

Strengthening Cooperative Networks and Collaboration : Sustainable Agriculture Cooperatives in Thailand



Wichai Paksa

Bank for Agriculture and Agricultural Cooperatives(BAAC), Thailand

23 August 2023

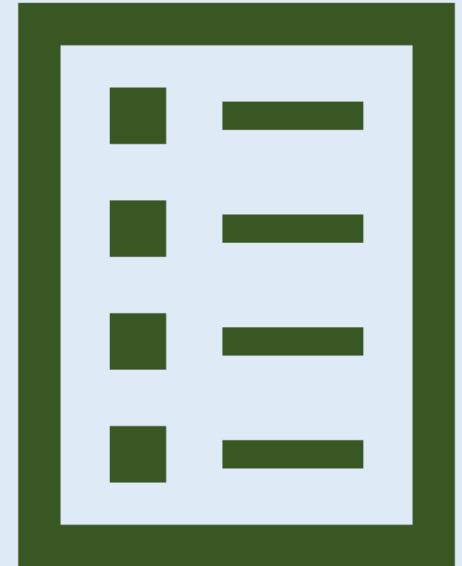
BAAC



เกษตรกรไทยก้าวหน้า
สู่การพัฒนาอย่างยั่งยืน

Agenda

- **About BAAC**
- **Cooperatives in Thailand**
- **BAAC and Cooperatives**
- **Case Studies**
- **Challenges**



BAAC Overview



Vision

“To be a sustainable rural development bank”

Bank Outreach

- ❑ 7.9 million farm households (98% of total farm households)
- ❑ Branch Network 1,020 branches 1,994 ATMs
1,304 PAMs and 559 CDMs
- ❑ Number of employees: 22,367

Financial Sustainability (as of 31 March 2023)

Deposits 53.80 Bn USD

Loans 48.14 Bn USD

Assets 66.53 Bn USD

Major Changes and Development



Pioneer Agricultural Credit (1967 – 1976)



Develop Integrated Credit and Other Services (1977-1986)



Extend Project Loans (1987- 1996)



Modernize the System and Adopt the Sufficiency Economy Philosophy for Community Development (1997 - 2006)



The Decade of Sustainable Solutions toward Farmers' Informal Debts Problem (2007 - 2016)



Gear toward the Financial Institution for Rural and Comprehensive Agriculture Development (2017 – Present)



BAAC's Services

1

Normal operations

- **Credit services**
Working capital and investment loans
- **Deposit/Banking services**
Time, savings and current account, Islamic banking window, money transfer, bill payment
- **Other services**
Remittance, Currency Exchange, LC, LG, community development, funeral association and marketing assistances

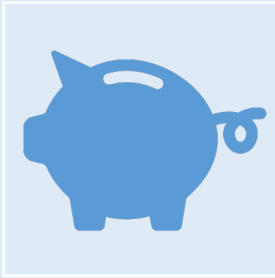
2

Government Policy-oriented operations

- **Debt Suspension Scheme**
- **Crop Pledging Scheme**
(Paddy, Para Rubber and Cassava)
- **Crop Insurance Scheme**
- **Farmers' "Kaset-Suk-Jai" (happy farmers) Credit Card**



Products and Services



Deposits

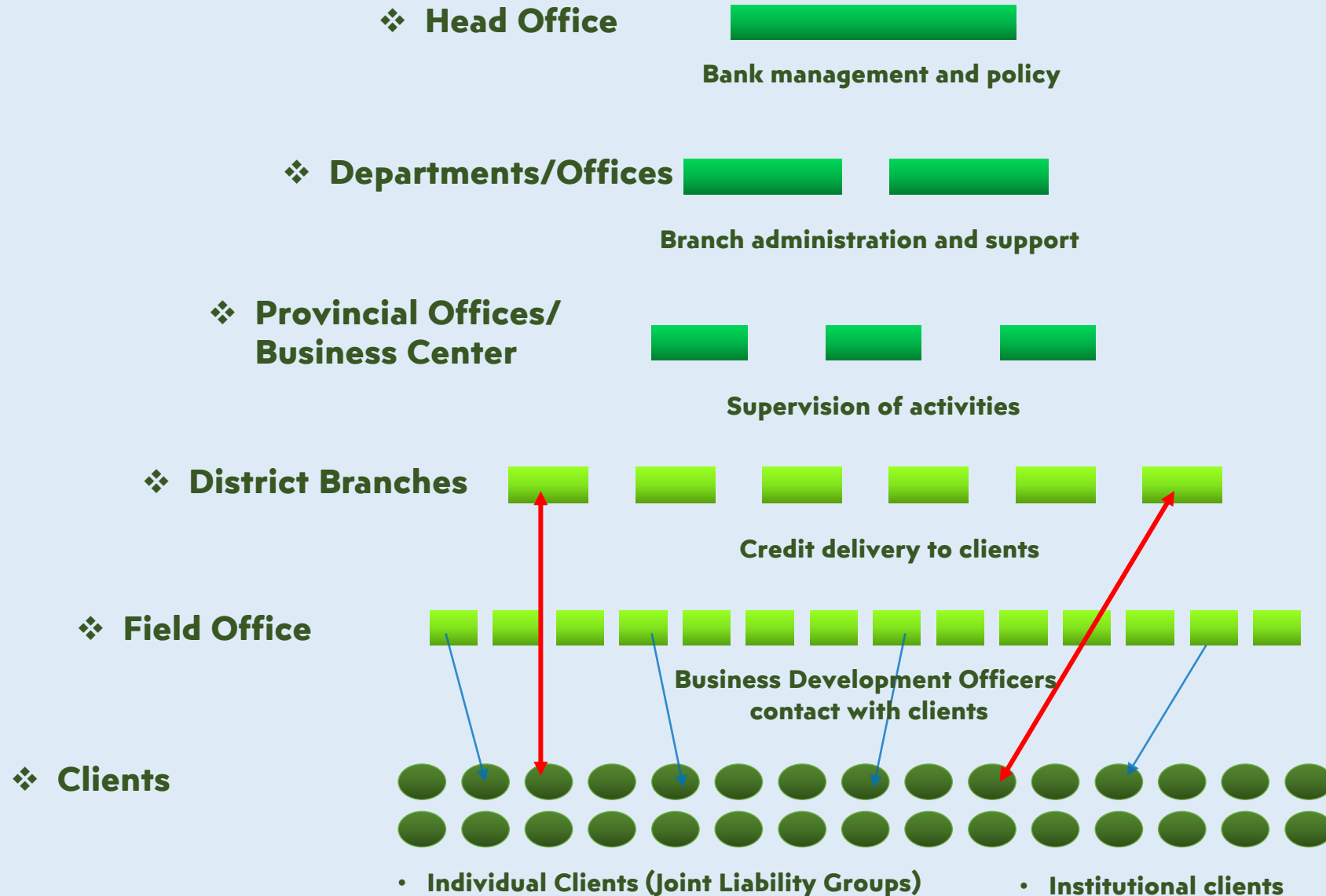


Loans



Trade services

BAAC's Service Delivery Structure



Cooperatives in Thailand : General Information

Role of cooperative in Thai Economy



Cooperative movements and farmer groups are important in driving economic force of the country

**Cooperative business volume
10 percent of the country's GDP**

Cooperatives in Thailand : History



The Cooperative in Thailand have been initiated by Royal Thai government in 1915

The objectives is to improving livelihood of small farmers

**Prince Phitthayalongkorn:
Father of Thai Cooperative**

Cooperatives in Thailand : Structure



Ministry of Agricultural and Cooperative

Board of National Cooperative Development

Cooperative Movement

- National Federation
- Provincial Federation
- Primary Cooperative (7 types)

**CPD
(Cooperative
Promotion
Department)**



**CAD
(Cooperative
Auditing
Department)**



**CLT
(Cooperative
League
of Thailand)**



Cooperatives in Thailand : Structure

**CLT – apex organization
(technical aspects)**

National Level



**National Cooperative
Federation**

**Provincial
Level**



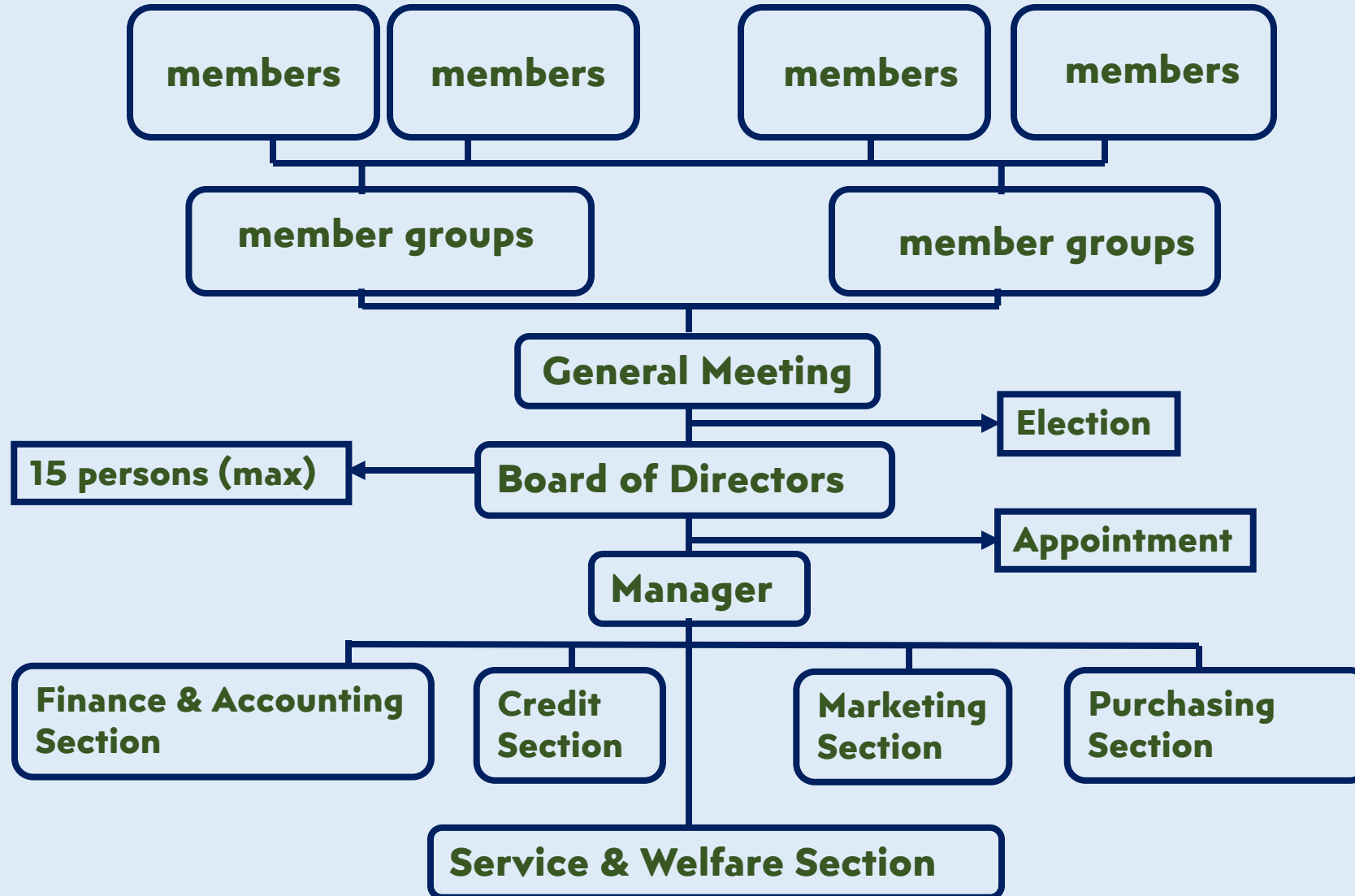
**Provincial Cooperative
Federation**

District Level



Primary Cooperative

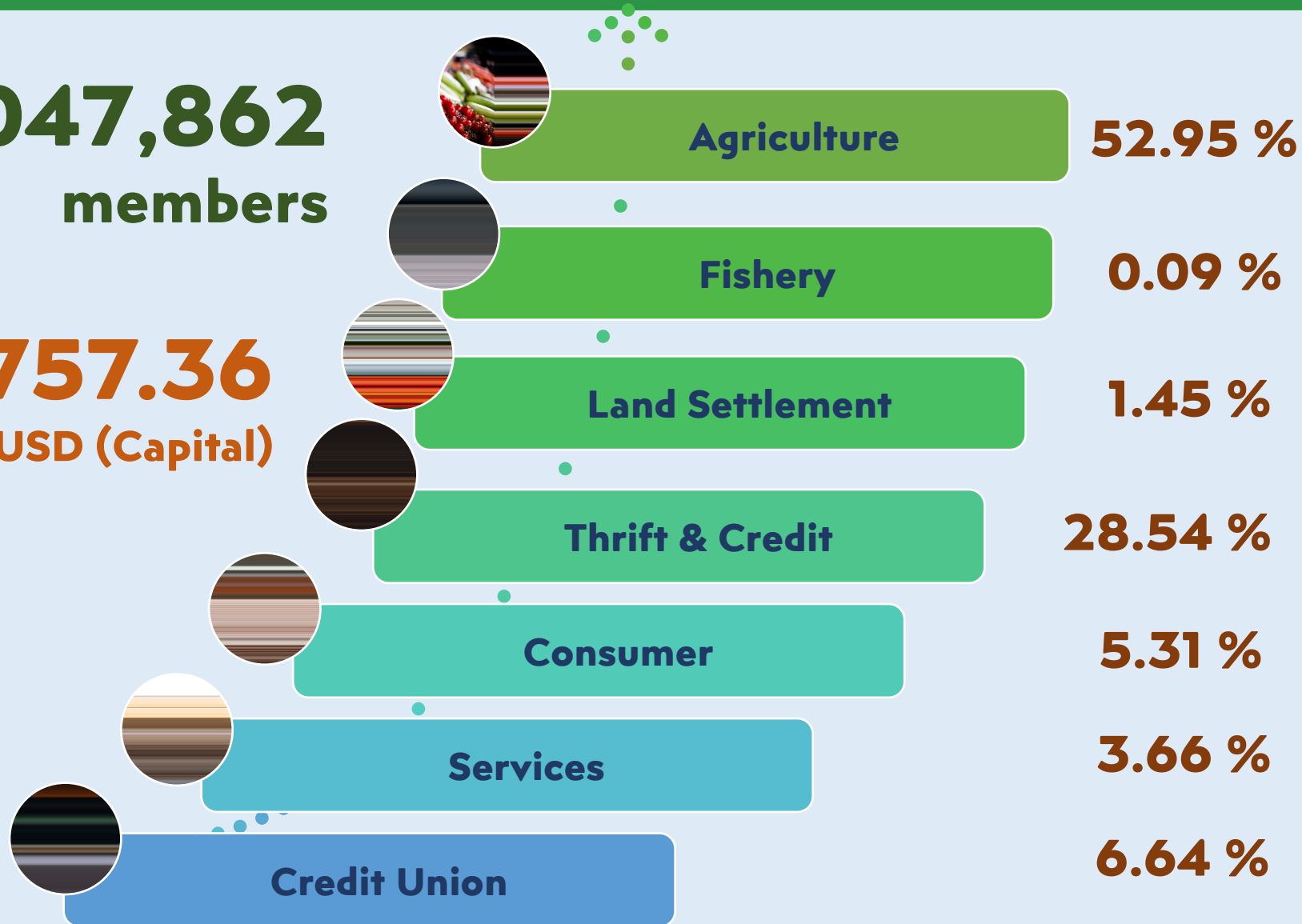
Cooperatives in Thailand : Primary Coop Structure



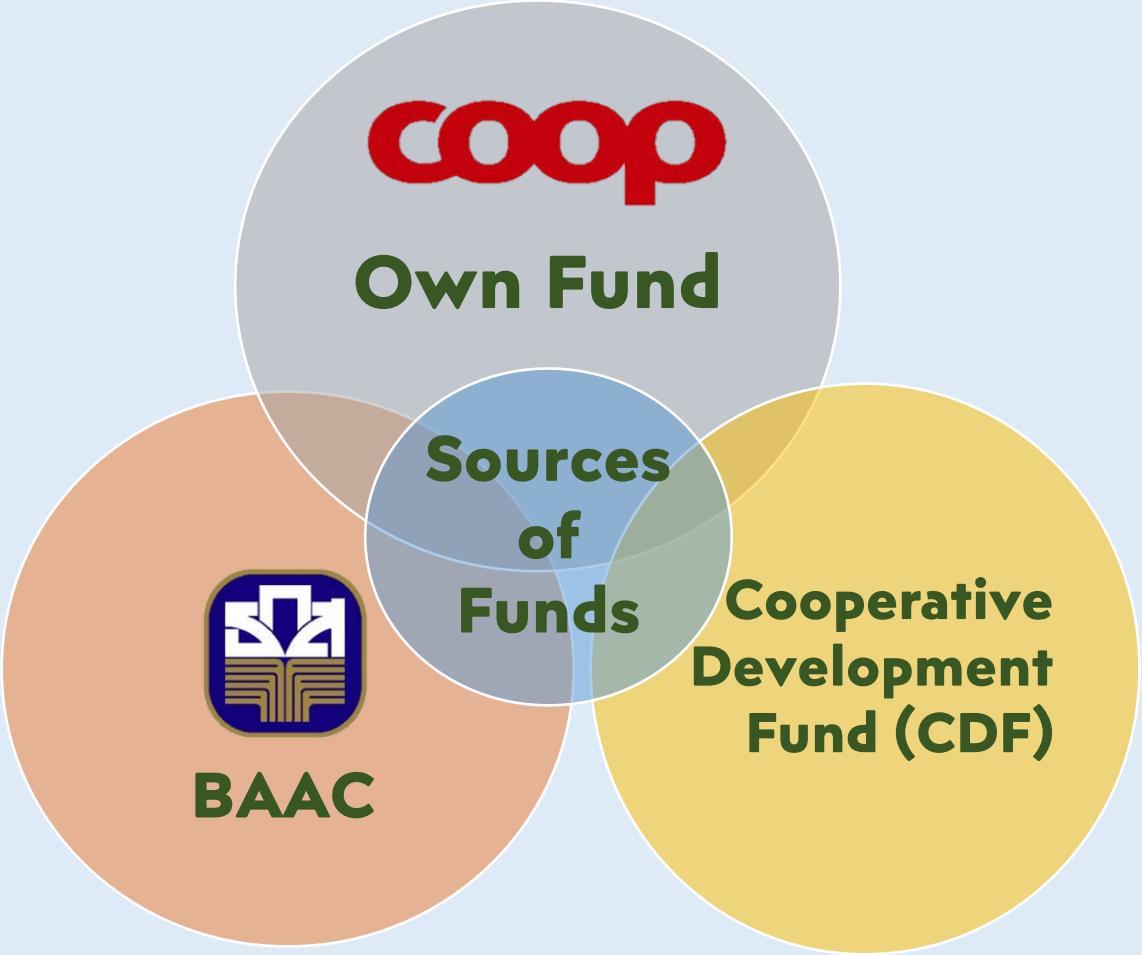
Cooperatives in Thailand : Types

12,047,862
members

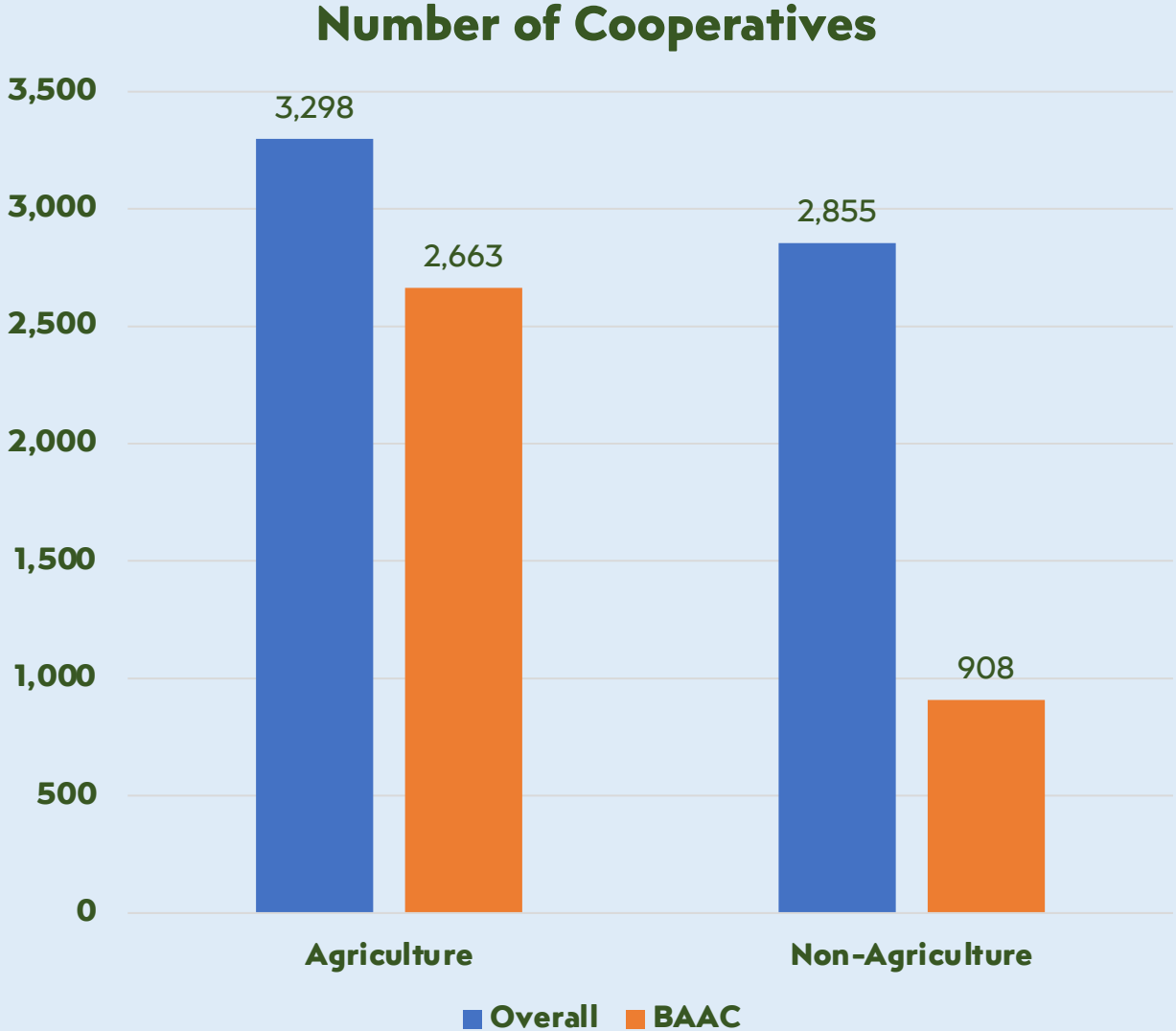
109,757.36
Billion USD (Capital)



Cooperatives in Thailand : Source of Funds



Cooperatives in Thailand : Number of Coop



Loan Portfolio

4,163.45

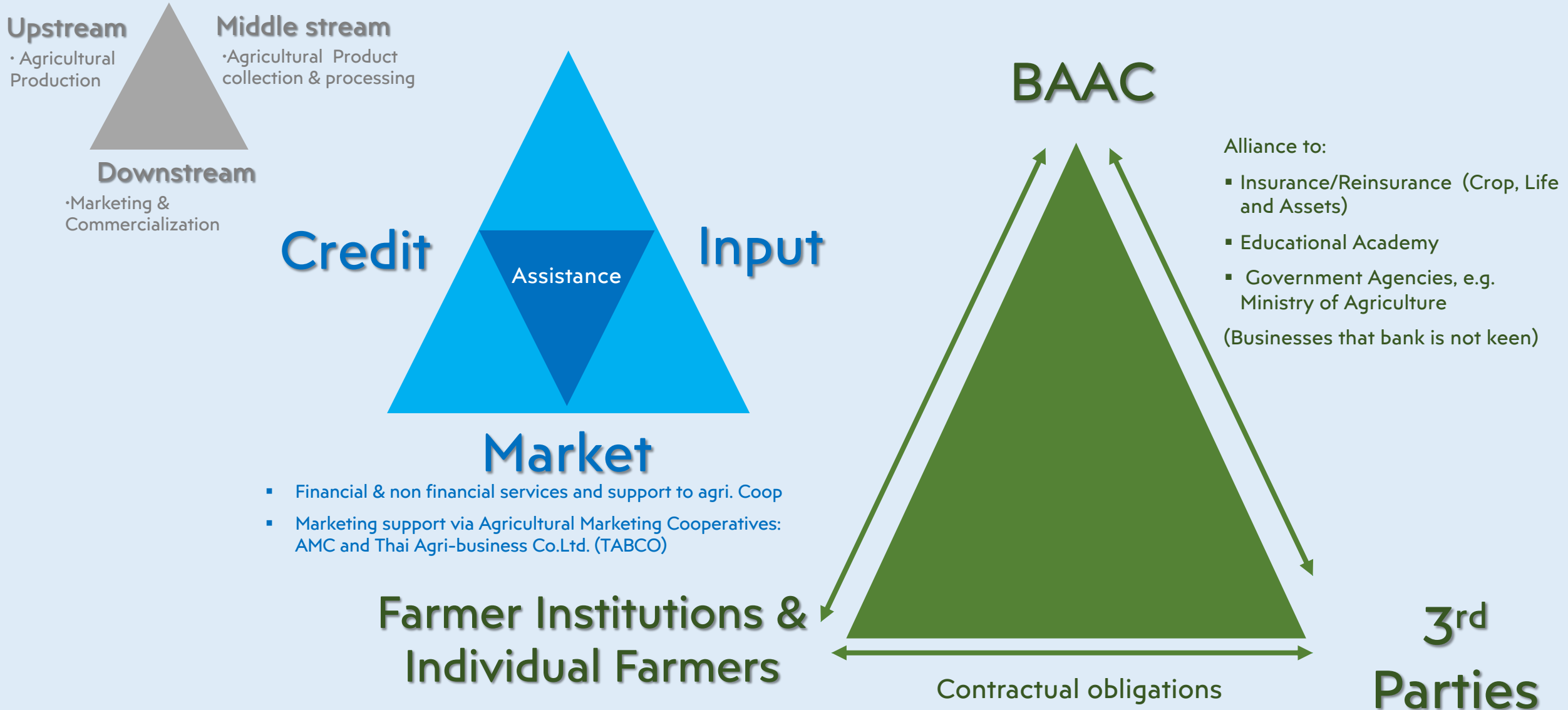
million USD

Cooperative Key Success Factors

- **The organizational environments and the support activities of the value chain**
- **The primary activities of the value chain had indirect effects on sustainable performance**
- **The critical success factors had a direct effect on sustainable performance**
- **The organizational environments, the core activities of the value chain, and the support activities of the value chain had a direct influence on the success factors of cooperatives**



BAAC's Agriculture Value Chain Finance



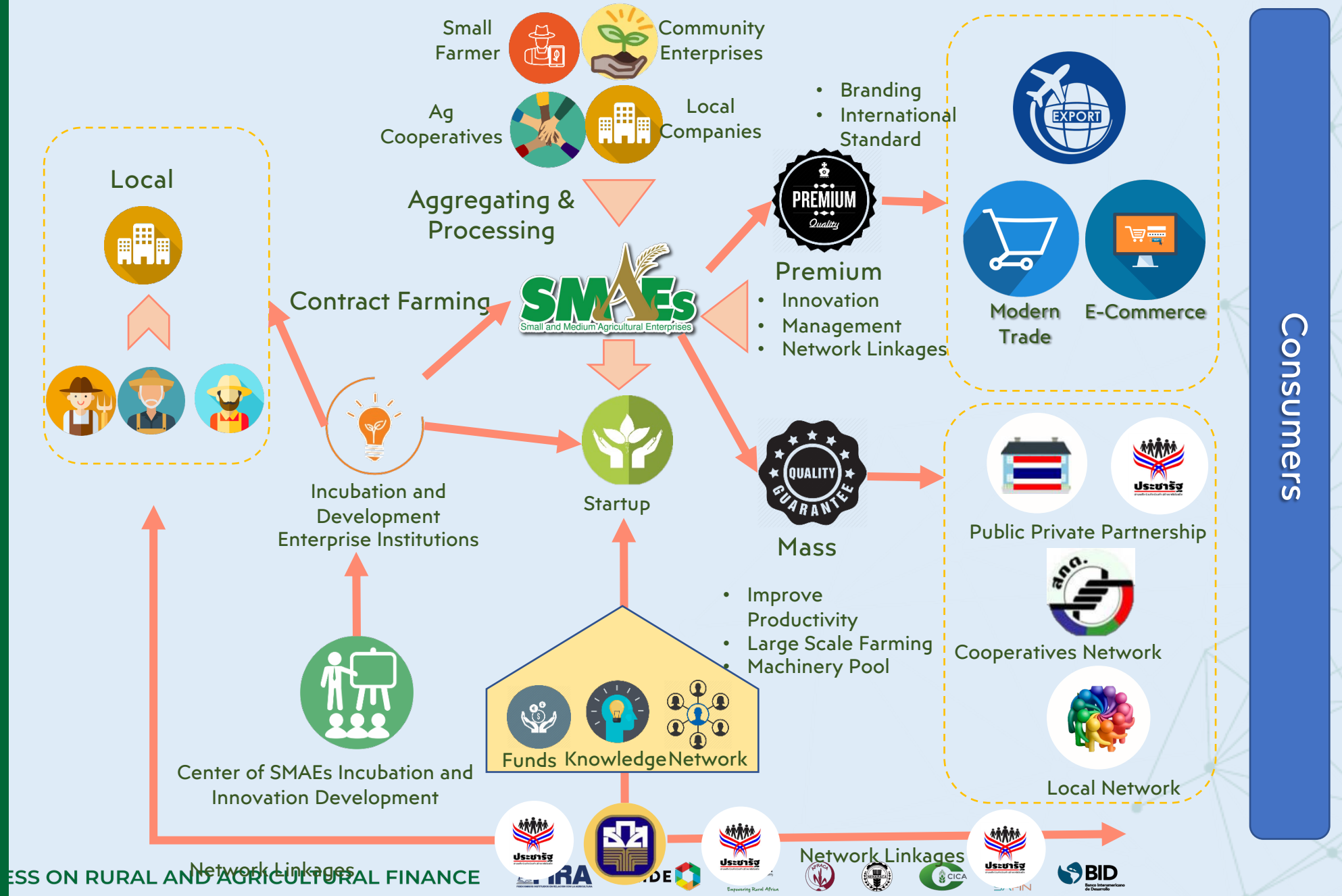
The Role of SMAEs in Reshaping Agricultural Sector



Driving Forces of SMAEs Scheme

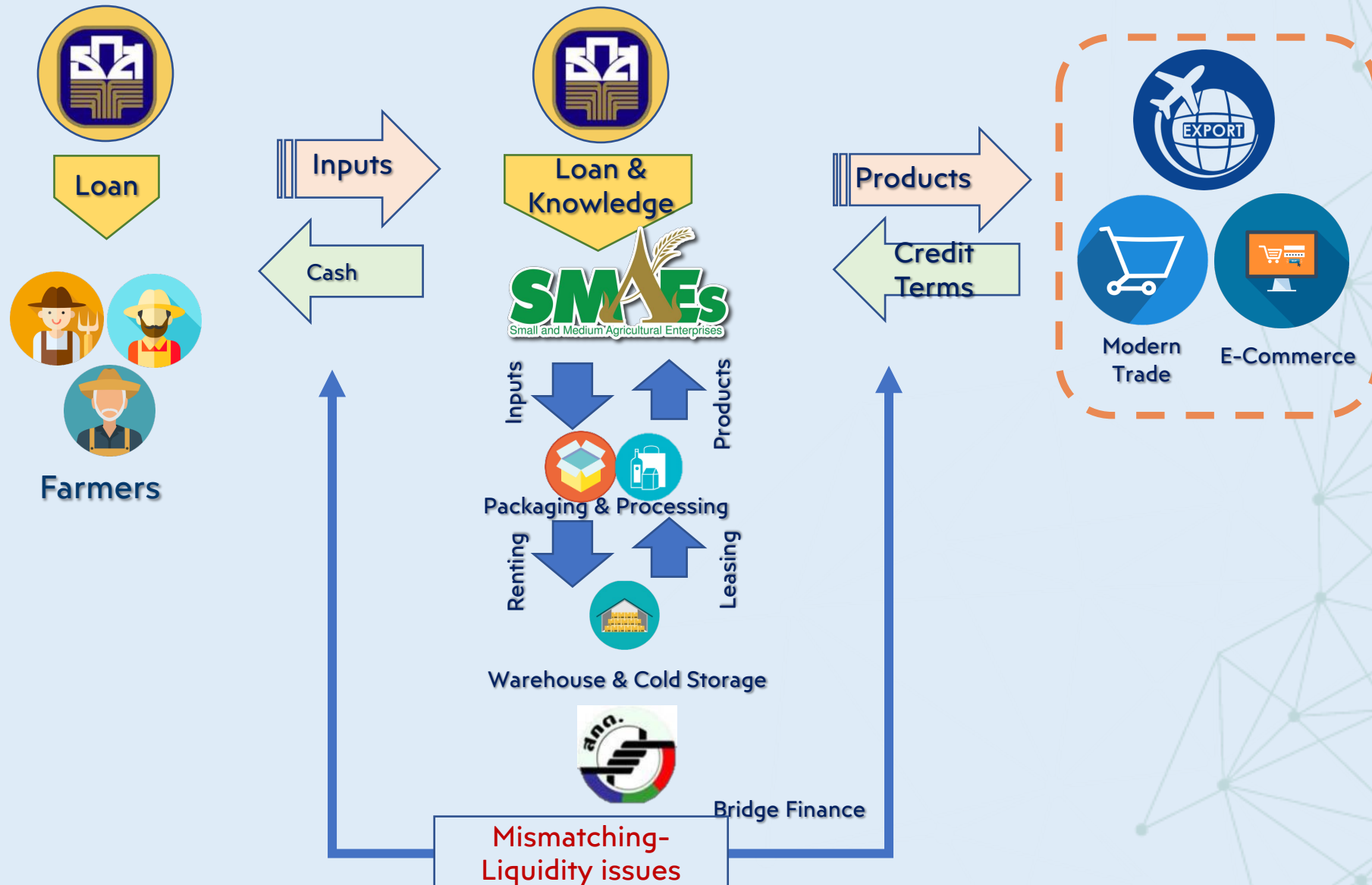


SMAEs Scheme for a Sustainable Agricultural Sector



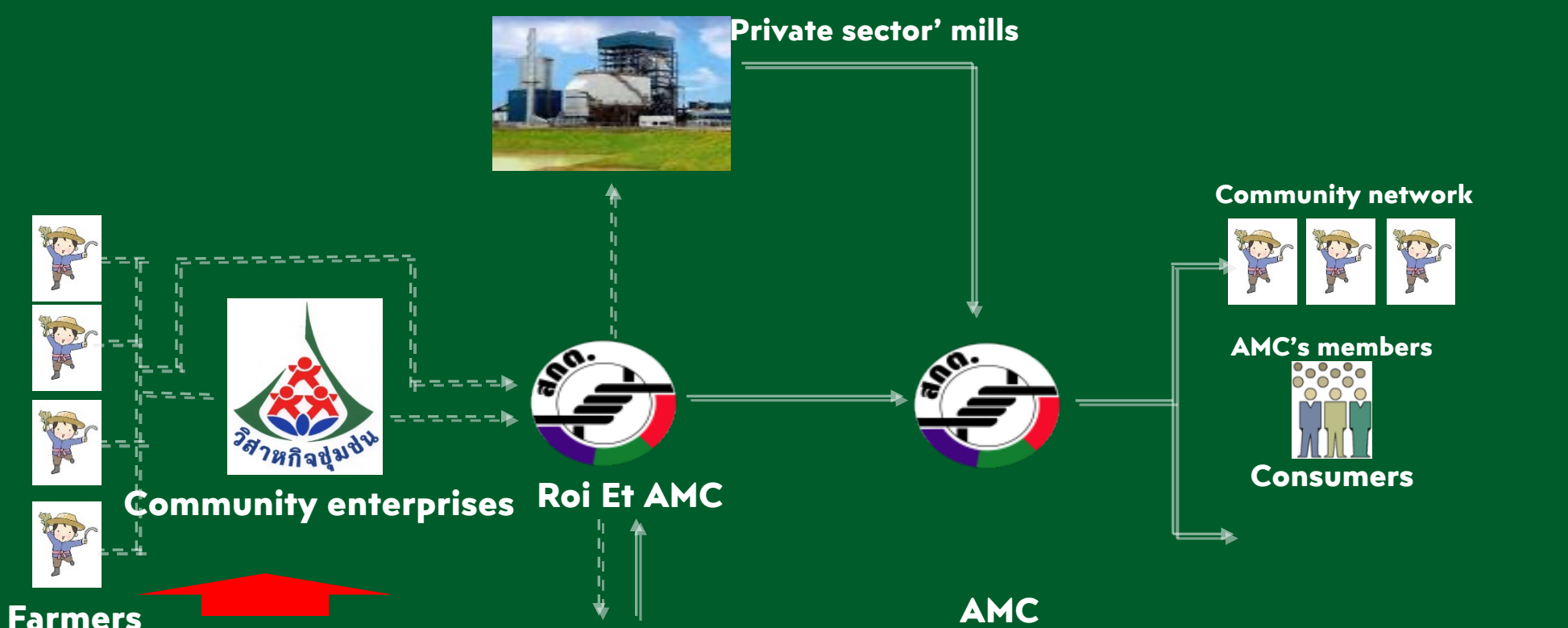
ESS ON RURAL AND AGRICULTURAL FINANCE

Agricultural Marketing Cooperatives (AMCs) :Role in Bridging Finance



Marketing Mechanism (BAAC & AMC & Farmers)

AMC Roi Et's Rice Value Chain



40 villages in areas within 15 km from AMC's Mill

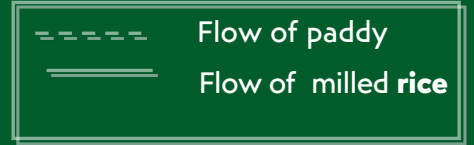
- 4,000 farmers
- 52,000 Rai (8,500 ha)
- 16,000 tons of paddy



AMC's mill



AMC Rice traders



Best Practices : Long-Loei Community Enterprise (Loei Province)

Product

- ❑ Products from coffee beans such as drip coffee and coffee capsule

Business Strengths

- ❑ Product from coffee beans that have been pollinated by bees
- ❑ Collecting in-depth information of each planting member

Supporting from BAAC

- ❑ Professional Farmer's Succession Program
- ❑ Project to develop innovative product drying system
- ❑ Several Training Programs e.g. New Gen Hug Hometown
- ❑ Working Capital Loan



Best Practices : Long-Loei Community Enterprise (Loei Province)



ฉันเป็นผลผลิตจากนิชใต้ร่วมเงาต้นไม้
ในแปลงสมาชิก
โครงการสร้างป่าสร้างรายได้



ปลูกนิชผสมผสาน
เปลี่ยนแนววิถี
เป็นเกษตรอินทรีย์

น้อมนำพระราชดำริฯ สร้างป่าสร้างรายได้

ให้คนอยู่กับป่า
ได้อย่างยั่งยืน

Low Carbon Process

ขั้นตอนการผลิต



ZERO WASTE



1. เราเป็นกาแฟสุก เขาเรียกว่า "ผลเชอร์รี่"
2. กาแฟเชอร์รี่ หลังสีเปลือก
3. ตากในตู้อบแห้งดี
4. เรียกเราว่า "กาแฟละลา"
5. 8 เดือนผ่านไป สีเปลือกนอกเราออก
6. "สารกาแฟ" พร้อมนำไปคั่วแล้ว
7. ระบบคั่ว
8. ระบบบรรจุ

***แถมฟรี 4 แคปซูล

Net Weight 390 g.

60 Capsule

Price 1,500B

OTOP One Tambon One Product

Go GREEN

ผลิตภัณฑ์จากสวน

Arabica 100%

ปลูกต้นไม้ 4 ชั้นเรือนยอด

ลองเลย กาแฟแคปซูล ตรา ลองเลย

ของฝาก จากบ้าน

ผลิตภัณฑ์ จากสวน

ผลิตภัณฑ์ ลองเลย 54 ม.4 ต.สิงคา อ.นาหว้า จ.เลย 42170
www.longloei.com
จำหน่ายโดย กลุ่มวิสาหกิจชุมชนลองเลย 54 ม.4 ต.สิงคา อ.นาหว้า จ.เลย 42170
☎ 42-2-01664-6-0004



"กาแฟลองเลย" ผลิตภัณฑ์แปรรูป
จากการสร้างป่า สร้างรายได้ อ.นาหว้า จ.เลย



“ สรุตติณี สิงกริถัญญ์ ”
อ.นาหว้า จ.เลย

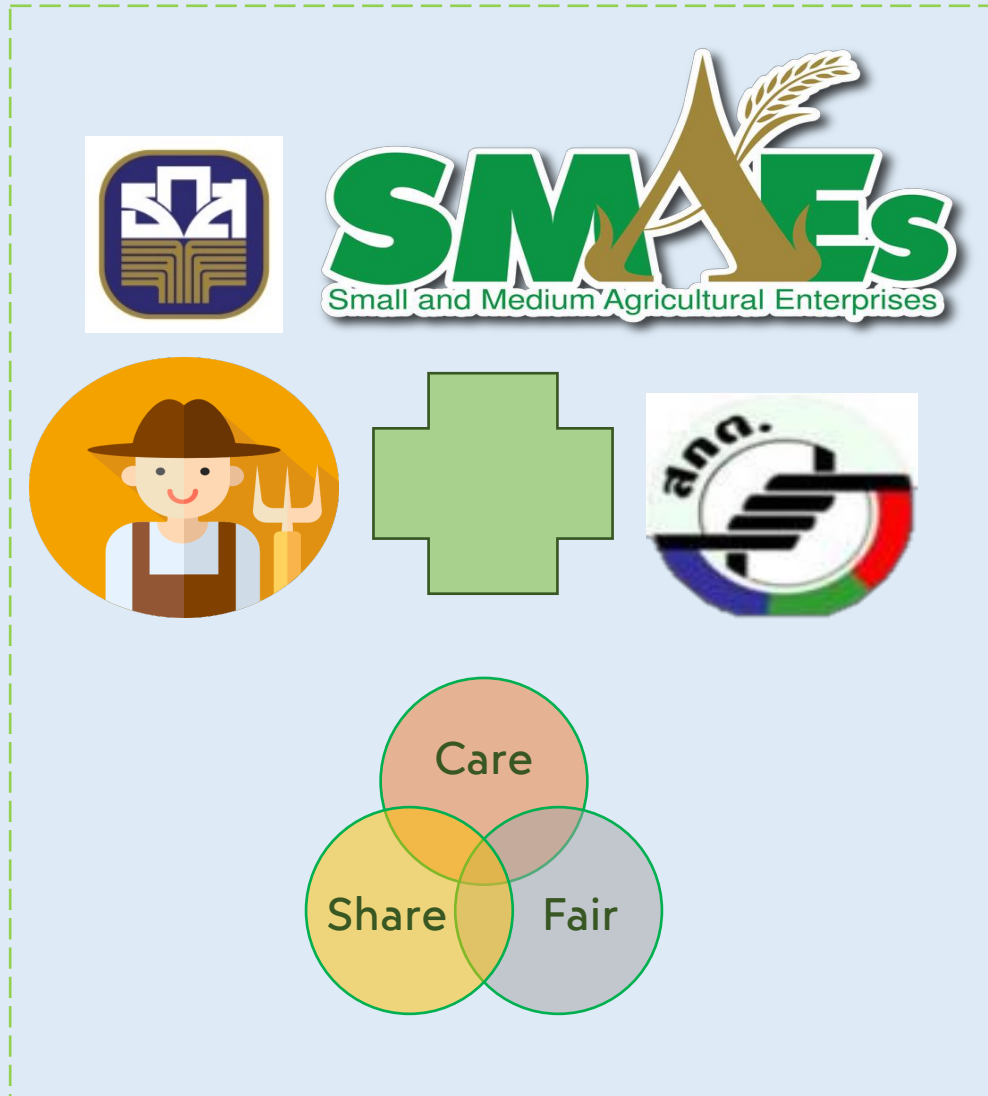
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เวลาประมาณ 17.59 น. ทางช่อง 7HD

ธนาคารเพื่อการเกษตรและสหกรณ์การเกษตร
BANK FOR AGRICULTURE AND AGRICULTURAL COOPERATIVES

รายการสื่อไทย เพชร โดย ร.ก.ส.



Key Success



Key Take Away

Key Driver

The development of SMAEs as the main engine of supply chain driving in the agricultural sector is important

Value Chain Linkage

Upgrading the capabilities of key players in each chain and connecting networks throughout the supply chain will drive the agricultural sector to grow sustainably

Services Enhancement

Building a wide range of service capabilities to meet the needs of customers in each supply chain will create a solid foundation for future growth

Stakeholder Need

Developing financial products that do not only take into account specific customer needs or performance, but also stakeholders needs throughout the chain will result in sustainable growth of the organization

Thank you...

