

Contents

36 th Anniversary Celebration of Cooperative Promotion Department	2
Vision	3
Definition of Cooperative	3
Cooperative Values	4
Cooperative Ideology	4
Cooperative Principle	4
Cooperative Method	4
Cooperative Schemes of the Fiscal Year of 2008	5
Policy : Cooperative Promotion Projects by the King's Initiatives	6
Policy : Cooperative and Farmer Group Development based on Sufficiency Economy	10
Policy : Agricultural Know-how Promotion for Cooperatives in the Southern border Provinces	14
Policy : Organic Produce and Food Safety Promotion	17
Policy : Compensation and Disaster Financial Assistance	20
Policy : Strengthening cooperatives and farmer groups to be learning organizations	22
Policy : Farmer Organization Development through Cooperative System Support	25
Annual Report 2551 : Cooperatives and Farmer Groups Promotion	32
Strategic Plan for the Fiscal Year of 2009 - 2012	34



36th Anniversary Celebration of Cooperative Promotion Department

It was in 1972 according to the Revolutionary's Order No. 216 dated 29 September 1972, the Ministry of Agriculture and Cooperatives was newly established to take care the cooperative development and followed by the Revolutionary's Order No. 217 on the same date, all authorities and functions related to cooperative development which was formerly under responsibility of other organizations were transferred to the Ministry. Colonel Surin Chonprasert was the first taking a post of Director General and a Registrar of Cooperative.

According to the Regulations of Ministry of Agriculture and Cooperatives in 2002, the Cooperative Promotion Department had duties to

- Taking responsibilities following the Cooperative Act, Land Allocation for Livelihood Act on the matters relevant to land settlement cooperative promotion and related laws.
- Studying, analyzing and conducting researches for cooperative system development.
- Promoting, disseminating and instructing the cooperative ideology, principles and methods to cooperative personnel, farmer groups and the public.
- Promoting, supporting and protecting the cooperative system.
- Studying and analyzing the guidelines or the direction of cooperative development for proposing to the National Cooperative Development Board.
- Studying and analyzing the need of cooperative product markets and creating the business linkage among cooperatives and between cooperatives and private sectors both in domestic and foreign countries.
- Taking other responsibilities according to the authorities of the Department prescribed by the Cooperative Act or by the Ministry of Agriculture and Cooperatives or by the Cabinet.

Vision

Cooperative Promotion Department is the lead agency to promote and develop cooperatives and farmer groups into self-reliance and member-reliance.

Definition of Cooperative

A Cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Cooperative Values

Cooperatives are based on the values of self-help, self - responsibility, democracy, equality, equity, and solidarity. In their founder's tradition, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Cooperative Ideology

In its essence, cooperative ideology is a strong belief that the people well-being can be achieved only if they are organized and operated as cooperative by means of self-help and mutual help.

Cooperative Principle

The cooperative principles are guidelines by which cooperatives put their values into practice.

1st Principle : Voluntary and Open Membership

2nd Principle : Democratic Member Control

3rd Principle : Member Economic Participation

4th Principle : Autonomy and Independence

5th Principle : Education, Training and Information

6th Principle : Cooperation among Cooperatives

7th Principle : Concern for Community

Cooperative Method

Besides the governing cooperative principles, running cooperative business is generally based upon the same methods applied by other business organizations. Successful cooperative performance is required, for instance, good leadership and efficient management. However, the uniqueness of cooperative method that differs from the others is that of self-help and mutual help method.



Cooperative Schemes of the Fiscal Year of 2008

In the fiscal of 2008, Cooperative Promotion Department has 7 main schemes as follows:

1. Cooperative Development Initiated by the King
2. Cooperative and Farmer Group Development based on Sufficiency Economy
3. Agricultural Know-how Promotion for Cooperatives in the Southern border Provinces
4. Organic Produce and Food Safety Promotion
5. Compensation and Disaster Financial Assistance
6. Value Addition of Agricultural Produces
7. Farmer Organization Development through Cooperative System Support



Policy : Cooperative Promotion Projects by the King's Initiatives



Cooperative Promotion under the Royal Development Projects

Thai people have been very grateful for His Majesty the King's royal grace. He visited all over the remote areas of the country to listen to the villagers' problems and helps them. In view of cooperatives, he introduced the effective approach based on the self-help and mutual-help under the cooperative ideology, principles and practices.

To respond to the King's initiative and continue the Royal Projects, Cooperative Promotion Department organizes plenty of activities with aim to develop and promote cooperative performances. On implementation to increase the management capacity, Cooperative Promotion Department also cooperates with other governmental organizations to integrate the cooperative promoting jobs with other fields. The Cooperative Promotion Department has 40 ongoing royal projects that cover 62 cooperatives in 28 provinces.

According to the operational result, 39 of 62 target cooperatives can hold the annual general meeting within 150 days and there are 29 cooperatives able to close the accounts according to the Registrar's Order.

Cooperative Promotion under His Majesty the King's Royal Projects

His Majesty the King established the Royal Projects in 1969 to develop high land agriculture, reduce addictive plant cultivation and water source conservation.



To respond the King's initiatives, the Cooperative Promotion Department has set up the projects to develop the cooperative operation and increase the management efficiency of cooperatives, farmer groups and occupational and youth groups in the Royal Project areas. There are 113 groups altogether in 9 northern provinces.

The operational result shows that 17 of 33 target cooperatives/farmer groups can hold the annual general meeting within 150 days and 9 cooperatives can close the accounts under the Registrar's Order.

Cooperative Promotion in remote areas under Her Royal Highness Princess Maha Chakri Sirinthorn

Her Royal Highness Princess Maha Chakri Sirinthorn initiates to introduce the cooperative system to schools through the specific course. This project needs the cooperation of students, teachers and villagers. The Cooperative Promotion Department designs the cooperative courses for 398 target schools in 44 provinces. The main theme of the course orients the changes in





behaviors to cooperative mind rather than profit mind.

The operational result shows that 30 schools are successful and plan to improve the buildings for cooperative activities. The 46,284 students participate in cooperative activities as members.



Development in the Area of Pak Phanang River Basin Development Project

The Ministry of Agriculture and Cooperatives have policy to promote this project by matching the occupation with the zone.

The Cooperative Promotion Department under the Ministry undertakes the rice and oil palm zones by creating the market networks and technology development for value addition.

The operational result shows the Department grants the budget for a 40X40 square meter rice threshing court and a 50-ton scale to Wichienyai Agricultural Cooperative Limited.





The Thai-Israel of Pomegranate Planting Project at Hubkapong, Petchaburi Province

It was the collaboration among the Embassy of Israel in Thailand, Ministry of Agriculture and Cooperatives, Department of Extensions by Horticultural Research Center, and Cooperative Promotion Department by Hubkapong Cooperatives Demonstration Center. The project has the objective to mark H.M. the King's 60th Anniversary of His Accession to the Throne in 2007 and to disseminate the technology of pomegranate planting in barren landscape.

The operational result is 216 pomegranate trees planted in the project area. The grant is supported by the Department while the NETAFIM (Thailand) takes care of dropping irrigation system.



Policy: Cooperative and Farmer Group Development based on Sufficiency Economy

The Sufficiency Economy Movement in Farmer Institutions

Cooperatives are organizations whose members share common interest to run business through cooperative ideology, principles and methods for their viability.



At present, many cooperatives run a commercially oriented operation and ignore the sufficiency and cooperative sense that leads to lost operation, corruption and insecurity organization. Finally, cooperative means nothing except merely the name of organizations.

The effective approach to create the awareness of cooperative sense is to introduce the business operation through the sufficiency economy to members.

- Goal:**
- There's one cooperative per province, the total is 76 cooperatives.
 - Cooperative organization is the center for management.
 - The committee, member group leaders and process lecturer who is the small group leader and management section are the power in the training for small group leaders to expand activity to members at least 5 – 10 persons. In one cooperative must has 1-10 group depend on the budget

Result: There is 71 cooperatives, 6 farmer groups, 413 small working groups and 4,119 members jointed the project.

Vocational development and Quality of Life of Farmer Members in the Sufficiency Economy

To develop vacation and quality of life to the members of cooperatives / farmer groups in the area of land-settlement cooperatives by sufficiency economy with the real practice in the land of farmer. In order to use land-settlement cooperative as the center for transferring technology and agricultural science.

- Goal :**
1. Training 4,390 members in 53 land-settlement cooperatives.
 2. Support production materials 2,500 baht per member.
 3. Establish 8 knowledge centers

- Activity :**
1. Guidance, promoting, monitoring and assessment
 2. Choose the members to joint the project.
 3. Train and demonstrate the knowledge of sufficient economy.
 4. Support production materials to member getting experience in their land.
 5. Monitor and evaluate the project.

Result : 3,545 members have been trained and 2,840 members working on sufficient economy continuously





Promotion and Development for Saving in Cooperatives System.

Cooperative Promotion department give most attention to encourage saving member families so the saving in cooperatives system project existed, in order to create value of saving to cooperatives/farmer groups members and the public.

- Goal :**
1. 100,000 members of cooperatives and farmer groups deposit in amount of 100 million baht.
 2. Discipline saving to 10,000 students to save 1 million baht.

- Activity :**
1. Promote cooperative methods, group working
 2. Create workshop seminar to personnel of Cooperative Promotion Department and representative from cooperatives in all provinces

Result : 282,741 members of cooperatives and farmer groups deposit money in amount of 2,481,023,034 baht.





Build-up Awareness of Cooperative Personnel Project.

(Cooperative Capacity Development Completion Project under the Sufficiency Economy)

Cooperative success is their operation met the member needs completely and the members have awareness to be good quality member of cooperative.

Goal : There are 28,890 of members/group leaders and committee/ farmer groups joint the project.

- Activity :**
1. Create workshop seminar to make action plan, explain the project to cooperative, Analyze strength of cooperatives and farmer groups.
 2. Workshop seminar on “Expanding Development Direction to Strengthen Cooperatives.”
 3. Workshop seminar on “Participation of Cooperative Members.”
 4. Workshop seminar on “Monitoring and Evaluation Operation under Cooperative Capacity Development Completion Project.”

Result : There are 34,742 members, group leaders, committee and farmer groups joint the project.

*Policy: Agricultural Know-how Promotion for Cooperatives
in the Southern border Provinces*

Increase in Oil Palm Plantation in 3 Southern Border Provinces

According to the government policy to solve the disorder and the violence in the southern border provinces, the solutions need participation of all concerned sectors and compatibility with unique lifestyle, tradition and beliefs of people there. To respond to this policy, the Cooperative Promotion Department organizes a project of increase in the oil palm plantation in 3 southern border provinces to rehabilitate and reuse the bog soil and desolate rice field for oil palm plantation. The project area covers 35,000 rai.

The operational result from 2004 to 2008, the Department develops the land for infrastructure covering 24,443 rai from the target of 27,543 rai for oil palm planting on the area of 19,263 rai from the target of 27,543 rai.



Assistance for Farmers in 3 Southern Border Provinces through Farmer Institutes

Due to the disorder and violence in such provinces, the people get into troubles with earning and decreased income. Therefore, the Cooperative Promotion Department provides the financial supporting program to the owed people to relieve the troubles. Any members in debts with cooperatives or farmer groups less than 200,000 baht or without the outstanding debts are eligible to benefit from the suspension of payment and non-payment of interest. The Department will pay some amount of interest for those owed members.

The operational result reveals that from 2004 – 2006 there had been 1,500 members involved in the program and altogether 17,896 members extending to 2008.

Development in Management Efficiency of Producers in 3 Southern Border Provinces

Strengthening production, marketing, and processing

To provide the opportunity for productivity and to ensure the markets for the products during disorder and violence in 3 southern border provinces, the Cooperative Promotion Department provides the training courses for cooperatives and farmer groups in production and processing technology and marketing. The Department also supports the necessary inputs and grants for labor employment.



The operational result shows that 60 cooperatives and farmer groups was granted for production infrastructure such as fruit grading buildings, inputs for sea bass raising, materials for marketing business and inputs for marketing center.

Increase in Capacity of Oil Palm Collecting Center

According to the government policy in 2005 to expand the oil palm plantation, it results in a lot of farmers turning to oil palm farm and high supply of oil palm. Those oil palms are still needed the processing next step but a suitable place to collect the palms is unavailable. The Cooperative Promotion Department provides the grant to construct the center building to collect the oil palms from 5 cooperatives in Yala, Pattani and Narathiwat Provinces. The center building is constructed in the Yala Oil Palm Grower Cooperative Limited.



Policy: Organic Produce and Food Safety Promotion

CPD allocated 46.6025 million baht for 2 projects namely, Promotion of Organic Farming in Farmer Institutes and Promotion of Standard, and Safety Products in Farmer Institutes. The former consumed 41.9755 million baht and the latter consumed 4.6270 million baht. The operation results are as follows

Promotion of Organic Farming in Farmer Institutes

The project's objectives are to disseminate organic farming knowledge to cooperatives members and farmer groups; decrease farm chemical; and improve quality of farmers' life.

As of 31 July 2008, there were 2,400 farmers from 75 cooperatives and farmer groups trained in this project. To decrease chemical use, the project supported 667 farmer groups to provide organic fertilizer to farmers. 18,961 farmers had safer farm production and public can consumers consume safe products.





Promotion of Standard and Safety Products in Farmer Institutes

This project emphasize on improvement of food and agricultural product. The project concerned safety and quality check of raw materials and farm, and integrated hygienic guarantee from farm to table. Target group of this project were cooperatives and farmer groups.

There were 9,474 farmers getting trained in this project and more than 60% of them asked for standard farm registration. An example of successful participant is Lumnam Sam Roi Yot-Pran Buri Prawn Raiser Cooperative Ltd. in Prachuab Khiri Khan.



Mr. Bancha Banluedej, Chairman of Board of Directors said that Food Safety training courses improved cooperative's production process. He also added that cooperative system, with CPD support, is the most effective tool for solving farmers' problems.





Policy : Compensation and Disaster Financial Assistance

In 2008 the Cooperative Promotion Department sets up the financial assistance program by paying some interest for the members who suffered from natural disaster in 2006. As of July 2008, the members eligible to benefit from this program are 21,528 or 52.34% of the target group and the total grants already allocated are 149,519,558 baht or 52.34% as budgeted.



The plan for the financial assistance program

1. The Cooperative Promotion Department will pay for members who are dead and their names are deleted from the register.
2. Any members who suffered from the natural disaster and their produces lost will be in the suspension of payment for 3 years (from 2006 - 2008). The Department will pay the some interest for them.





Tung Kula Farm
ทุ่งกุลา
 ฟาร์ม



*Policy: Strengthening cooperatives and farmer groups
 to be learning organizations*

Quality Rice Production in “Tung Kula Rong Hai” for Export

This project aimed to eradicate poverty and restructure rice production for export competitiveness. CPD took charge in marketing management development for farmer Institutes. The activities are group formulation promotion, training provision, rice mill improvement, full cycle marketing promotion and Hom Mali Rice Center establishment.

CPD also employed consultant to develop standardize production and effective marketing strategies.

CPD promoted “Tung Kula Farm” as a brand for Hom Mali rice from “Tung Kula Rong Hai”, the plateau that was barren in Northeastern Thailand. Mr. Boonkird Phanon, Manager of Kaset Wisai Agricultural Cooperative Ltd., Roi Et Province, said that the brand has increased rice value added, increased consumers’ confidence, encouraged producers to concern more for production and packaging and allowed cooperatives to learn branding strategy. He also expected higher sales volume in future.





Standardization of Cooperative Products

Most of products from cooperatives are not standardized. They are not fit consumers' preferences because producers lack production skill. Therefore, CPD conducted this project to alleviate the problems and develop cooperative products in order to increase value-added and marketing opportunity.

CPD improved packaging center and developed product and packaging for cooperative. After project implementation, 38 groups developed new packaging. 28 groups improved their packing houses. The budget of this project was 6,774,700 baht.



Policy: Farmer Organization Development through Cooperative System Support

Promotion of Cooperative Development Fund

The Cooperative Development Fund was founded in 1999 under the Cooperative Act Section 27 to financially help cooperatives. Currently with totally 3,700 million baht, this Fund plays the important role as the financial source to support the cooperative promoting job economically and socially as follows:

1. To open the chances for small-scaled cooperatives and farmer groups to access the financial sources with lower rate interest than any other financial institutes.
2. To develop the capacity of the cooperators, officials and cooperative staffs.
3. To promote various beneficial activities such as marketing promotion campaign or modernizing packages to meet the customers' tastes.



Operational Result:

The Cooperative Development Fund can support the operation of cooperatives, farmer groups and even the governmental organizations.

1. There are 620 cooperatives granted the loans for the business expansion purpose with total loans of 1,256.37 million baht.

2. There are 332 cooperatives inaccessible to other financial sources and receiving the credits of 460.558 million baht.

3. The government policies to solve the immediate problems during the crop seasons such as outstanding liabilities, damaged crops due to natural disaster, over supply of crops or fruits are also supported. There are 29 cooperatives contributed the grants of 111.105 million baht.

Non-Formal Education Promotion for Cooperatives and Farmer Groups

The Cooperative Promotion Department in collaboration with Office of the Non-formal Education organized the extra-curriculum for cooperatives and farmer groups. This is in line with the strategy to increase the capacity of human resources in the organizations.

The operational result : Currently there are 389 members enrolling in this curriculum.





Allocation of Land and Distribution of the Ownership

According to the Land Allocation for Livelihood Act in 1968, the Cooperative Promotion Department has duty to allocate the unoccupied land to the eligible landless farmers and issue the right notification. The farmers who are given the right notification will form together as land settlement cooperative.

The Cooperative Promotion Department has the target to issue the right notification for the land of 2,982,372 rai in 36 land settlement cooperatives in 21 provinces.

Currently, CPD already issued the right notification for the land of 3,550,718 rai

Trade Fair Organization in Abroad

Since planning to solve the over supply of cooperatives, the Cooperative Promotion Department organizes the trade fair internationally to open new markets and introduce the cooperative products to international customers.

The Cooperative Promotion Department can hold the trade fairs 8 times in 7 countries with total export value of 118.126 million baht from the markets in China 35.94%, Europe 31.85%, Japan 11.07%, Malaysia 5.97%, USA and Canada 3.59%.



Trade Fair Organization in Country

The Cooperative Promotion Department organizes the trade fairs to display and sell cooperative products. This will encourage cooperatives and farmer groups to improve the product quality.

Currently, the Cooperative Promotion Department held 4 regional trade fairs and one in the center. As for the provincial level, there were 19 trade fairs in the target provinces with the total budget of 45,646,328 baht.



Community Leader Development for Agricultural Cooperatives in Thailand

The project was launched to develop vocational group leaders and cooperative staff to strengthen their communities. Project target group are 690 participants countrywide.



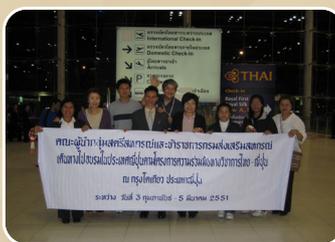


In 2007 CPD trained 230 participants from 76 provinces on group management, leadership and business skills in Thailand and selected 23 participants to train in Japan. In 2008 another 230 participants has been trained and some of them are going to be trained in Japan in October 2008. The project is continuing and will be terminated in 2009.

So far, not only knowledge transfer, but the project also facilitated 154 vocational groups in the project to create network to expand their market channels.

Cooperative Strategic Plan Promotion

In 2003 CPD encouraged cooperatives to make strategic plan for efficient cooperative movement. The plan directed cooperative development and systemize monitor and evaluation process. However some cooperatives can implement the plan very well while some cannot. So plan review and evaluation are needed.



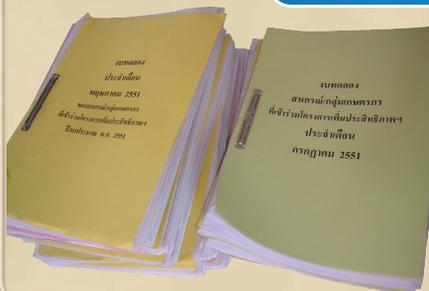
According to this project, CPD monitored and evaluated cooperatives' strategic plan and implementation; and encouraged experience exchanges between cooperatives. The project activities are meeting, discussion, plan review and improvement, seminar, monitoring and evaluation.

1,396 cooperatives have been monitored and evaluated. 1,125 cooperatives have implemented their plan and 604 cooperatives were recommended to revise their plans.

Management Improvement in Cooperatives and Farmer Groups

Some small cooperatives and farmer groups cannot employ staff or skilled officers for accounting work, so they cannot finalize their account in time. Therefore, according to the project, CPD sent staff to advise and help them on accounting.

Averagely, a staff advised 5 cooperatives/groups. There were 3,715 small cooperatives/farmer groups in this project of which 3,057 can finish up their account in time.



Debt Reduction for Small Scaled Farmers

The debt reduction took place to help the in-debted small scaled farmers who are no longer capable to settle the outstanding debts. Those who are eligible to the scheme and wish to participate in this scheme have to enroll in the occupation rehabilitating plan owned by Farmer Rehabilitation Development Fund (FRDF). Each half of their outstanding debts will be refinanced by CPD and FRDF.

So far there are 1,609 farmers enrolled to Farmer Rehabilitation Development Fund with the refinanced amount of 226.96 million baht. CPD has already paid 31.680 million for 505 farmers. CPD publicized criteria and process of debt refinance to members of farmer institutes and requested farmer institutes to reprieve civil proceedings and execution on bad debt till the end of 2008 in order to alleviate debtors' troubles.



Annual Report 2551

Cooperatives and Farmer Groups Promotion

- Budget Plan :** Poverty Eradication and rural developments
- Product :** Cooperatives and Farmer Groups has been registered to settle and promote
- Activities :** Promote and develop organizations and farmers
- Authorized Agencies :** 75 Provincial Cooperative Offices
Cooperative Promotion Office in Area 1 and Area 2
- Objectives :** To promote, support the operation of Cooperatives and farmer groups to have ability to help members both in economic and social sector by ideology, principles and methods of cooperatives.

Overall Operation (1st October 2550 - 31st July 2551)

- Cooperatives and farmer group have been promoted and supported the operation in many sectors such as management, business operation, law, regulation, concerned command and solved problems, etc,
- Mobile Unit (MU) visit 9,160 cooperatives and farmer groups in two months (June and July). It is about 83.39 percent from the target (10,984)
- MU follow up 391 cooperatives that stop running business calculated 118.13 percent of the target (331) and 425 farmer groups calculated 86.03 percent of the target (494)
- Inspecting the operation and financial status of 4,536 cooperatives, according to the law and regulation, 2 times a year per one cooperative, calculated 98.84 percent of the target (6,613)
- Participate the meeting of 14,622 member groups in 2,177 cooperatives calculated 88.39 percent of the target (16,543 groups)
- Create meeting to indicate the policy and change experience with cooperatives representative in cooperative development.

- There are 5,185 cooperatives and 8,940 representatives equaled 135.19 percent of target.

- Create workshop seminar to solve problems by brain storming 3,999 Project equaled 97.66% of target (4,095)

- Supervising, promoting and follow up 4,789 cooperatives and farmer groups to link business together, equaled 43.60% of target (10,954)

Outcome from Operation:

- 3,544 Cooperatives and 3,231 farmer groups which have fiscal year during September 50 and August 51 can close account within 30 days after the end, calculated 61.68% of target (10,984)

- 4,291 Cooperatives which have fiscal year between May 50 and April 51 can create meeting within 150 days, calculated 64.08% of target (6,697)

- 3,391 cooperatives which have fiscal year between September 50 and August 51 can get profit from business, equaled 62.38% of target (5,436) and 567 cooperatives can decrease the loss, calculated 46.78% of target (1,212)

- 3,417 cooperatives and 2,227 farmer groups can increase the working capital calculated 51.67% and 50.95% of targets (6,613 and 4,371)

Success from working under the plan

- All suggestions that CPD Officials render during the regular visits to cooperatives and former such as how to operate the businesses and manage the internal administration result in the growth of their business and the solidarity of the groups

- Any activities in cooperative their operation need control and supervision by may change rapidly to economic and social environment, so it must have to control and inspect by inspector, authorized 2 times a year. This will decrease the risk from corruption and defections.

- Cooperatives and farmer groups are supported to create the business networks that with help expand their business



Strategic Plan for the Fiscal Year of 2009- 2012

Vision

The Cooperative Promotion Department is the lead organization to develop the cooperative system for contribution to peaceful society.

Mission

1. Creating values and pushing forward the cooperative system for contribution to peaceful society under the sufficiency economy theory.
2. Supporting the cooperatives and farmer groups in satisfying their members
3. Promoting the fair trade between cooperatives or farmer groups and partners
4. Supporting the participation of cooperatives and farmer groups in social and environmental development
5. Promoting the managerial and business participation of cooperative personnel for self-help and mutual help and allocating lands in the settlement cooperatives.
6. Strengthening cooperatives and farmer groups to be learning organizations
7. Promoting business operation and networks of stakeholders under the law
8. Creating good governance and developing the bureaucracy in Cooperative Promotion Department
9. Developing virtue, morality and high & happy performance in government officials.
10. Proceeding by the Cooperative Act and Land Allocation for Livelihood Act particularly on cooperative land settlement and other related fields.

