



**Agricultural  
Cooperative  
Development and  
Policy Support**

**Cooperative Promotion  
Department**  
Ministry of Agriculture and  
Cooperatives

**Thailand**

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# Chapter 1

## Introduction



**Current Situations**

- Trade war
- Climate change
- COVID-19
- Economic recession

**Government supports the cooperatives and farmers groups**

- Defining proper activities
- Enhancing personnel development
- Providing business model for their guidelines

The members of the cooperatives will be able to

Decrease their debts  
Gain more saving  
Improve their living quality to be better.

**In 1999, a new cooperative act  
“The Cooperatives Act B.E. 2542” was issued**

**7 Cooperative's types**

**1** Agricultural Cooperatives

**2** Fisheries Cooperatives

**3** Land settlement  
Cooperatives

**4** Consumer Cooperatives

**5** Service Cooperatives

**6** Thrift and Credit  
Cooperatives

**7** Credit Union Cooperatives

**4 Types of businesses**

*Agricultural Cooperatives*

**1** The credit business

**2** The purchasing business

**3** The collecting business  
and processing business

**4** The agricultural extension  
services

# Chapter 2

## Policy Support for Cooperatives Development



## The Ministry of Agriculture and Cooperatives has formulated the 20-Year Agriculture and Cooperatives Strategy (2017-2036)

### The purpose 1)

Strengthen farmers and their institutions

### The purpose 4)

Apply the cooperative methods to solve their socio-economic problems for better livelihoods of the members and community.

### The purpose 2)

Increase agricultural productivity and quality standards of farm products

### The purpose 3)

Increase the administrative management by the use of modern management technology and Electronic Commerce (E-commerce)

# Chapter 3

## Agriculture Cooperatives Establishment



# 01

## Farmers' participation to Agriculture Cooperatives (AC)

Most smallholder farmers have their occupational problems and difficulties namely, lack of funds, landlessness, high production costs, unfair prices of agricultural products, and continuous natural disasters.

Therefore, the government has applied the cooperative system to be a tool to develop the country's economy and society by promoting the farmers to unite and establish the cooperatives by the registration under the Cooperative Act for the purpose of encouraging the members to jointly participate in cooperative activities

### Activity 1)

Joint purchasing of products

### Activity 2)

Joint production

### Activity 3)

Joint selling which contributes to enhance their bargaining power

## The structure of Cooperative Movement consists of

01

### **The National Cooperative Development Board**

Proposes to the Council of Ministers the Board's ideas concerning policies and guidelines for the development of cooperatives

02

### **The Cooperative League of Thailand**

Promotes and propagates cooperative affairs and provide the technical advice and assistance to the cooperatives, provide education and training on cooperative affairs

03

### **The Regional and National Federation of Cooperatives**

Offers facilities and benefits to the cooperatives of the same type operating in the specific region

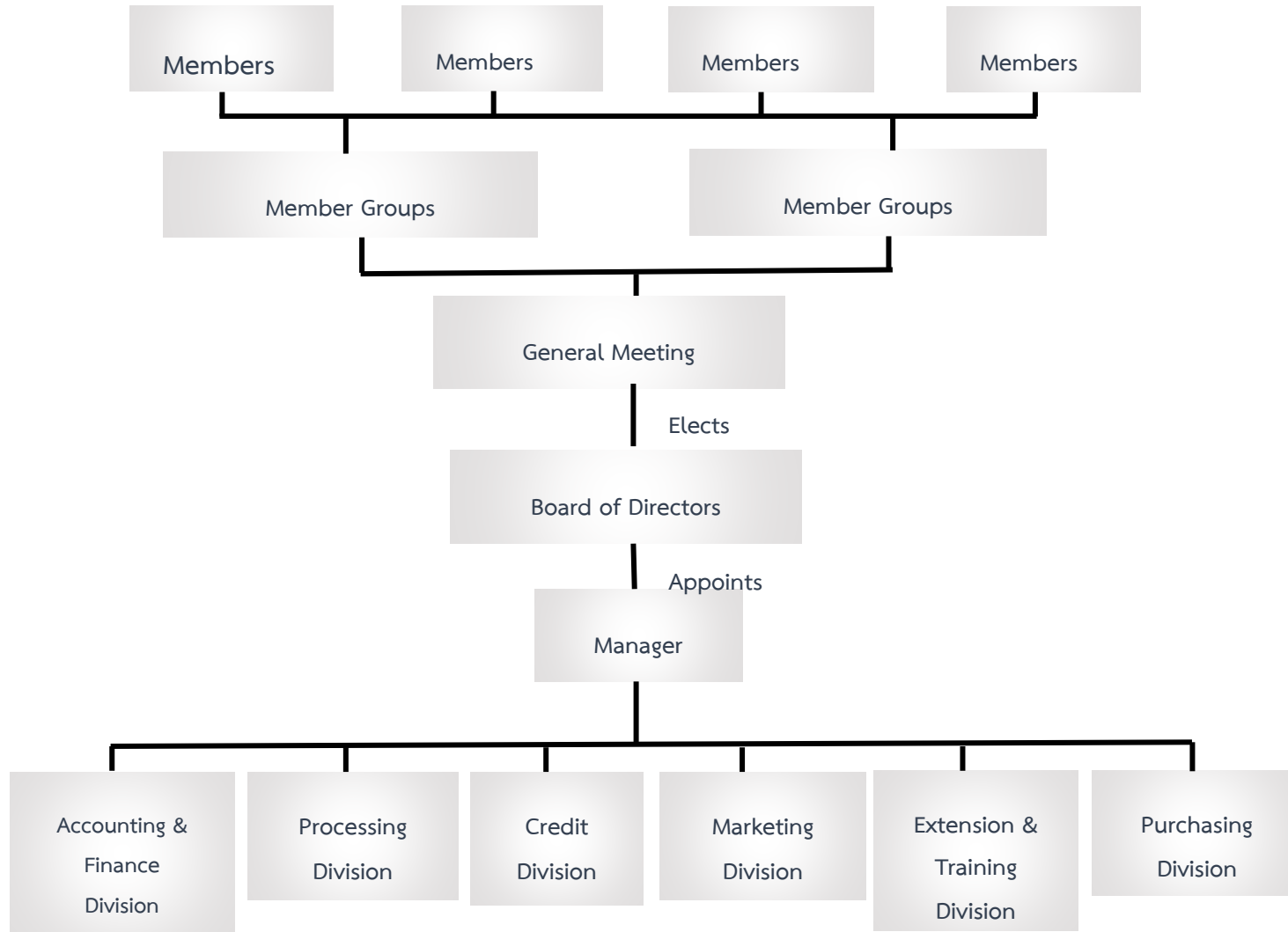
04

### **The Government Agency such as The Cooperative Promotion Department (CPD)**

promote, support and operate the registration of a cooperative and promote, disseminate and educate the ideology, principles and methods of cooperative to the personnel of cooperative, farmers groups and the public

## 02 Operation and Management Systems

### The General Structure of Agricultural Cooperatives in Thailand



### (1) Internal capital

- Share capital
- Deposit from members
- Reserve fund of the cooperative
- Other accumulated funds following the by-laws, regulations and others

The Agricultural Cooperatives of Thailand requires capital to conduct the business. The cooperative working capital is derived from



### (2) External capital

Government and private financial institutions such as

- Bank for Agriculture and Agricultural Cooperatives (BAAC)
- Cooperative Development Fund (CDF)

Farmers, agricultural cooperatives and farmers groups or the general public have accessed to agricultural and cooperative information sources from many organizations

1. Office of Agricultural Economics (OAE)

Provides agricultural information through the OAE's website, electronic books (E-Books) as well as applications consisting of agricultural product prices both imports and exports.

2. Ministry of Commerce (MOC)

- ❑ Support information or trade and economic indices
- ❑ Enhance trade competitiveness and develop domestic trade and economy to be fair and standardized

## 3.2 Access to Market Information

## 3. Board of Trade of Thailand (BOT)

The cooperative sector receives marketing information provided by the BOT through mutual support and collaboration between government agencies and BOT for the purpose of resolving related problems

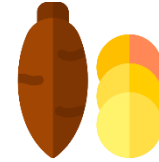
## 4. Private Sector

This sector provides marketing information through their websites and personnel in aspects of production and marketing.

## 5. Cooperative Sector

The production and marketing information will be shared among the personnel of cooperatives on the basis of their relationships, contacting and coordination.





	Rubber	Paddy	Corn	Palm Oil	Cassava	Sugarcane
Total value of collecting business (Million Baht)	28,256	21,893	3,485	1,870	1,526	677
Total numbers of cooperatives and farmers group	666	317	142	117	116	27
Provinces	60	57	32	30	32	16

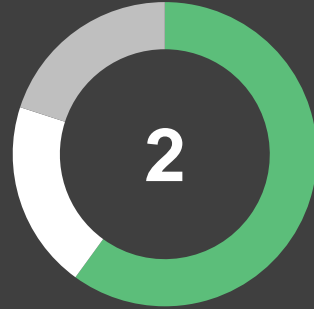
## 5.1 Advantages



1



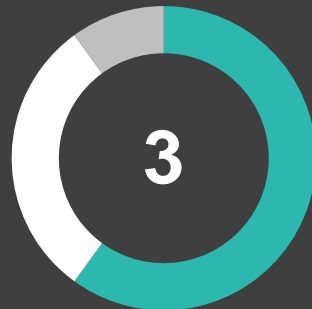
To receive support from the government and agricultural partners easily



2



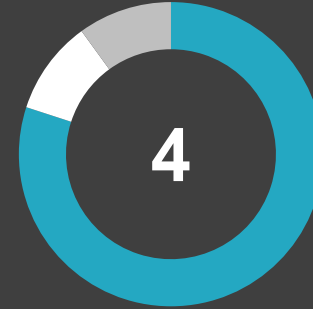
To improve management and good governance of the cooperative system



3



To solve the problem of agricultural product price



4



To have access to sources of funding



5



To develop the quality of life of members

## 5.2 Disadvantages

The management of cooperatives is disturbed by some obstacles such as

The complexed process  
in providing the decision  
and approval

The unsystematic  
process of human  
resource management

The lack of knowledge  
and expertise in  
management of the  
board of director

The absence of the  
modern technology and  
innovation in carrying  
out administrative and  
management duties

The insufficiency of the  
proportion of the  
agricultural products

1

The government attaches great importance to the cooperative movement by using cooperatives as a crucial tool for driving government policy into practices aiming to solve economic problems at the grassroots level.



2

There is an increasing number of the linkage of cooperatives, farmer institutes, and private sector networks such as production networks and marketing networks.



3

The working capital and business volume of agricultural cooperatives has been continuously increasing every year.



4

The average savings per member trend is on the increasing.



The government policy emphasizes on enhancing the agricultural cooperatives to be a significant mechanism in driving the reformation of the agricultural sector



**01** > Promoting farmers to produce quality products to meet market demand and quality standards

**02** > Adding value to products by processing

**03** > Cooperating with private sector and related agencies to expand marketing channels

**04** > Enhancing potential of cooperatives to improve their production, processing, and marketing businesses



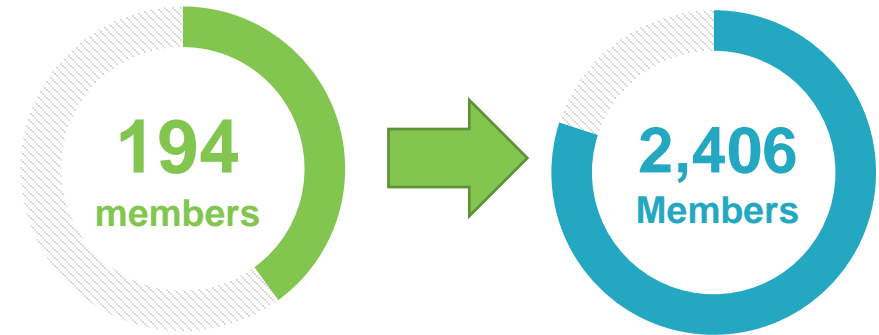
The establishment of the cooperatives should be based on the needs and cooperation of the farmers, not in response to the government policy.

It is necessary to lay the foundation of the cooperative in early childhood such as a cooperative in the schools

The government sector should formulate policies /measures on cooperative development in order to provide assistance/support to cooperatives

**Case Study**  
**Lamphraphloeng Agricultural Cooperative Limited.**

Lamphraphloeng Agricultural Cooperative Limited is located in the area of Pak Thong Chai District, NakhonRatchasima Province. The cooperative received the national agricultural cooperative award in 2020.



01

Organize the training for the purpose of transferring knowledge on the ideology, principles, and methods of cooperatives, and technical know-how to members

02

Initiate the project of sustainable organic farming promotion to reduce, avoid and stop the use of toxic chemicals

03

Advise them to perform farming activities following the theory that helps farmers to reduce living costs, increase revenue, and have stable livelihoods



# Chapter 4

Share lesson learn and  
recommendation



## Recommendation

The true success of agricultural cooperatives must respond to members' needs along with active participation of members.



The cooperative members and board of directors must have the required knowledge and understanding of the principles and methods of the cooperatives as well as realizing their roles and responsibilities.



The cooperatives can carry on their businesses effectively with strong stability to benefit their members as the cooperative objectives.

**T**hankyou  
For your attention

