



Agricultural cooperatives are basically established to enable members, whose occupation is engaged in agriculture, to produce, improve, and market their agricultural products by means of self help and mutual help in order to bring about a better living.

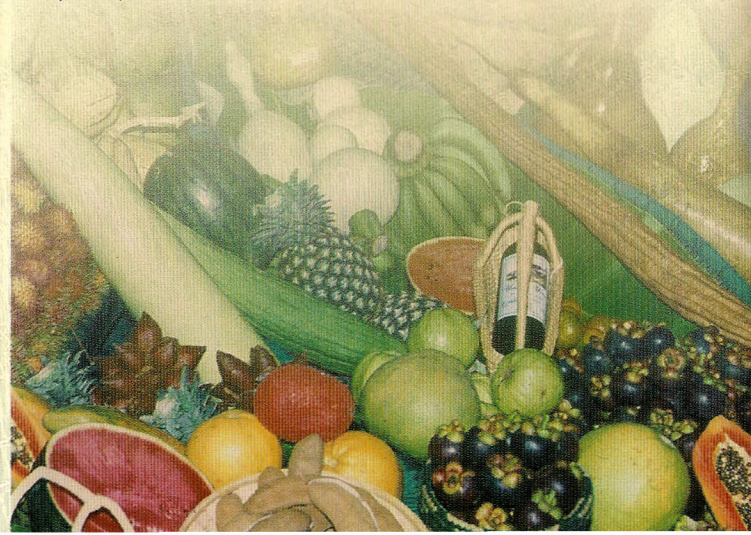
Background

Established on 26 February 1916 in Muang District, Phitsanulok Province, named Wat Chan Cooperative Unlimited Liability was the first cooperative in Thailand. From then on, the number of small credit cooperatives steadily increased until the promulgation of the Cooperative Act in 1968. Several of these cooperatives then amalgamated together, forming agricultural cooperatives at district level. The bigger and stronger they are, the more services they can provide to members.

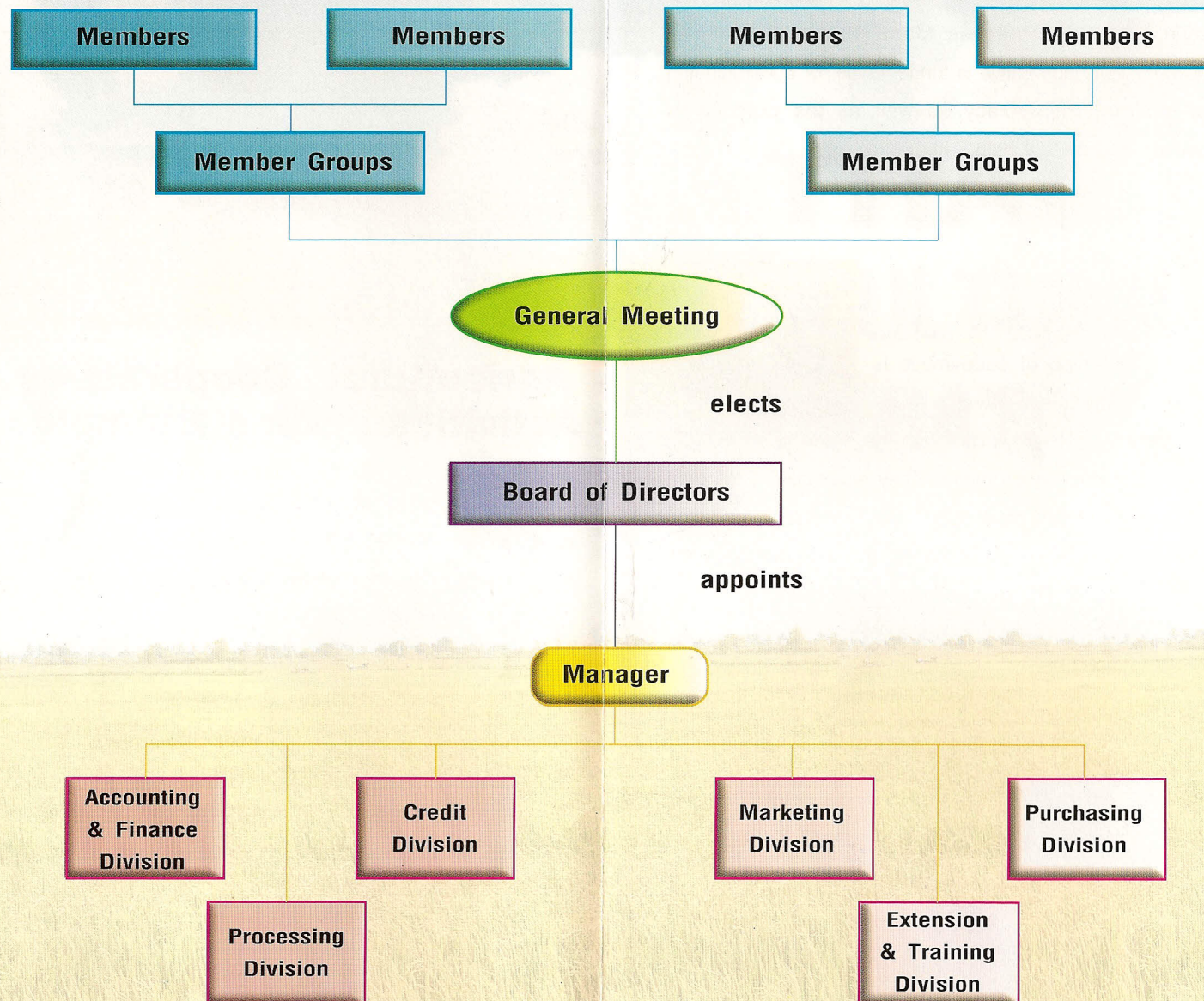
Objectives

Agricultural cooperatives are formed to achieve their objectives, which can be summarized as follows:

1. To provide loans to members for productive and providential purposes at affordable rates of interest.
2. To encourage thrift among members through savings and deposits.
3. To provide agricultural products as well as daily necessities for sale to members at reasonable prices.
4. To promote good farm production methods and disseminate technical know-how aimed to help members reduce production costs and obtain higher yields. With government assistance, members are introduced proper cropping techniques as well as the use of fertilizers and insecticides.
5. To provide farm equipment such as tractors, water pumps, etc., to members at a minimum charge.
6. To enable members to market products at good prices and to maintain fairness in terms of weight and measurement.
7. To educate and train members on cooperative principles and method.



General Structure of Agricultural Cooperatives



A primary cooperative consists of individual members who are formed into groups at village level. According to the Cooperative Act, the general meeting of members elects the board of directors who formulates the policy of the cooperative. The board of directors appoints a manager and staff to run cooperative operation.



Cooperative Business

Agricultural cooperative are engaged in business in response to members' needs in five areas, credit business, savings and deposits, purchasing business, marketing business and agricultural extension services.

CREDIT BUSINESS

Through the assistance of the Government, the Bank for Agriculture and Agricultural Cooperatives, various funds and other lending agencies, members of agricultural cooperatives can access loans at low interest rates. Thus, loans can be classified into two categories; short-term and medium-term. Members can gain the utmost benefit, which enables them to purchase seed, fertilizer, insecticide, farm machinery, etc., and buy or improve their land.

SAVINGS AND DEPOSITS

Agricultural cooperatives promote thrift among members, savings can also be used to carry out business that can turn a profit for both cooperatives and their members. Currently, members can have either savings or fixed deposits at their cooperatives.

PURCHASING BUSINESS

The business of buying and selling agricultural necessities (farm tools, rice seed, fertilizers, etc.) benefits members because it helps them reduce production costs as well as household expenses. They are assured of fair prices when they buy and sell through their cooperatives.

MARKETING BUSINESS

An important cooperative business is the collecting members' products for sale, thus giving them bargaining power in the sale of their products. Members can obtain good prices, while fairness in weight and measures can be guaranteed. In recent years, food processing is being introduced to generate more income for members, such as milled rice and canned fruit.

Such joint efforts also facilitate the linkage of local marketing to export. With the assistance of government, some cooperatives have been developed to be centers for marketing of members' products not only at local level but also abroad. A successful example is the chemical-free Hom Thong bananas from agricultural cooperatives now being exported to abroad. This business has generated considerably income for participating farmers.

AGRICULTURAL EXTENSION SERVICES

Cooperatives provide agricultural extension services to member at reasonable fees. Examples are in the areas of ploughing, land improvement, irrigation, demonstration farms, etc. Costs are made affordable using the expense-sharing principle.



Types of Agricultural Cooperatives

Agricultural cooperatives are organized among the people engaged in agriculture, having various kinds and degrees of needs. There are different types of agricultural cooperatives as follows:-

WATER USERS COOPERATIVE

Members are farmers living in the same area along a canal or other water sources, which they jointly use for irrigation purposes. Joint maintenance of this valuable resource is the purpose of this type of cooperative where members cooperate in minimal and efficient use of water.



LAND REFORM COOPERATIVE

This type of cooperative is established as part of the government's land reform program. Cooperatives are organized in land reform areas to assist farmer members in agricultural production and to enable them to gain capital.



SPECIAL COOPERATIVE

This is formed among farmers who raise animals such as cattle, pigs, etc. Joint marketing of these products enables members to obtain good prices and fairness in trading. In addition, there are also dairy cooperatives which process milk for sale in the general market or sell raw milk to private firms.



COOPERATIVE IN THE BORDER PATROL POLICE SCHOOL

This cooperative is under the auspices of Her Royal Highness Princess Maha Chakri Sirindhorn. Knowledge of cooperative is fundamental for understanding and realizing democracy as well as the practice of self-help and mutual help.

RUBBER COOPERATIVE

This type of cooperative is specific to farmers working on rubber plantation. The members use the cooperative method to solve production problems. They share in the different aspects of rubber production and marketing, including product development, processing, efficient management, and dealing with the rubber export marketing.



Agricultural Cooperatives Activities : Some Examples

A number of agricultural cooperatives have operated well in their chosen business, bringing benefits to members in the form of better income and better living condition. Some examples are as follows:-






- Digging farm ponds has enabled members to engage in integrated farming. Vegetables (eggplant, lettuce, pumpkin, chili, corn, and soybeans, etc.) are grown along with animal raising (ducks, chickens, pigs, fishes, etc.) for sale and household consumption. The cooperative members can earn more income as well as minimize family expenditures.
- Seedlings improvement (rice, soybean, etc.) for sale to members and general farmers results in quality production and higher income.
- Dairy cooperatives have set up modern plants producing different types of dairy products, including pasteurized and sterilized milk, yogurt, and UHT milk, for sale.

- Central markets for agricultural products are established in a large number of agricultural cooperatives, ensuring members of fair prices. They are the certain places for farmers and merchants to meet together and make agreement on prices of agricultural products.

- Cooperatives have set up their own petrol stations, selling petrol at reasonable prices to members as well as the general public.

Development Projects Supported by Cooperative Promotion Department

The agricultural cooperatives receive government support for development projects through the Cooperative Promotion Department to improve the management efficiencies of their operation. Some of the important projects are as follows:

-  Vocational Groups Promotion
-  Community Enterprises Development
-  Development of Production and Management Efficiencies in Agricultural Cooperatives
-  Promotion of Cooperative Strategic Planning
-  Food Safety of Cooperative Products

Planning Division

Cooperative Promotion Department

12 Krung kasem Rd., Bangkok 10200, Thailand

Tel. +66 2628-5515 +66 2281-0107

Website : <http://www.cpd.go.th>

E-mail : cpd_pnd@cpd.go.th

THAI AGRICULTURAL COOPERATIVES

