of Chuantanee fabric takes about 15 days. The raw materials used are cotton and terylene, and each piece of fabric measures 4 meters. The selling price for a full-pattern Juwan Thani fabric is 3,000 THB. per piece, and for a partial-pattern fabric, the price is 1,500 THB. per piece. They produce 2 pieces per month, resulting in an average monthly income of 4,500 THB.

Conclusion and Discussion

From the study of costs and returns in the production of Chuantanee woven fabrics by the Chuantanee Women Weaving Group in Ban Trang, Pattani, Thailand, it was found that the business should consider several factors for decision-making. The study revealed that the group should evaluate products with lower incremental revenue compared to their costs. Incremental revenue includes the Chuantanee woven fabrics, and decisions regarding their sale should consider other factors such as market demand and distribution channels. Additionally, the pricing of the products should be adjusted to align with production costs and control incremental production costs to reduce overall production expenses and increase profits. This finding is consistent with the research by Pawadee (2015) on the costs and returns of traditional mountain-pattern woven fabrics by the Ban Sanluang weaving group in San Sai, Chiang Mai, Thailand and Sudinpreeda (2023) on the costs and returns of batik fabrics by the Narabatig group in Mueang, Narathiwat, Thailand.

Recommendations

1) The current research on the cost and returns of Juwan Thani fabric production by the Chuantanee Women Weaving Group in Ban Trang, Pattani, Thailand, found that the high cost of raw materials results in limited profits.

2) Future studies should explore ways to reduce raw material costs and strategies to expand the customer base to increase returns.

3) It would be beneficial to analyze other relevant businesses and incorporate suggestions from the research to avoid potential issues and obstacles in future studies.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

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