

DAMAN PRAKASHA

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6-1-93

**7th ICA/ JAPAN TRAINING COURSE  
ON  
STRENGTHENING MANAGEMENT  
OF  
AGRICULTURAL COOPERATIVES IN ASIA**

**Field Study Visits in Thailand  
6 - 13 January 1993**

**Cooperative League of Thailand  
4 Pichai Road, Dusit, Bangkok  
10300**

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7th ICA/JAPAN Training Course on Strengthening  
Management of Agricultural Cooperatives in Asia  
Program

Field Study Visits in Thailand  
5 - 13 January 1993

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Tuesday, 5 January 1993

10.00 - Arrival of Participants by AF. 180  
Hotel: Viengtai, Bangkok

Wednesday, 6 January 1993

10.00 - Visit Cooperative League of  
Thailand  
12.00 - Lunch hosted by CLT  
13.30 - Visit Cooperative Promotion  
Department  
16.00 - Departure from Hotel to Airport  
18.45 - Departure to Chiangmai by TG.108  
Hotel: Vista, Chiangmai

Thursday, 7 January 1993

09.45 - Leave from Hotel  
10.00 - Visit Chiangmai Provincial  
Cooperative Office  
13.30 - Visit Chiangmai Provincial Agri-  
cultural Cooperative Federation  
Ltd.  
Hotel: Vista, Chiangmai

334:007.85

Friday, 8 January 1993

09.00 - Leave from Hotel  
10.00 - Visit Maetaeng Agricultural  
Cooperative Ltd.  
13.30 - Visit Sansai Land Settlement  
Cooperative Ltd.  
Hotel: Vista, Chiangmai



**Saturday, 9 January 1993**

- 09.45 - Leave from Hotel
- 10.00 - Visit Nakhon Chiangmai Consumer Cooperative Ltd.
- pm - Free  
Hotel: Vista, Chiangmai

**Sunday, 10 January 1993**

- Sight Seeing in Chiangmai  
Hotel Vista, Chiangmai

*(Golden Triangle)  
Phu, Laos, Burma  
Mekong River*

**Monday, 11 January 1993**

- 09.15 - Leave from Hotel
- 10.00 - Visit Sanpatong Agricultural Cooperative Ltd.
- 15.30 - Leave from Hotel to Chiangmai Airport
- 17.35 - Departure for Bangkok by TG.112  
Hotel: Viengtai, Bangkok

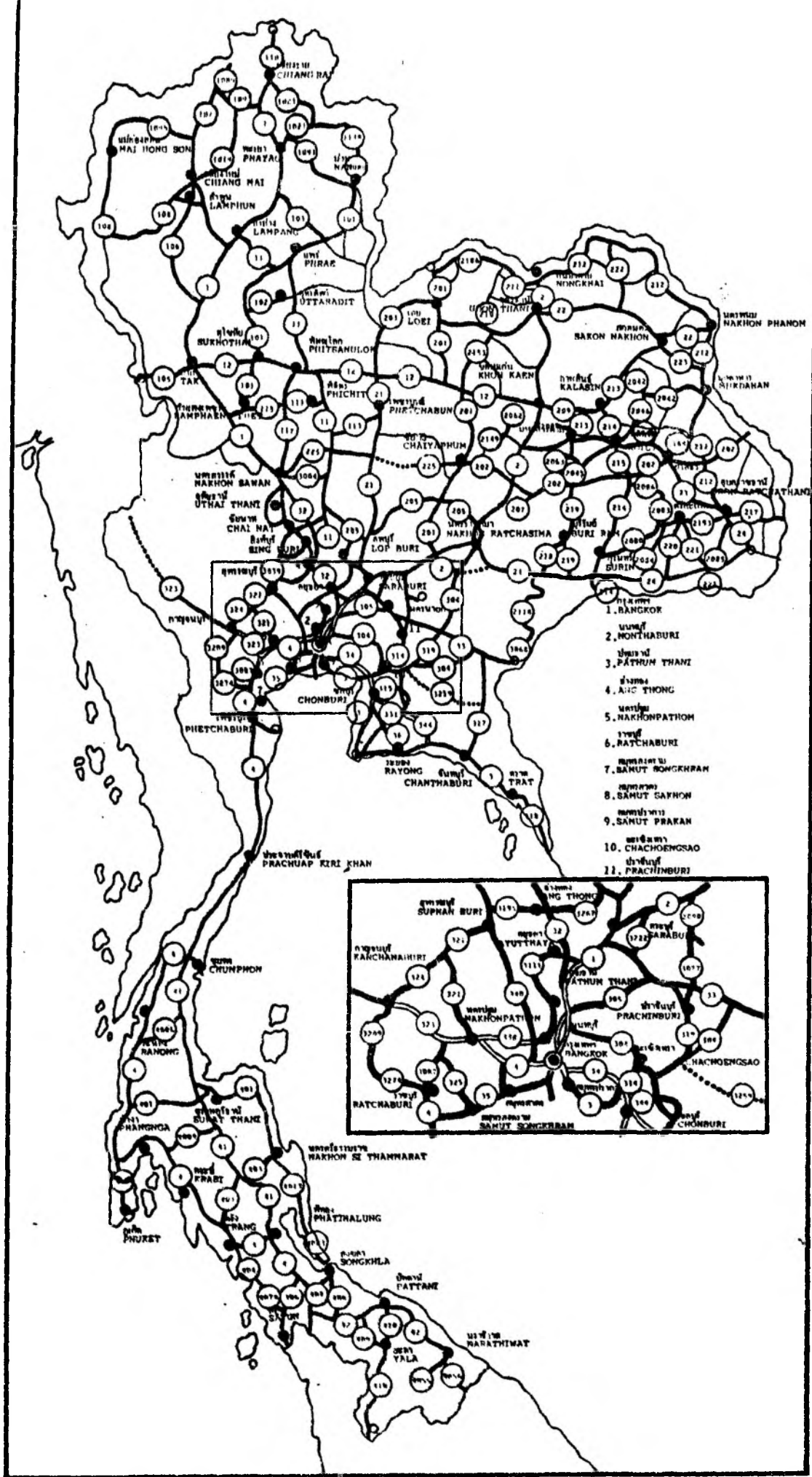
**Tuesday, 12 January 1993**

- 09.30 - Leave from Hotel
- 10.00 - Final Session at CLT
- pm - Free *1030 Grand Palace*
- 19.00 - ICA Dinner  
Hotel: Viengtai, Bangkok

**Wednesday, 13 January 1993**

- Departure of Participants

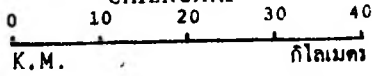
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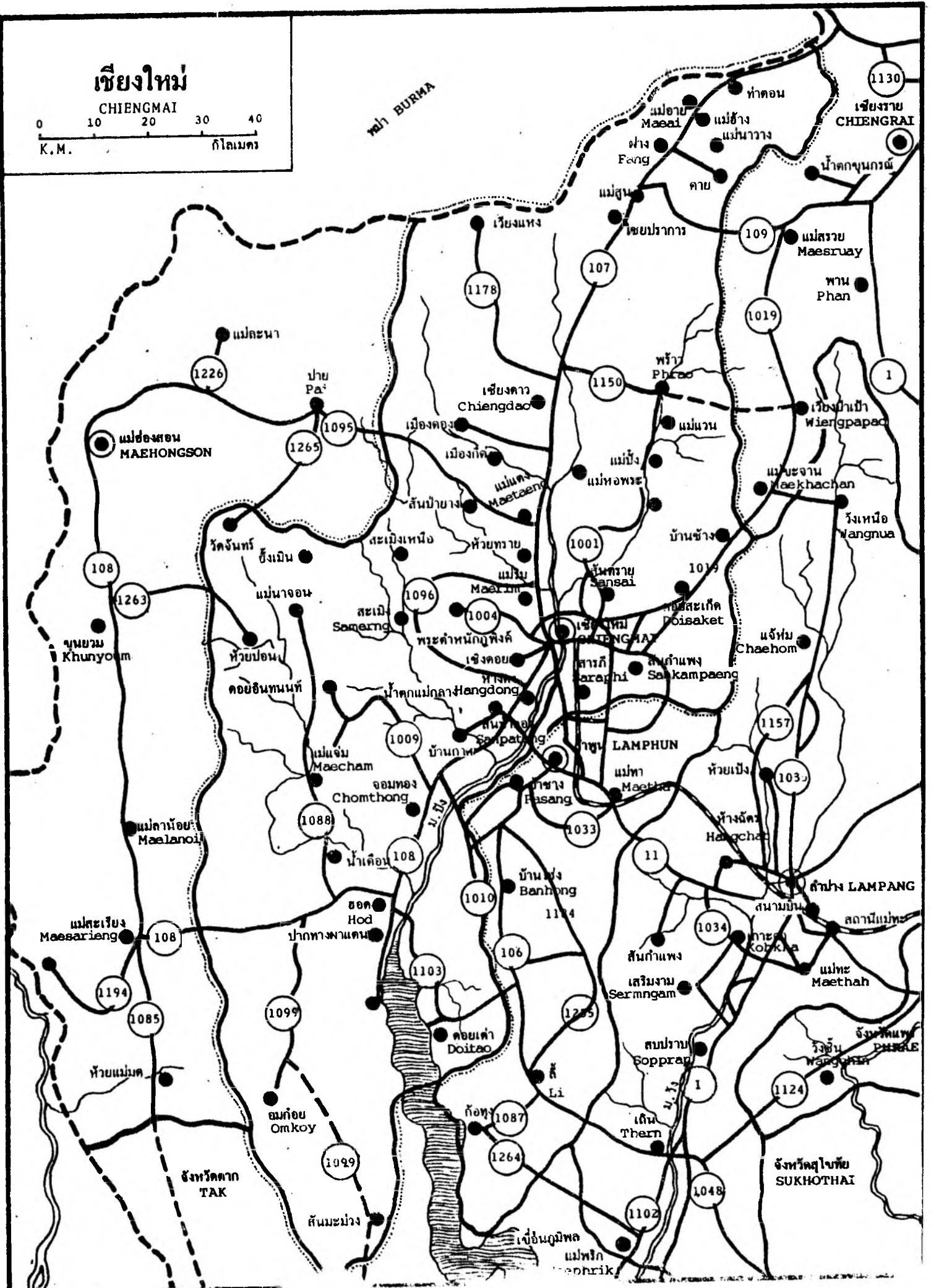
กรุงเทพฯ BANGKOK	
785	เชียงใหม่ CHIANG MAI
924	แม่ฮ่องสอน MAE HONG SON
691	พายัพ PHAYAO
668	น่าน NAN
696	เชียงใหม่ CHIANG MAI
670	ลำพูน LAMPHUN
599	ลำปาง LAMPANG
551	แพร่ PHRAE
615	หนองคาย NONGKHAI
491	อุตรดิตถ์ UTTARADIT
740	นครพนม NAKHON PHANOM
564	อุดรธานี UDON THANI
520	เลย LOEI
647	สกลนคร SAKON NAKHON
427	สุโขทัย SUKHOTHAI
377	พิจิตร PHITSANULOK
426	ตาก TAK
642	มุกดาหาร MUKDAHAN
449	ขอนแก่น KHON KAEN
519	กาฬสินธุ์ KALASIN
344	ชัยภูมิ CHAIYAPHUM
358	มหาสารคาม MAHASARAKHAM
346	เพชรบูรณ์ PETCHABUN
531	ยโสธร YASOTHON
512	ร้อยเอ็ด ROIET
342	ชัยภูมิ CHAIYAPHUM
475	มหาสารคาม MAHASARAKHAM
240	นครราชสีมา NAKHON SARAKHAM
629	อุบลราชธานี UBON RATCHATHANI
219	อุทัยธานี UTHAI THANI
571	ศรีสะเกษ SRISAKET
194	ชัยนาท CHAI NAT
259	นครราชสีมา NAKHON SARAKHAM
410	บุรีรัมย์ BURI RAM
153	ลพบุรี LOP BURI
142	สิงห์บุรี SING BURI
457	สุพรรณบุรี SUPHAN BURI
100	สุพรรณบุรี SUPHAN BURI
107	สระบุรี SARABURI
105	อ่างทอง ANG THONG
76	พระนครศรีอยุธยา AYUTTHAYA
107	นครนายก NAKHONNAYOK
46	ปทุมธานี PATHUM THANI
135	ปราจีนบุรี PRACHINBURI
128	กาญจนบุรี KANCHANABURI
56	นครพนม NAKHON PHANOM
20	นนทบุรี NONTHABURI
82	ฉะเชิงเทรา CHACHOENGSAO
29	สมุทรปราการ SAMUT PRAKAN
100	ราชบุรี RATCHABURI
36	สมุทรสาคร SAMUT SAKHON
72	สมุทรสงคราม SAMUT SONGKRAM
81	ชลบุรี CHONBURI
123	เพชรบุรี PETCHABURI
179	ระยอง RAYONG
245	ฉะเชิงเทรา CHACHOENGSAO
315	ตราด TRAT
281	ตราด TRAT
463	ชุมพร CHUMPHON
568	ระนอง RANONG
644	สุราษฎร์ธานี SURAT THANI
788	พังงา PHANGGA
780	นครศรีธรรมราช NAKHON SI THAMMARAT
814	กระบี่ KRABI
862	ภูเก็ต PHUKET
840	พัทลุง PHATHALUNG
828	ตรัง TRANG
950	สงขลา SONCKHIA
1055	ปัตตานี PATTANI
973	สตูล SATIUM
1084	ยะลา YALA
1149	นราธิวาส NARATHIWAT

# เชียงใหม่

CHIENGMAI



มหา BURMA



รายงานสถิติสหกรณ์ในประเทศไทย  
(COOPERATIVE STATISTICS OF THAILAND)

ณ วันที่ 1 มกราคม 2535

(AS AT JANUARY 1, 1992)

ลำดับที่ (NO.)	ประเภท (TYPE)	จำนวนสหกรณ์ (NO. OF SOCIETIES)	จำนวนสมาชิกสหกรณ์ (NO. OF MEMBERS)
1.	สหกรณ์การเกษตร (AGRICULTURAL COOPERATIVES)	1,669	1,576,880
2.	สหกรณ์นิคม (LAND SETTLEMENT COOPERATIVES)	94	99,004
3.	สหกรณ์ประมง (FISHERY COOPERATIVES)	32	6,598
4.	สหกรณ์ออมทรัพย์ (THRIFT & CREDIT COOPERATIVES)	892	1,502,059
5.	สหกรณ์ร้านค้า (CONSUMERS' COOPERATIVES)	407	717,484
6.	สหกรณ์บริการ (SERVICES COOPERATIVES)	309	89,270
	รวม (TOTAL)	3,403	3,991,295

ชุมนุมสหกรณ์ระดับชาติ 11 ชุมนุม  
สหกรณ์สมาชิก 991 สหกรณ์  
ชุมนุมสหกรณ์ระดับจังหวัด 74 ชุมนุมสหกรณ์  
สหกรณ์สมาชิก 1,046 สหกรณ์  
แผนกประมวลผลข้อมูล กองวิทยบริการ

สันนิบาตสหกรณ์แห่งประเทศไทย

โทร. 2411229

ที่มา : กรมส่งเสริมสหกรณ์

NATIONAL COOPERATIVE FEDERATIONS 11

991 MEMBER SOCIETIES

PROVINCIAL COOPERATIVE FEDERATION 74

1,046 MEMBER SOCIETIES

DATA PROCESSING SECTION : COMPUTER  
SERVICE DIVISION

COOPERATIVE LEAGUE OF THAILAND

TEL. 2411229

## Agricultural Cooperatives Development in Thailand

### 1. Historical Background

The Cooperative in Thailand is generally accepted as dating from 1916 when the first cooperative society was established with a group of 16 members in the rural area of Pitsanulok Province as a village cooperative of the Riffeisen model on the initiation of the Government of the time. The purpose was to help relieve farmers from severe indebtedness and preventing their mortgaged lands from being foreclosed by the money lenders. After the first cooperative was put up with fair satisfaction the cooperatives of this type were established moderately in the other provinces. In 1920, there were 60 village credit cooperatives in Pitsanulok, Lopburi and Ayudhaya Provinces with a total membership of 1,190 farm households and the total loan provided by the Siam Commercial Bank of 303,668 Baht. All these Cooperatives were registered under the special legislation called "The Civil Associations (Amendment) At B.E. 2459 (1916)"

The first Cooperative Societies Act was promulgated in 2471 (1928) which was amended in 1934 broadening the scope of societies authorized. The land settlement cooperatives were organized in 1935. The consumers' and paddy marketing cooperatives were established in 1938. Service cooperatives were started in 1935 and farm products marketing in 1952. In 1954, there were 10,332

cooperatives of 22 types in 65 provinces of the country but the village credit cooperatives continued as the most importance.

In 1943, a Bank for Cooperatives was formed to serve as financial institute of the cooperatives and to take the place of government's direct lending. It was superseded in 1966 by the Bank for Agriculture and Agricultural Cooperatives with authority to lend to individual farmers, farmer associations and agricultural cooperatives.

Currently effective enabling legislation is the Cooperative Societies Act B.E. 2511 enacted in 1968. It repealed the 1928 legislation. The basic provision of the 1968 legislation were :

(1) The restructuring of the cooperative infrastructure under the three - tier system : district (amalgamating of village societies) ; provincial and national cooperative federation , and

(2) the establishment of the Cooperative League of Thailand as a national apex organization of the cooperative movement to function as the promotional and educational body of the cooperatives.

A government program to amalgamate cooperative societies was implemented during 1969 - 1972 combining several village level credit societies into district level cooperative called " agriculture cooperative ". This type of cooperatives has been contem-



plate directly towards multipurpose activities, serving the members' needs in credit, supplies, marketing, storage and processing, receiving deposits and improvement of land that get priority in one cooperative.

At present there were six types of cooperatives in Thailand. They are Agriculture Cooperatives, Land Settlement Cooperatives, Fishery Cooperatives, Consumers' Cooperatives, Thrift and Credit Cooperatives and Service Cooperatives.

The growth of the cooperatives in Thailand as an institution for people's participation is seen from the variety of activities performed by the cooperative sector. As of January 1, 1992 there were in total 3,403 primary cooperatives with a total membership of 3,991,295 families. The breakdown according to types is given below.

Type	Number	Membership
1. Agricultural Cooperatives	1,669	1,576,880
2. Fishery Cooperatives	32	6,598
3. Land Settlement Cooperatives	94	99,004
sub - total	1,795	1,682,482

4. Thrift and Credit Cooperatives	892	1,502,059
5. Consumers' Cooperatives	407	717,484
6. Service Cooperatives	309	89,270
sub - total	1,608	2,308,818
Total	3,403	3,991,295

Unofficially, the first three types are grouped into agricultural type while the three later are classified as non-agricultural cooperative group.

## 2. Structure and Function of Agricultural Cooperatives

Agricultural Cooperatives exist in a typical three - tier structure : district or primary cooperatives ; provincial or changwat level federations ; and national federations.

District or primary cooperatives are made up of individual farmers producing primarily grain crops, livestock, fruits, vegetables and cut - flowers, etc. Within the society the members are divided into groups at the village level, based on commodity lines, for the purpose of rationalizing economic business or extension and training.

Provincial or changwat cooperative federations are intermediate or secondary level whose members consisted of primary cooperatives located in the administrative area of the province. At present, the agricultural cooperatives are federated at 73 cooperative federations at the provincial or changwat level to

undertake the joint business activities, especially, processing and marketing of their affiliates which are beyond ability of an individual cooperative.

The national level cooperatives are organized as the apex organizations of cooperatives whose member consisted of both primary agricultural cooperatives at the district level and provincial cooperative federations. At this level, the cooperatives are horizontally classified into two categories in the following.

(1) The national federation related to multi - purpose agricultural cooperatives is the Agricultural Cooperative Federation of Thailand Ltd., (ACFT). This apex society is undertaking economic activities primarily in marketing important grain products, like rice, maize, etc., produced by the farmer members of cooperatives as well as purchasing of agricultural inputs, like fertilizers, chemicals, farm machineries and equipment supply directly to cooperatives and in some cases to its private dealers. The ACFT also engages in import and export.

(2) Those apex societies related to specialized agricultural cooperatives are the Swine Raisers Cooperative Federation Ltd. and the Sugar-cane Growers Cooperative Federation Ltd., which are carrying out production and marketing activities of swine raisers and sugar-cane growers cooperatives

respectively.

As already mentioned, the Cooperative League of Thailand (CLT) was established, under the Cooperative Societies Act B.E. 2511 (1968), as a national apex organization of the cooperative movement. The major activities set down for CLT are the training and promotion of cooperatives of all types.

Hence it is noted that there is at present an organizational linkages within the cooperative movement in Thailand. The organizational structure of the agricultural cooperative movement is shown in Chart 1.

### **3. Organization of Agricultural Cooperatives**

The organization of agricultural cooperatives are divided into two main parts :

- (1) the policy formulation and controlling ; and
- (2) the administration and management.

#### **3.1 The policy Formulation and Controlling are composed of :**

**3.1.1 General Meeting:** Generally, the general meeting is composed of all members. In case of the larger-sized cooperatives or cooperative federations it will choose to have a general meeting by the representatives of members. The members shall be called to the general meeting at least once a year. It has the supreme power in decision making for every problem that occurs within cooperative.

**3.1.2 Board of Directors:** The Board shall be elected yearly from the members by the general meeting. The duties of the Board are to manage all affairs of cooperative in appropriate ways according to the laws, by-laws, regulations, policies and resolutions of the general meeting.

**3.2 The Administration and Management:** This part consists the manager and the operating staff. The manager is elected and appointed by the Board of Directors. In turn, the manager will elect and appoint the staff. The manager has his duty in managing of all day to day activities of cooperative according to the policies under the advice and supervision of the Board.

The organization and management relationship of agricultural cooperatives in Thailand is shown in Chart 2.

#### **4. Relationship Between Government Agencies and Cooperatives**

Ministry of Agriculture and Cooperatives (MOAC) by the committee on Policy and Planning for Agricultural and Cooperatives is responsible directly for policy and planning on cooperative development in accordance with the national development objectives. Three Government agencies within MOAC perform a dominant role in the cooperative development as follows :

##### **4.1 The Office of the Registrar of Cooperatives**

According to the Cooperative Societies Act. B.E. 2511, the Registrar of cooperative is responsible for registration and

controlling of cooperatives, appointing of cooperative auditors, and other works authorized by the Act. At present, the Permanent Secretary of the Ministry of Agriculture and Cooperatives is acting as the Cooperative Registrar.

#### **4.2 Cooperatives Promotion Department (CPD)**

CPD is in charge of supervising, regulating and promotion cooperatives including assistance, provision of loans to cooperatives and the works perform on behalf of the Registrar. The Department is headed by a Director-General and three Deputy Director - Generals. There are 10 divisions with 53 sub - divisions and sections at head office which includes also the office of Cooperative Inspectors of 9 regions and Internal Checking Office and Project Management Office. Locally, There are 61 Land settlement cooperative offices, 73 Provincial Cooperative Offices, 695 District Cooperative Offices, 12 Agricultural Cooperative Demonstration Centers, 10 Regional Cooperative Training Centers. A staff of 7,366 persons are assigned to carrying these activities. About 52.67 % of the staff are in provincial and district offices.

#### **4.3 Cooperative Audit Department (CAD)**

CAD is in charge of auditing of both cooperatives and farmer associations as well as providing advice and consultation in book-keeping and accounting in collaboration with CPD to coopera-

tive employees. CAD is responsible also for submitting its reports and audits to the Registrar and the copies to CPD.

Moreover, the other related agencies within MOAC, namely Department of Fisheries, Department of Livestock Promotion, Department of Agricultural and Department of Agricultural Extension etc., are providing technical assistance related to their fields to agricultural cooperatives and their members.

As well, a substantial assistance in marketing business is given by Ministry of Commerce. The assistance is made available to agricultural cooperatives in two respects. The first is to purchase milled rice of primary cooperatives through the government purchase program of rice via Public Warehouse Organization and ACFT. The second is to award quotas for the export of agricultural commodities to ACFT for the commodities purchased by primary cooperatives.

##### **5. Business Activities of Agricultural Co-operatives**

In general, agricultural co-operatives in Thailand are set up among the farmers who are engage in farming to undertake joint activities based on self help and mutual help. The business activities of agricultural co-operatives may be varied according to the local conditions and crops. However, most of the business activities carried out by agricultural co-operatives in Thailand

are as follows :

1. To extend credit to the members
2. To receive deposit from the members.
3. To collect agricultural produces / products from the members for marketing
4. To supply agricultural inputs to the members
5. To provide various to the members such as agricultural extension, irrigation system, land preparation and etc.

6. **Business Volume:** (fiscal Year 1991 : 30 April 1990 - 31 March 1991)

In fiscal year 1991, agricultural cooperatives in Thailand undertook various business activities for the benefit of the members. The total business volume was 15,225.65 million Baht. The business volume increased over 1990 by 2,038.28 million Baht or 15.46% The volume of each business activities were as follows:

6.1. **Credit Business:** : In 1991, the total volume of credit business was 7,978.65 million Baht, composed of short term credit 4668.69 million Baht, medium term credit 3,278.91 million Baht and long term credit 22.04 million Baht. The volume of credit business increased over 1990 by 1,435.19 million Baht or 21.93 %

6.2. **Saving Business:** : In 1991, the total volume of



saving business was 3,873.08 million Baht, composed of saving deposit 2,381.47 million Baht and time deposit 1,491.61 million Baht. The volume of saving business increased over 1990 by 618.45 million Baht. The volume of saving business increased over 1990 by 19.00 %

6.3. **Supply Business** : In 1991, the total volume of supply business was 1,969.10 million Baht. The volume of supply business increased over 1990 by 255.21 million Baht or 14.89 %. The commodities supplied by agricultural cooperatives were listed below:

	Total Sales		Sales to Members	
	amount	Qty	amount	Qty
1. Fertilizer	8622.87	155,066	772.91	105,535
2. Insecticide	111.15	-	97.04	-
3. Machine	236.99	8,359	229.01	6,533
4. Agricultural Tools	46.66	-	39.13	-
5. Seeds	45.20	-	39.01	-
6. Rice	184.82	24,131	146.72	15,304
7. Feed Stuff	170.12	-	156.62	-
8. Gasoline	34.17	3,067,532	21.13	1,546,721
9. Others	277.12	-	148.50	-
Total	1,969.10	-	1,650.07	-

6.4. **Marketing Business** : In 1991, the total volume of

agricultural business was 1,385.76 million Baht. The volume of marketing business decreased by 270.79 million Baht as compared to 1990 or 16.36% The produces collected by agricultural cooperatives for marketing were as follows:

	Total Collection		Collection from Members	
	Amount	QTY	Amount	QTY
1. Paddy	527.96	162,900	562.65	166,876
2. Maize	109.18	42,606	102.34	39,971
3. Beans	123.51	17,216	111.90	15,807
4. Sugar Cane	108.52	63,813	108.50	66,805
5. Rubber	85.77	4,809	71.60	3,086
6. Coffee	5.45	217	5.49	217
7. Cotton	32.50	2,108	29.38	1,901
8. Kenaf	0.99	143	0.79	158
9. Cassava	13.59	12,083	8.06	7,253
10. Tea	0.54	39	0.51	38
11. Sorghum	1.62	852	1.54	795
12. Pineapple	219.02	131,752	218.75	131,652
13. Linseed	1.58	220	1.37	190
14. Chili	1.14	46	1.04	41
15. Bamboo shoot	2.60	110	2.00	68
16. Coconut	1.97	404	1.15	287
17. Rambutan	0.02	2,538	0.02	2,538

18. Milk	2.65	378	2.64	378
19. Salt	0.02	-	0.02	-
20. Pig	2.20	-	2.20	-
21. Others	99.90	-	76.32	-
Total	1,385.76	-	1,308.27	-

6.5. **Services Business** : In 1991, the total volume of services business was 19.04 million Baht, composed of land preparation service 7.64 million Baht, water pumping service 3.01 million Baht and other services 8.39 million Baht. The volume of services business increased by 0.42 million Baht or 2.27%

#### 7. Business operation of agricultural co-operatives

According to the audit report of agricultural cooperatives in Thailand for fiscal year 1991, 891 agricultural cooperatives have been audited out of which 883 cooperatives were engaged in business, 2 stop operation and 6 were not engaged in business activities. Out of 891 cooperatives that were engaged in business, 34 could meet the break even point, 703 cooperatives were running in profit for the amount of 413.24 million Baht and 154 cooperatives were suffered the loss for the amount of 32.12 million Baht. The result of operation were as follows:

7.1 **Incomes**: In 1991, the total Incomes of agricultural cooperatives was 4,858.70 million Baht, composed of Incomes from

credit business 1,024.29 million Baht, supply business 1,969.10 million Baht, marketing business 1,603.26 million Baht, services business 19.03 million Baht, Incomes from business 136.39 million Baht, other Incomes 83.13 million Baht and extra ordinary Incomes 23.46 million Baht. The total Incomes increased over 1990 by 527.13 million Baht or 12.17%

**7.2 Operating Costs:** In 1991, the total operating costs of agricultural cooperatives was 4,477.56 million Baht composed of credit business 375.46 million Baht, supply business 1,893.00 million Baht, marketing business 1,591.52 million Baht, services business 10.93 million Baht, expenses on each business 142.23 million Baht, operating cost 464.33 million Baht and extra ordinary expenses 83.13 million Baht. The total operating costs increased over 1990 by 546.40 million Baht or 13.90%. The total operating costs was 92.16% of the total incomes.

**7.3 Net Profit:** In 1991, the total net profit of agricultural cooperatives was 381.11 million Baht. The net profit increased over 1990 by 19.40 million Baht or 4.85%

## **7. Financial Status of Agricultural Co-operatives**

As at the end of fiscal year 1991 (31 March 1991), the financial status of agricultural cooperatives was summarized as follows:

**8.1** The total assets has been increased from 10,328.32

million Baht in 1990 to 12,294.58 million Baht or 19.04%

8.2 The total liabilities has been increased from 5,827.58 million Baht in 1990 to 7,210.44 million Baht in 1991 or 23.73%

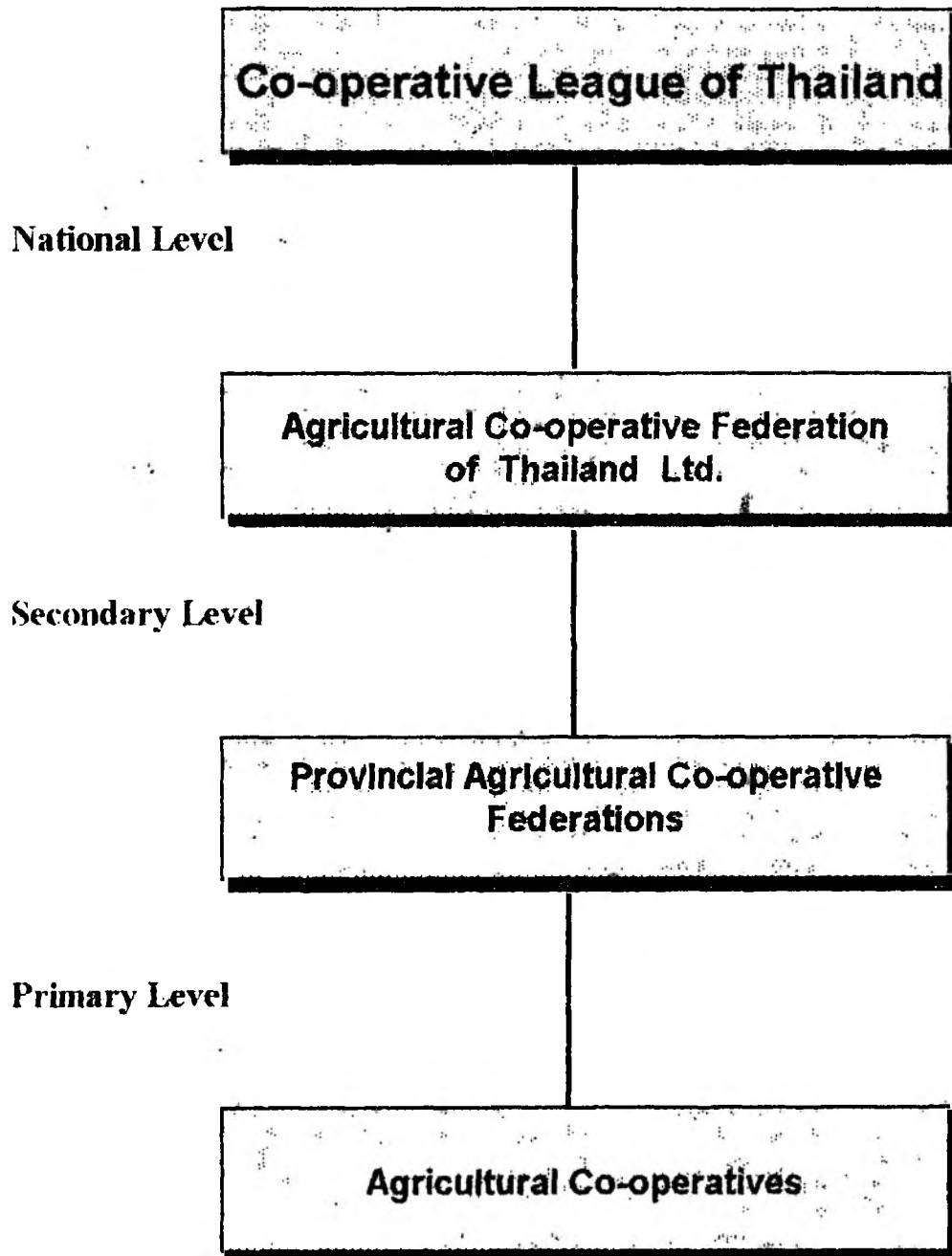
8.3 The cooperative Equities has been increased from 5,827.58 million Baht in 1990 to 5,084.13 million Baht in 1991 or 12.96%

#### SUMMARY

In fiscal year 1991, agricultural cooperatives in Thailand undertook various business activities to serve their members. The major business activities which brought the highest incomes to the cooperatives were the supply business valued at 1,969.10 million Baht and the marketing business valued at 1,603.26 million Baht. The major commodities supplied by agricultural cooperatives was fertilizer valued at 862.87 million Baht or 43.82% of the supply business. The major produces collected by agricultural cooperatives was paddy valued at 572.95 million Baht or 41.35% of the marketing business. The total business volume of agricultural cooperatives increased by 15.46% over 1990. Since the costs of goods/services and operating costs higher than the previous year, the net profit of agricultural cooperatives decreased by 4.85% as compared to 1990.

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**Chart1 : Structure of Agricultural Co-operative in Thailand**



**Chart 2: Organization of Agricultural Co-operative in Thailand**

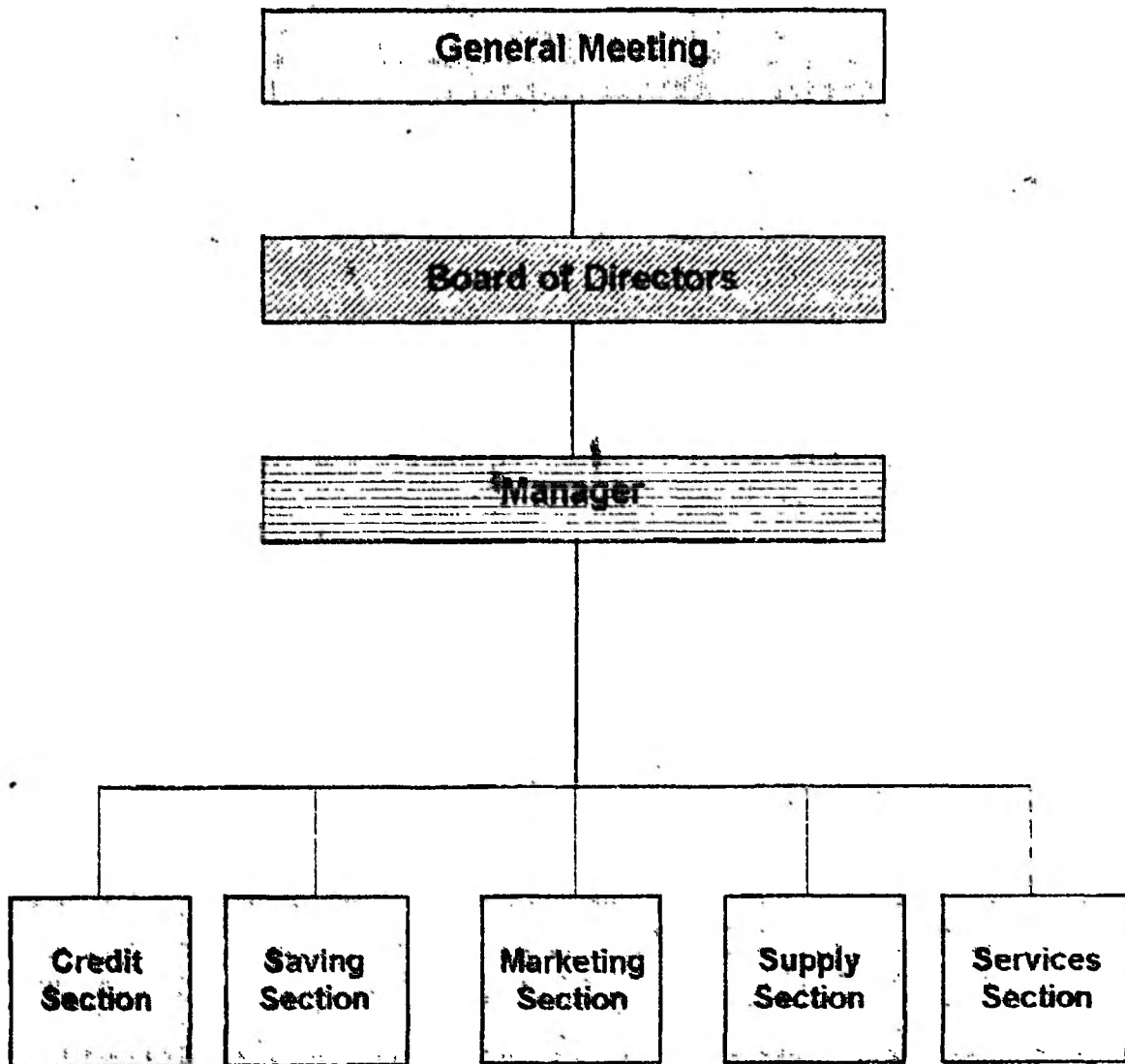


Table 1 : Number of Agricultural Cooperatives

Item	1991	1990	1989	1988	1987
Beginning of the year	925	890	868	836	830
Increase during the year	42	40	32	10	
Decrease during the year	-	5	10	4	
Balance at the end of the year	967	925	890	836	

Table 2: Number of Membership

Item	1991	1990	1989	1988	1987
Beginning of the year	793,162	761,749	767,470	747,068	741,233
Increase during the year	120,304	68,508	30,762	52,041	51,927
Decrease during the year	39,940	37,095	36,483	31,639	46,092
Balance at the end of the year	873,256	793,162	761,749	767,470	747,068



Table 3: Number of Cooperatives Audited

Item	1991	1990	1989	1988	1987
Engaged in Business	833	843	823	809	808
Stop Business	2	-	-	-	-
No Business	6	26	14	26	15
Total	891	869	837	825	823

Table 4: Number of Agricultural Cooperatives Running in Profit &amp; Loss

Item	1991		1990		1989		1988		1987	
	No. of Coop.	Amount	No. of Coop.	Amount	No. of Coop.	Amount	No. of Coop.	Amount	No. of Coop.	Amount
Break Even	34	-	26	-	14	-	16	-	15	-
Net Profit	703	413.24	684	431.24	658	387.90	690	367.75	673	312.82
Net Loss	154	32.18	159	30.72	165	26.27	119	1.69	135	23.50
Total	891	381.11	869	400.52	837	261.82	825	335.08	823	289.28

Table 5: Amount of Deposit Collected by Agricultural Cooperatives

Item	1991	1990	1989	1988	1987
Saving Deposit	2,381.47	2,019.33	1,452.32	981.07	685.95
Time Deposit	1,491.61	1,235.29	906.94	539.99	352.43
Total	3,873.08	3,254.63	2,359.07	1,575.07	1,308.39

Table 6: Share Capital of Agricultural Cooperatives

Item	1991	1990	1989	1988	1987
Beginning of the year	2,358.72	2,014.50	1,762.00	1,550.45	1,389.84
Increase during the year	602.74	467.22	336.60	255.39	186.99
Decrease during the year	185.89	132.01	84.11	43.84	26.38
Balance at the end of the year	2,775.89	2,358.72	2,014.70	1,762.00	1,550.45

Table 7: Business Activities of Agricultural Cooperatives

## 7.1 Credit Business

Item	1991	1990	1989	1988	1987
Short Term Loan	4,668.70	4,056.99	3,172.91	2,827.84	2,561.77
Medium Term Loan	3,287.91	2,462.48	1,761.08	1,454.99	1,319.29
Long Term Loan	22.04	23.99	0.83	1.63	1.55
Total	7,978.65	6,543.46	4,934.82	4,284.46	3,882.61

## 7.2 Supply Business

Item	1991	1990	1989	1988	1987
Fertilizer	862.87	751.08	545.87	447.18	308.32
Insecticide	111.15	81.26	61.71	39.76	32.24
Machine	236.99	244.56	133.82	71.38	56.44
Agricultural Tools	46.66	-	-	-	-
Seeds	42.50	36.35	25.90	20.16	24.00
Rice	184.82	211.44	114.78	101.20	59.95
Feed Stuff	170.12	104.70	54.58	29.50	-
Gasoline	34.17	-	-	-	-
Other Commodities	277.12	284.50	183.29	120.19	115.44
Total	1,969.10	1,713.89	1,119.95	829.37	596.39

## 7.3 Marketing Business

Item	1991	1990	1989	1988	1987
Paddy	572.96	953.04	606.00	313.66	292.11
Maize	109.18	107.82	105.59	51.87	47.04
Beans	123.51	82.05	58.61	14.08	22.17
Sugarcane	108.52	61.82	54.87	35.83	48.45
Sorghum	1.62	0.04	0.18	0.13	2.84
Cotton	32.50	35.05	18.79	12.56	6.51
Pineapple	219.02	215.14	226.69	63.24	91.68
Kenaf	1.58	2.07	1.97	1.54	1.88
Rubber	85.77	72.52	172.66	148.45	687.51
Tapioca	13.59	7.78	16.84	5.52	3.69
Salt	0.01	-	-	0.18	0.90
Dried Chili	1.14	1.72	0.67	0.85	0.31
Bamboo Shoot	2.60	2.08	1.89	2.10	1.60
Coffee	5.49	13.81	3.38	-	1.85
Tea	0.54	0.59	0.93	1.13	0.53
Coconut	1.97	4.62	3.36	0.85	0.49
Rambutan	0.02	20.06	11.08	11.77	0.63
Tobacco	-	8.27	0.44	0.24	0.99
Pig	2.20	1.81	0.34	-	0.22
Milk	2.65	1.16	-	-	-
Others	99.90	60.20	68.45	80.07	46.51
Total	1,385.76	1,656.76	1,395.88	744.06	1,259.95

## 7.4 Agricultural Extension Service

Item	1991	1990	1989	1988	1987
Water Pumping	3.01	4.07	2.95	3.34	1.77
Land Preparation	1.92	-	-	-	-
Land Development	5.72	4.79	3.65	7.15	4.92
Demonstration Field	0.03	-	-	0.33	-
Others	8.35	9.76	6.70	0.96	4.27
Total	19.04	18.62	13.30	11.77	10.95

Table 8: Profit and Loss Statement

Item	1991	1990	1989	1988	1987
Income					
Credit Business	1,024.30	887.19	868.85	877.08	859.10
Supply Business	1,969.11	1,713.90	1,119.95	829.38	596.39
Marketing Business	1,603.27	1,467.33	1,029.64	972.06	1,075.42
Agri. Extension	19.04	18.62	13.30	11.77	10.95
Total Income	4,615.71	4,087.04	3,031.73	2,690.29	2,541.86
Cost of good/services					
Credit Business	375.47	319.80	347.82	391.84	434.40
Supply Business	1,893.00	1,645.23	1,078.82	802.39	568.90
Marketing Business	1,591.53	1,433.81	1,004.00	950.26	1,056.48
Agri. Extension	10.94	13.28	9.30	8.12	8.63
Total Cost of good/service	3,870.93	3,412.12	2,439.94	2,152.62	2,068.40
Gross Surplus	744.78	674.92	591.79	537.67	437.46
+ Income from Sales	136.39	153.28	148.27	140.07	135.26
- Expenditure from Sales	142.24	130.52	115.00	111.91	114.61
Profit (Loss) from Sales	738.94	697.68	625.06	565.83	494.11
+ Other Income	83.14	72.93	45.72	41.13	47.40
Total Gross Surplus	822.07	770.61	670.78	606.96	541.51

Table 8: Profit &amp; Loss Statement (Contd.)

Item	1991	1990	1989	1988	1987
-Operating Costs	464.33	387.91	315.89	278.16	253.44
profit before extra ordinary item	357.74	382.70	354.90	328.80	288.06
Extra Ordinary Items					
Extra Ordinary Item +	23.46	18.35	11.89	8.49	6.92
Extra Ordinary Item -	0.08	0.53	4.96	2.21	5.70
Total Net Profit	381.11	400.52	361.82	335.08	289.29
Net Profit	413.24	431.24	378.90	336.78	312.82
Net Loss	32.13	30.72	26.08	1.69	23.54

Table 9: Financial Statement of Agricultural Cooperatives

Item	1991	1990	1989	1988	1987
<b>CURRENT ASSETS</b>					
Cash in hand & Bank deposit	950.28	852.92	628.04	425.78	330.61
Cash in Transit	10.54	-	-	-	-
Short Term Investment	2.41	-	-	-	-
A/C Receivable -Trading	158.18	147.27	145.94	151.23	193.78
-Loan	9,780.35	7,738.94	6,787.55	6,541.45	6,196.06
-Others	134.55	107.83	125.38	116.60	132.94
Less Bad Debt	124.12	141.65	136.84	139.64	142.51
Deferred Interest	243.12	346.52	504.04	613.91	644.75
Less Bad Debt	88.90	99.66	111.60	114.40	103.14
Inventories	418.89	679.99	489.50	247.98	258.69
Raw Materials	18.46	14.01	11.73	11.81	8.76
<b>Other Current Assets</b>	<b>83.25</b>	<b>106.94</b>	<b>154.26</b>	<b>129.53</b>	<b>139.88</b>
<b>Total Current Assets</b>	<b>11,587.02</b>	<b>9,753.11</b>	<b>8,598.00</b>	<b>7,984.55</b>	<b>7,659.84</b>



Table 9: Financial Statement of Agricultural Cooperativesa (Contd.)

Item	1991	1990	1989	1988	1987
FIXED ASSETS					
Rental Right	5.21	2.90	5.13	2.62	0.10
Building under construction	13.52	-	-	-	-
Land	149.42	126.19	115.35	110.78	106.19
Buildings	239.74	201.82	182.33	167.30	166.69
Machine & Equipment	20.20	9.66	9.08	10.00	9.67
Vehicles	48.05	24.50	15.79	11.29	10.66
Office Equipment	32.88	27.20	22.46	21.45	20.70
Breeding Livestock	0.22	0.66	0.25	4.68	4.67
License	0.12	-	-	-	-
Total Fixed Assets	509.38	392.93	350.38	328.11	318.69
Other Assets					
Investment	134.42	130.02	130.08	129.64	123.90
Deferred expenditures	44.67	32.78	38.39	33.78	23.28
Others	19.10	19.49	12.04	7.96	16.06
Total Other Assets	198.19	182.30	180.51	171.38	163.24
Total Assets	12,294.59	10,328.33	9,128.90	8,484.04	8,141.77

Table 9: Financial Statement of Agricultural Cooperatives (Contd.)

Item	1991	1990	1989	1988	1987
<b>LIABILITIES AND EQUITIES</b>					
<b>Current Liabilities</b>					
Bank overdraft & Borrowings	4,135.87	3,171.22	3,085.13	3,428.42	3,776.67
A/C payable on trading	249.23	177.36	157.41	176.78	250.64
Other A/C payable	-	-	-	4.19	21.20
Portion of long term Loan	28.09	26.67	30.60	31.06	35.21
Deposit received	2,223.21	1,922.89	1,425.12	930.10	615.17
Contribution to CLT	10.24	7.69	8.82	6.07	4.44
Other current Liabilities	219.91	276.25	232.39	185.87	164.12
<b>Total Current Liabilities</b>	<b>6,866.54</b>	<b>5,582.08</b>	<b>4,939.47</b>	<b>4,762.49</b>	<b>4,867.45</b>
<b>Long Term Liabilities</b>					
A/C payable on Loan	87.27	42.28	47.54	56.91	68.62
Others	4.12	0.97	1.01	3.83	5.16
<b>Total long term liabilities</b>	<b>91.39</b>	<b>43.25</b>	<b>48.55</b>	<b>60.74</b>	<b>73.78</b>
<b>Other Liabilities</b>					
Deferred Income	36.89	30.41	28.92	19.98	15.94
Others	215.63	171.84	141.99	131.58	105.50
<b>Total other liabilities</b>	<b>252.52</b>	<b>202.26</b>	<b>170.91</b>	<b>151.56</b>	<b>121.43</b>
<b>Total Liabilities</b>	<b>7,210.45</b>	<b>5,827.59</b>	<b>5,158.92</b>	<b>4,974.79</b>	<b>5,062.66</b>

Table 9: Financial Statement of Agricultural Cooperatives (Contd.)

Item	1991	1990	1989	1988	1987
<b>Cooperative Equities</b>					
Share Capital	2,775.89	2,358.72	2,014.51	1,672.01	1,550.45
Reserve Fund	1,684.28	1,537.82	1,402.68	1,248.41	1,099.91
Accumulated Fund	311.35	281.00	255.85	230.53	205.99
Net Profit	381.11	400.52	361.82	335.08	289.29
Accumulated Loss	68.50	77.32	64.89	66.79	66.53
<b>Total Cooperative Equities</b>	<b>5,084.14</b>	<b>4,500.74</b>	<b>3,969.97</b>	<b>3,509.24</b>	<b>3,079.11</b>
<b>Total Liabilities &amp; Equities</b>	<b>12,294.59</b>	<b>10,328.33</b>	<b>9,128.90</b>	<b>8,484.04</b>	<b>8,141.77</b>

## Cooperative Promotion Department

### Background Information

The cooperative section was established in the Ministry of Finance in 1915 when the cooperative ideology was firstly introduced into Thailand. After the first cooperative society was established in 1916, the government had taken responsibility of cooperative development. The government agency directly concern with the cooperative promotion was expanded from being a section in the Ministry of Finance to be the Cooperative Department in 1920 and the Ministry of Cooperatives in 1952. The Ministry of Cooperatives was changed in 1963 to be the Ministry of National Development and Cooperative departments were attached to the new Ministry. The reorganization of the government agencies in October 1972 resulting in merging all departments concerned with the cooperative promotion into the present Cooperative Promotion Department being under the Ministry of Agriculture and cooperatives.

### Functions and Responsibilities

1. To promote and disseminate the cooperative ideology, principles and practice to public as well as to produce publication and cooperative magazines.
2. To study and conduct researches on cooperatives and to provide cooperative education and training.

3. To guide and promote the organization and business operation of cooperatives.

4. To assist cooperatives and cooperate with other agencies in order that cooperatives will receive both technical and financial support as well as other necessary services so as to enable the cooperatives to be genuine self reliance organizations.

5. To consolidate and allot land to landless farmers following the cooperative practices.

6. To supervise the cooperatives to operate according to the cooperative Act, regulations, bylaws and the cooperative Registrar's orders.

#### **Administration**

The administration of the cooperative Promotion Department is divided into 2 parts: Central Administration and Provincial Administration.

Under the Central Administration, the Office of Secretary, Personnel Division and Finance Division are responsible for the Department's Office Work and legal work, personnel and finance respectively.

Planning Division is responsible for planning, budgeting, plan and projects analysis, data processing including follow-up and evaluation works.

Technical Division is responsible for research work, public

relation and international coordination.

Training Division is responsible for education and training courses for government officials, cooperative members and public.

Agricultural Cooperative Division is responsible for promoting agricultural cooperative and Fisheries Cooperatives.

Engineering Division is responsible for providing engineering services to all cooperative through its 10 regional engineering centers in various parts of the country.

Land Settlement Cooperative Division is responsible for promoting Land Settlement Cooperatives through its local Land Settlement Promotion Offices.

Non Agricultural Cooperative Division is responsible for promoting Thrift and Credit Cooperative, consumer cooperatives and services cooperatives.

The Office of the Cooperative Inspectors is divided into 9 regions to take the responsibilities of inspecting, advising and promoting all types of cooperatives in their responsible areas.

Internal Checking Office is responsible for checking of accounting and financing of all units of the Department.

The Provincial Administration is consisted of 73 Provincial Cooperative Offices and 751 District Cooperative Offices. They are responsible for supervising, inspecting, advising and promoting all types of cooperatives in their respective areas.

## Policies and Plans

Under the seventh National Economic and Social Development Plan of 1992-1996, the government will emphasize on promoting and developing cooperatives of all types to be more efficient and widely established among the people of all occupations, especially farmers. The Government, by the Cooperative Promotion Department, has set the policies and guidelines in cooperative development in the period of the seventh National Plan as follows:

### 1. Expansion of cooperative members.

The Cooperative Promotion Department has set the target of increasing the cooperative members up to 50 percent of total farmers. Publicity work will be developed to be able to carry out public relation activities including radio and television program, publications, posters and mobile public relation units.

The number of cooperative members shall be increased by enrollment of new members to the existing cooperatives and by establishment of new cooperatives. Support will be given to promote establishment of new cooperative, including sub-district level cooperatives in irrigation projects, electrical powered pumping projects, cooperative of small scale commercial forestry and cooperatives for rural electricity users.

### 2. Strengthening existing cooperatives.

Emphasis will be placed on development of personnel, progress in technology and business efficiency of the coopera-

tives in providing services to members. Following activities will be implemented:

2.1 Education and training. Education and training program for all personnel concerned such as cooperative members, board of directors, and government officials shall be developed and expanded. planning and implementation on education and training programs will be cooperatively done with Cooperative League of Thailand and other related agencies.

Education and training programs will be varied according to the need of each target group.

Members: Training courses will be emphasized on technique of business administration, planning and supervising management staff.

Government officials: Training courses will aim at increasing skill and widening knowledge on social and economic changes.

2.2 Establishment of cooperative financial institute.

At present, agricultural cooperatives are still facing with the problem of shortage of fund for business operation. Although Bank for Agriculture and Agricultural cooperatives (BAAC) is the main source of fund for agricultural cooperatives, but BAAC cannot response the demand from all cooperatives, especially long term fund for development of agro-industry or agri-business. Another demand is from small cooperatives which are not eligible



to apply loan from BAAC.

Hence, the cooperative movement must establish its own financial sources by 2 ways;

2.2.1 Establishment of cooperative insurance company to improve the financing of the cooperative movement as well as the members' well being. The program is the joint efforts of the cooperative movement, the government and the Friedrich Ebert Stiftung. The company will be established by all types of cooperatives; 100 percent of share must be held by cooperatives. At the beginning stage of operation, the company will start with life insurance. Accident and fire insurance will be the next step and the final target will be crop insurance.

2.2.2 Establishment of cooperative Credit Federation. The federation shall be organized by all types of cooperatives and it will be the main financial institute of cooperatives. But at the initial stage of establishment, the government should support free interest fund.

3. Development of the mechanism for promotion and development of cooperatives.

3.1 Linkage of business among the cooperatives in both vertical and horizontal integration in order to strengthen cooperative movement. Cooperation with private enterprise is promoted in order to increase marketing efficiency.

3.2 Classification of cooperatives into various level and development strategy will be planned to suit the problems of each level.

3.3 The structure of high level cooperative federations must be improved to have a vital role in servicing member cooperatives.

3.4 Amendment of cooperative law and by-laws in order to allow the cooperatives to be efficient and autonomous.

4. Promotion of cooperation among agencies concerned. Agricultural cooperative is operated on multipurpose basis in order to serve the needs of members from production to marketings. Those activities need supports from various agencies concerned for the most efficient integrated production and marketing system.

On production aspect, Cooperative Promotion Department will act as coordinating agency to coordinate with other related Departments under the Ministry of Agriculture and Cooperatives such as Department of Agriculture, Agricultural Extension. Fisheries Livestock, etc., to provide technical assistance to the farmers through agricultural cooperatives. Coordination with the Ministry of Commerce as well as private enterprises will be done simultaneously in order to expand marketing outlets of agricultural products.

5. Promotion of social and welfare activities in the agricultural cooperative societies. The Cooperative Promotion Department has set out the policy to promote women and youth group activities aiming at supplementing their income and improving their quality of life. The women can have an active role in the family especially on financial management. Simple bookkeeping and expenditure plan of the family will be advised and suggested to be done regularly. The appropriate financial management will be of great help to improve the financial condition of the members.

#### **Main Activities**

The main activities of the Cooperative Promotion Department are to promote and develop cooperatives, both in agricultural and non-agricultural sectors, to be self-reliant organizations.

The work of Cooperative Promotion Department can be classified into 7 categories as follows:-

##### **1. Cooperative Dissemination and Establishment**

The pre-member education is emphasized so as to enable them to be well informed of cooperative principles and practices. The Department also encourages people in all walks of life to group themselves and establish cooperatives in types that satisfy their needs. Cooperative studies and researches are also undertaken.

##### **2. Human Resources Development**

The Department provides education and training programs to

personnel of both cooperative movement and government such as member, board of directors, management staff and the Department's Cooperative Promotion officials as well as personnel of concerned agencies with the collaboration of concerned agencies and the Cooperative League of Thailand.

### 3. Cooperative Business Promotion

The cooperatives are promoted to operate multi-purpose functions such as joint marketing, processing, providing credit, receiving deposit, etc. and these businesses will be integrated for the benefit of members and the effectiveness of cooperative business. Moreover, cooperatives will be promoted to cooperate business activities between the cooperatives, on one hand, and among themselves and also cooperate with private sector.

### 4. Member Occupational Promotion

The Department, in collaboration with other agencies concerned, will promote and advise cooperative members in agricultural sector, i.e. Agricultural Cooperatives, Land Settlement Cooperatives and Fisheries Cooperatives, to utilize new technologies to improve their production.

### 5. Land Allocation and Housing Arrangement

The Department has been authorized to allot land to landless or small farmers following the cooperative practice and establish Land Settlement Cooperative, Land Tenant Cooperative and Land

Hire-purchase Cooperative under the law and the cabinet's resolution.

For the urban area, the Department promotes the establishment of Housing Cooperatives to allow the low income people to have their own houses.

#### 6. Infrastructure Provision

The Department is responsible for construction, repairing and maintaining all infrastructures benefiting cooperatives and their members in operation and living, such as roads, bridges, water resources and others.

#### 7. Social Development

Besides strengthening cooperatives in economic aspect, the Department also emphasizes on promoting cooperatives to take greater part in social development on the basis of self-help and mutual help, creating unity, dedication for community and exercise their right along democratic system.

#### Cooperative Education and Training

Since the past decade, it has been recognized that low level of education of cooperative members and inadequate training of cooperative officers were the factors contributing to slow progress of cooperative movement in Thailand. Therefore, the Cooperative Promotion Department and the Cooperative League of Thailand, the apex body of the movement, closely coordinate and

collaborate in conducting several cooperative education and training programs.

At present, the structure of cooperative education and training can be illustrated by the annexed chart.

The Cooperative Promotion Department has carried out education and training activities through the Training Division under which there are 3 training functionaries :

1. Institute for Cooperatives Studies is responsible for conducting one year course for students who completed the secondary school and aim at working as CPD officials or cooperative employees. The Institute also coordinates with the Cooperative League of Thailand in giving management training to the cooperative staff.

2. Central Training Center is responsible for training CPD officials at all levels.

3. Regional Training Centers located in various parts of the country, take responsibilities of training government officials, agricultural cooperative committee, and members as well as prospective members, with the purpose to decentralize the cooperative training activities and to give trainings at the right time according to the local needs. At present, there are 10 regional training centers with well equipped training facilities and skilled staff. The regional training centers also operate through

mobile units to reach members and public at villages.

The Cooperative League of Thailand is responsible for training non-agricultural cooperative committee, management staff and employees of cooperatives.

The Cooperative Promotion Department has set the cooperative training policy aiming at improving the effectiveness of training as an instrument for removing the deficiencies and bottleneck facing the cooperative movement today. The main objective is to educate cooperative members and potential members to understand what is necessary for a successful cooperative. The cooperative member education, therefore, puts emphasis on the importance of member participation in the business operation of cooperatives as well as the qualification of elected board of directors.

For promoting member relation, the Cooperative Promotion Department publishes three months period magazine to disseminate cooperative practices to cooperative members and the public as well as to keep them informed of the on-going activities and general issues concerning cooperative development.

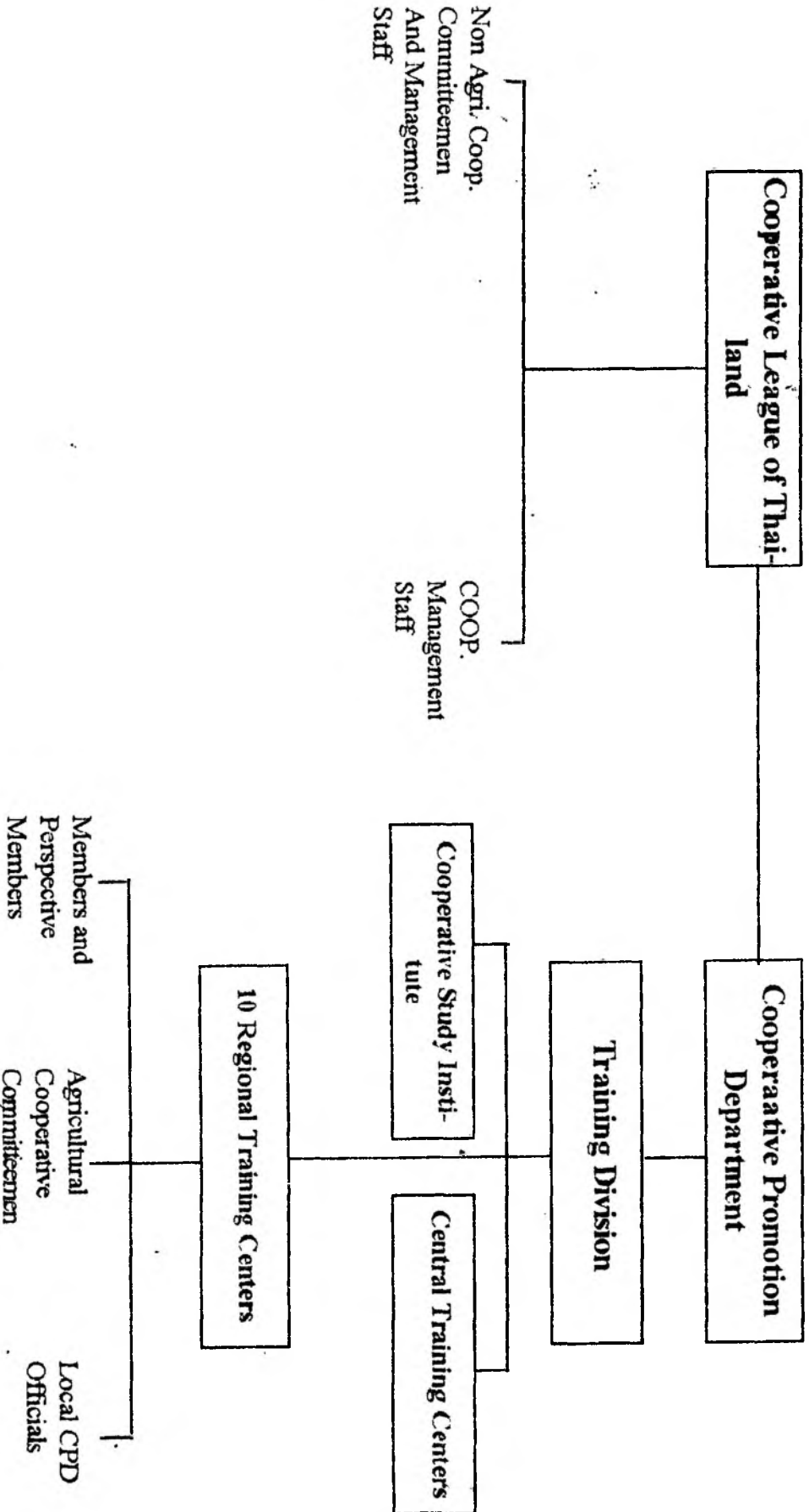
The government has long been recognizing the importance of cooperative principles in the well-being of people and has included the cooperative subjects in the school curriculum starting from elementary schools up to universities, some of which have special faculty of cooperatives. Practical activities in cooper-

atives such as cooperative stores and thrift and credit cooperatives have also been encouraged in the schools at all levels. Cooperative stores which were organized for practical activities in many vocational schools have been officially registered and have operated with satisfactory results.

Technical Division  
Cooperative Promotion Department  
August 1992.



Cooperative Training Structure



## CHIANGMAI

Chiangmai is a central for tourism in the upper north of Thailand. In the reign of "Pohkhun Mengrai" the Great, founder of Chiangmai province, it was named as "Nopburi Srinakorping" or "Viengping"

**Boundaries:**

- North - bordered to Burma
- South - bordered to Lumphum/Tak
- East - bordered to Chiangmai/Lumpang
- West - bordered to Maehongsorn

**Geographical area :**

Chiangmai has the biggest area among the northern provinces and the second biggest of the country with the total area of 20,107,057 square kilometers on 12,566,910 rai. It locate 1,027 feet or 310 metres above mean sea level. The major area is mountain plain surrounded by mountains covered the area of 16,636,000 square kilometers on 10,397,500 rai or 82.74 % . The agriculture area is in the center of the province, covered the area of 2,578,000 square kilometers on 1,611,283 rai. The rest of about 893.057 square kilometers on 558,127 rai is living area. Chiangmai is also the origin of major river i.e. Ping, Jaem, Maetaeng, Fang, Kuang, Maengad and Maekhan.

**Climate :**

Chiangmai has a favorable climate of slightly cool with the average temperature of 24.10c (39.6c - 8.6c)

**Communication :**

Chiangmai can be easily access by Road, Rail and Air. The distance from Bangkok is 713 kilometers.

**Social Condition :**

Chiangmai has a total population of 1,386,024 (Dec.91 composed 698,450 wale and 687,566 female. There are also 6 hilltribes with a total population of 142,736 scattered in 17 districts and 3 Branch districts. In addition, there are minority groups of Burmese and Chinese of about 18,329

**Economic Condition :**

The major income of the people in Chiangmai derives from Tourism and agriculture. The highest income comes from tourism about 22.27 % and income from agriculture about 21.29 % The average income of the people increased from 16,200 Baht in 1984 to 20,742 Baht in 1988 and 24,727 Baht in 1989 respectively.

**Land Utilization :**

Total area : 20,107,057 square kilometers or

12,566,910 rai

Forest 2 Mountain 10,397,500 rai

Living Area 558,127 rai

46

Agriculture Area	1,611,283 rai
- Paddy Field	770,378 rai
- Field crop	453,311 rai
- Fruit tree	217,087 rai
- Other	* 170,507 rai

Land Holding

- Rent	38.5 %
- Owner	61.5 %

Administration

Chiangmai has been divided into 19 districts and  
3 Branch-district composed of 196 sub-districts  
and 1,692 villages.

\*\*\*\*\*

## Chiangmai Provincial Cooperative Office

### 1. Brief History :

Chiangmai Provincial Cooperative office has been established at the same time as the establishment of cooperatives in Chiangmai province in 1932. The first cooperatives established were credit cooperatives in Sansai and Sarapee district. Later on this type of cooperative expanded to other districts in Chiangmai and also other types of cooperatives have been established. At present, there are 147 cooperatives in 19 districts and 3 sub-districts of Chiangmai Province. There were 15 provincial cooperative officers appointed to Chiangmai office. At present, Mrs.Sooksai Thummarree is the provincial cooperative officer.

### 2. Duties of Chiangmai Provincial Cooperative Office

2.1 To propagate cooperative ideology, principles and practices to the people and to promote them to set up cooperative in order to solve their economic problem.

2.2 To promote and supervise the cooperatives that have been set up to be able to conduct their business efficiently.

2.3 To provide education for the members, board-members and staff of the cooperatives on both cooperative aspect and business operation aspect.

2.4 To compile statistics and information of cooperatives in order to analyze their business operation and make

suggestion for their improvement.

2.5 To coordinate with other government agencies for widely propagation of cooperation.

3. No.of Officials:

Chiangmai Provincial Cooperative Office has total 172 officials, composed of 91 officials and 81 workers..

**Cooperative Statistic in Chiangmai**

as at 30 September 1992

No. of cooperative	147	Societies
No. of members	171,431	Persons
Total working capital	2,892,303,544	Baht

**Agricultural Cooperative**

No. of cooperative	56	Societies
No. of members	93,037	Persons
Total working capital	1,146,983,582	Baht

**Land Settlement Cooperative**

No. of cooperative	7	Societies
No. of members	8,318	Persons
Total working capital	90,853,818	Baht

## Consumer Cooperative

No. of cooperative	10	Societies
No. of members	28,839	Persons
Total working capital	56,466,387	Baht

## Thrift and Credit Cooperative

No. of cooperative	36	Societies
No. of members	33,211	Persons
Total working capital	1,482,467,682	Baht

## Services Cooperative

No. of cooperative	38	Societies
No. of members	8,026	Persons
Total working capital	25,259,075	Baht

## Business Volume of Agricultural Cooperative in Chiangmai

1 October 1991 - September 1992

No. of new members	29,911	Persons
Marketing business	206,141,421	Baht
Processing business	103,278,423	Baht
Supply Business	123,587,417	Baht
Credit Business	442,571,526	Baht
Loan Repayment	451,431,219	Baht
Mobilization of Funds	506,054,614	Baht

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Chiangmai Provincial Agricultural  
Cooperative Federation Ltd.

Chiangmai Provincial Agricultural Cooperative Ltd. has been registered under the cooperative societies act B.E. 2471 on 14 September 1951 as the provincial cooperative bank type under the type of cooperative which prescribed in the Ministerial Regulations at that time named "Chiangmai Cooperative Bank Ltd." The objective of establishment was to mobilize the savings in the province to finance to cooperatives as well as to serve a financial center for member cooperatives. The cooperative Bank has started its business on 17 December 1951. Till 24 January 1964, the banking business stopped. It had modified the objectives as well as performance to be "Chiangmai Credit Cooperative Federation" in order to provide more services to its members. After the cooperative societies act B.E. 2511 had been enacted, it changed the type from provincial bank to cooperative federation. On 4 September 1970, it was registered and renamed as "Chiangmai Provincial Agricultural Cooperative Ltd."



## Financial Status

As at the end of 31 December 1991

	31 December 1991	30 June 1991
1. No. of Member		
- Agricultural Cooperative	30	30
- Individual (Person)	559	559
2. Share Capital	3,778,000	3,763,000
3. Reserve Fund and other funds	218,790	1,298,730
4. Working Capital	36,753,979.28	36,064,573.89
5. Borrowing from CPD (for Collecting Paddy)		
- Total Loan	8,000,000	8,000,000
- Loan during the year	-	-
- Repayment during the year	-	-
- Balance	8,000,000	8,000,000
6. Borrowing from BAAC (for Collecting Paddy)		
- Total Loan	5,000,000	5,000,000
- Loan during the year	-	-
- Repayment during the year	-	-
- Balance	5,000,000	5,000,000

## 7. Borrowing from CPD (for Collecting Soybean)

- Total Loan	16,000,000	16,000,000
- Loan during the year	16,000,000	-
- Repayment during the year	16,000,000	-
- Balance	16,000,000	16,000,000

## 8. Supply Business

- Total sales	160,075.50	1,444,776.65
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9. Sales of rice/broken rice  
and rice bran

14,000,000	1,510,529
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## 10. Operating Costs

670,086.19	1,180,096.54
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## 11. Net Profit (Loss)

(526,629.89)	(1,665,872.46)
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## Chiangmai Provincial Agricultural

## Cooperative Federation Ltd

## Balance Sheet

as at 31 December 1991

**ASSETS**

## Current Assets

Cash and Bank Deposit	8,388,541.07
Deposit with cooperative	3,140.52
Account receivable	
- Loan	874,134.30
- Trading	5,670,194.65
- Rice-Fertilizer Exchange	702,800.00
- Rice Marketing Linkage	6,515.00
- Soybean Project	15,600,000.00
Others	719,070.00
Total Account Receivable	23,572,714.45
Less Provision for Bad Debt	1,601,421.00
Net Account receivable	21,971,293.45
Deferred Interest for Soybean Project	251,794.52
Inventories	1,362,674.69
Less Provision for Leakage	42,572.00
Net Inventories	1,320,102.69
Raw Materials	363,341.25

Other Current Assets	304,217.06
Total Current Assets	32,602,430.56

#### Fixed Assets

Land	1,490,000.00
Building	111,313.48
Machine and Equipment	1.00
Scale	407,182.62
Vehicle	400,001.00
Office Equipment	291,195.23
Total Fixed Assets	2,699,693.33

Other Assets	762,450.00
Total Assets	36,064,573.89

#### LIABILITIES AND EQUITIES

##### Current Liabilities

Borrowings	29,011,835.25
Trading	2,100.00
Rice Marketing Linkage	685,049.50
Portion of Long Term Loan	144,151.34
Other Current Liabilities	2,809,441.18
Total Current Liabilities	32,652,577.27

##### Long Term Liabilities

Long Term Loan	139,000.00
Other Liabilities	349,518.25

Total Liabilities	33,141,095.52
Equities	
Share Capital value at 50 Baht each, 102,056 paid up shares	5,102,800.00
Less Shares in Hand	1,324,800.00
Accumulated Funds	218,790.00
Net Loss	(526,629.89)
Accumulated Loss	(546,681.74)
Total Accumulated Loss	(1,073,311.63)
Total Equities	2,923,478.37
Total Liabilities and Equities	36,064,573.89

## SANSAI LAND SETTLEMENT CO-OPERATIVE LTD.

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## I. HISTORICAL BACKGROUND

In 1993, the government implemented the Muang Mae Faak Irrigation Project to divert water from Mae Ping River for cultivation in the area of Sansai District, Chiangmai Province, which covered 70,000 rai of land. As some parts of the project area were the undeveloped forest land, the government, in 1937 issued the Royal Decree Determining the Forcible Area in Chiangmai Province, and enacted the Act to Establish the Land Settlement Co-operatives in the area of 8,217 rai.

Later in 1938, the Ministry of Agricultural at that time issued the Ministerial Regulation Setting criteria for the selection of settlers, determining the conditions for issuance of certificate of settlers, determining the conditions for issuance of certificate of land utilization to the co-operative members, and establishing the screening committee for selection of farmers. At the same time the Department of co-operatives made the survey of soil, rainfall intensity and water resources in order to make the physical planning, land development, and provision of public services to the members. The Department also provided the selected farmers with training on principles, rules and regulations of the co-operative, including the rights and duties of the

members. On March 9, 1938, 4 agricultural land settlement co-operatives were first established in the area of 1,341 rai with the membership of 93 families. This was followed by the establishment of 13 more land settlement co-operatives in 1939, with more membership of 351 families in the area of 5,252 rai.

In 1944, 2 land Settlement cooperatives were established in the area of 420 rai with 34 members.

In 1950, another land settlement cooperative was established in the area of 170 rai with 14 members.

In 1951, another land settlement cooperative was established in the area of 730 rai with 23 members.

Thus, in 1950, there were 21 land settlement cooperatives covered the area of 7,913 rai with a total membership of 521 families. These cooperatives operated various business activities till 1967, the government had issued land title deeds to 135 members of 6 land settlement cooperative for the area of 2,093 rai.

In accordance with the government program of co-operative amalgamation during 1969-1972, which was aimed at enlarging the size and activities of the co-operatives to include the multi-purpose functions, such credit, marketing and purchasing and extension services, all the 21 small land settlement cooperatives in this area were combined into one district level unlimited land

settlement co-operative in 1973, and was later registered to be the Sansai Land Settlement Co-operative Limited on 25 January 1974.

## II. GENERAL CONDITION OF THE CO-OPERATIVE

Up to the present time, the operation of this land settlement co-operative in land allotment, development of land, provision of public services and granting the right to the land ownership to the members, was totally completed. Thus, the government is considering to transfer this cooperative to agricultural type.

The area of Sansai Land Settlement cooperative covers the area of 5 sub-districts in Sansai. The land is fertile and irrigated from Maefaak dam. The area is good for growing paddy and other cash crops. At present, the Cooperative has 1,135 members, divided into 15 groups.

The operational statistics of the co-operative as at 30 June 1991 were as follows.

	30 June 1991	30 June 1990
No. of members	1,135	946
Share capital	8,871,710.00	6,307,010.00
Other funds	3,346,666.81	3,249,002.13
Deposits received from members	14,751,806.22	16,450,472.14



	1991	1990
Borrowing from BAAC		
Beginning Balance	2,404,334.50	315,718.75
Loan during the year	39,896,972.00	16,594,702.00
Repayment during the year	16,419,977.50	14,506,086.25
Ending Balance	25,881,329	2,404,334.50
Borrowing from CPD		
Beginning Balance	22,673.30	32,350.68
Loan during the year	-	-
Repayment during the year	22,673.30	9,677.38
Ending Balance	-	22,673.30
Total Loan to Members		
Short Term Loan	5,942,438	4,808,309
Medium Term Loan	14,593,597	13,158,193
Long Term Loan	4,165,696	4,122,898
Loan to Members during the year		
Short Term Loan	6,714,426.50	6,701,426.50
Medium Term Loan	32,808,677	9,148,075
Long Term Loan	1,510,000	1,093,000
Loan Collection during the year		
Short Term Loan	5,683,493	5,567,297.50
Medium Term Loan	9,391,420	7,712,671
Long Term Loan	693,681	1,050,202

	1991	1990
<b>Loan Outstanding</b>		
Short Term Loan	6,973,371.50	5,942,438
Medium Term Loan	38,010,854	14,593,597
Long Term Loan	4,982,015	4,165,696
<b>Supply Business</b>		
Beginning Balance	869,863.49	593,290.01
Purchasing during the year	24,754,052.50	4,114,912.75
Sales during the year	23,695,603.36	3,838,339.27
Ending Balance	1,928,312.63	869,863.49
<b>Net Profit</b>	822,254.64	976,646.77

## Sansai Land Settlement Cooperative Ltd.

## Balance Sheet

as at 30 June 1991

	30 June 1991	30 June 1990
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Bank Deposit	889,312.69	4,290,188.69
Money in Transit	1,500,000.00	-
<b>Account receivable</b>		
- Trading	201,307.50	38,244.00
- Loan	49,966,524.50	24,701,731.00
- Others	53,874.88	17,287.52
<b>Total Account Receivable</b>	<b>50,221,422.88</b>	<b>24,757,262.52</b>
<b>Less Bad Debt</b>	<b>11,884.00</b>	<b>16,116.00</b>
<b>Net Account Receivable</b>	<b>50,209,538.88</b>	<b>24,741,164.52</b>
<b>Deferred Interest</b>	<b>456,020.00</b>	<b>34,926.00</b>
<b>Less Provision for Bad Debt</b>	<b>0.00</b>	<b>1,746.30</b>
<b>Net Deferred Interest</b>	<b>456,020.00</b>	<b>33,179.70</b>
<b>Inventories</b>	<b>1,928,312.63</b>	<b>869,863.49</b>
<b>Raw Materials</b>	<b>28,177.65</b>	<b>14,115.50</b>
<b>Other Current Assets</b>	<b>151,342.35</b>	<b>52,899.85</b>
<b>Total Current Assets</b>	<b>55,162,704.20</b>	<b>30,001,393.75</b>

## Fixed Assets

Building	903,480.16	968,033.12
Machine and Equipment	98,942.05	170,909.55
Vehicle	154,333.33	-
Office Equipment	355,664.75	160,711.03
Total Fixed Assets	1,512,420.29	1,299,653.70
Other Assets	32,800.00	32,300.00
Total Assets	56,707,924.49	31,333,347.45

## LIABILITIES AND EQUITIES

## Current Liabilities

Borrowings	26,481,329.00	2,404,334.50
A/C Payable on Trading	503,724.56	268,538.00
A/C Payable on Lending	260.25	260.25
Portion of Long Term Loan	-	10,673.30
Deposit Received from Members	14,171,806.22	16,450,472.14
Other Current Liabilities	554,816.76	424,324.57
Total Current Liabilities	42,291,936.79	19,558,602.76

## Long Term Liabilities

Long Term Loan	-	12,000.00
Total Long Term Liabilities	-	12,000.00
Other Liabilities	339,343.49	259,654.45
Total Liabilities	42,631,280.28	19,830,257.21

**Equities**

Share Capital value at 50 Baht each, 887,171 paid up shares	8,871,710.00	6,307,010.00
Reserve Fund	3,346,666.81	3,249,002.13
Accumulated Funds	1,036,021.76	970,431.34
Net profit	822,245.64	976,646.77
<b>Total Equities</b>	<b>14,076,644.21</b>	<b>11,503,090.24</b>
<b>Total Liabilities and Equities</b>	<b>56,707,924.49</b>	<b>31,333,347.45</b>

## Maetaeng District

### 1. Geographical Area

Maetaeng district is located about 40 kms north of Chiangmai by Chiangmai-Fang Highway. It has the total area of 1,520,574 square kilometers. About 40% of the area is forest and mountain. The geographical area is as follows:

- North - Chiang-dao and Prao district
- South - Maerim district
- East - Sansai district
- West - Samerng district and Pai district,  
Maehongsorn province

There are 3 main water courses flowing through Maetaeng district i.e. Ping river, Maetaeng river and Maengad river.

### 2. Population

The total population of Maetaeng district is 68,056 persons, out of which 34,698 are men and 33,358 are women. The district is divided into 13 sub-districts (Tambol) and 108 villages (Mooban)

### 3. Occupation

Most of the population of Maetaeng district or the total 22,280 farm families are engaged in Agriculture such as paddy, Fruit, field crops and livestock. The rest are engaged in other occupation such as merchants, workers, government officials and others. The Major crops in Maetaeng are paddy, tobacco,

Soybean, garlic and potato.

#### 4. Communication

The communication between Maetaeng and Chiangmai is done through Chiangmai-Fang Highway. There is an other road communication to Pai district, Maehongsorn province through Maemalai-Pai Road.

### Maetaeng Agricultural Co-operative Ltd.

#### 1. Brief History

Co-operative has been introduced in Maetaeng District of CHIANGMAI Province since 1958. At that time 11 small credit co-operatives had been established. Later on the ministry of National Development at that time set a policy to amalgamate the small credit co-operatives at the village level into agricultural co-operative at district level in order to enable the co-operative to operate more efficiently. Thus, the small credit co-operatives in Maetaeng District amalgamated into credit type co-operative and registered on 1 April 1961 as "Maetaeng Agricultural Co-operative" with unlimited Liabilities. There were 295 initial numbers. On 30 June 1961, the co-operative had changed its type from unlimited liabilities to limited liabilities and start its business operation from that time. According to the Ministerial regulations in 1973, the co-operative had changed its type from credit co-operative to agricultural co-operative. At present,

Maetaeng Agricultural Co-operative Ltd. has 879 members which divided into 21 groups in 10 sub-districts (tambol)

#### Business Activities

One of the main objective of the co-operative is to elevate the standard of living of farmer members by Joint purchasing joint marketing and joint business operation in order to gain negotiation power to reduce the production cost and exploitation from middlemen. All of the members are engaged in agriculture such as paddy, fruit field crop and livestock. Thus, the cooperative has to carry out various business activities in order to serve its members efficiently. The business activities carried out by the cooperative are as follows:

1. Providing loan for members
2. Receiving deposit from members
3. Supplying commodities agricultural inputs and other necessary goods at reasonable price
4. Collecting members produces for marketing
5. Providing farm extension service to the members
6. Providing social welfare service to the members and non members farmers who need assistance
7. Providing funeral welfare for the members and their spouse



### 3. Performance of the co-operative

The cooperative has carried out business activities progressively which benefit the members and the community considerably. As at the end of June 1992, the performance of the co-operative can be recorded as follows :

3.1 Credit Business : The cooperative provided credit to the members in 2 categories as short-term and medium-term loan as follows:

Short-term loan : 15,851,163 Baht

Medium-term loan : 13035100 Baht

#### Loan Repayment

Item	Short-term loan		Long-term Loan	
	Baht	%	Baht	%
1. Amount	14,206,038	100	9,065,629	100
2. Amount due collected	10,298,650	72.22	5,038,086	55.75
3. Amount collected	-	-	4,387,566	48.40
4. Total repayment	10,298,650	72.22	9,425,652	103.97

#### 3.2 Receiving Deposits from members

The cooperative received deposits from members in order to promote the members to save their money and to mobilize fund to

the cooperative as well. The deposits received from the members are as follows :

	Beginning	Deposit	Withdrawal	Balance	%
	Baht	Baht	Baht	Baht	
Saving deposit	4,506,476.54	12,733,864.00	12,082,145.14	5,158,196.30	21.53
Fixed Deposit	14,135,030.00	24,611,376.33	20,097,075.16	18,649,331.40	77.82
Satja Saving Deposit	229,911.30	16,170.83	90,126.46	156,035.67	0.65
Total	18,871,498.15	37,361,411.96	32,269,346.74	23,963,563.37	

5. Marketing Business In 1991, the cooperative collected members' produces for marketing valued at 7,666,085.50 Baht .

#### 6. Social Welfare

6.1 CCF Project: The cooperative has got financial support from CCF to assist the poor children in Maetaeng district since 1984. At present, there were 402 poor children which are the children of the members and non members get assistance under the project. In 1991, the cooperative rendered assistance gave assistance under the project value at 1,611,427.56 Baht.

6.2 Supplementary diet for school children project: In 1991, the cooperative provided from its social welfare fund, the amount of 5,460 Baht to provide supplementary diet (Banana)

to 181 school children in Wat Tha Kam school. Besides, the cooperative has also set its own fund to provide supplementary diet for school children by requesting the parent of the children who benefit from this fund to contribute 2 Baht per month to the fund. The cooperative also launched campaign for donation from members and general public. So far, the amount of 12,957 Baht was raised to the fund.

6.3. The cooperative also set up a donation fund to assist its members and employees who joined this donation fund. So far, there were 2,861 members to this fund. In 1991, the amount of 333,580 was raised to the fund.

## Maetaeng Agricultural Co-operative ltd.

## Balance Sheet

as at 30 June 1992

Assets	1992	1991
<b>Current Assets</b>		
Cash & Bank Deposit	568,258.95	3,136,486.57
<b>Account Receivable</b>		
- Trading	59,568.85	6,392,000.57
- Loan	36,521,723.00	27,359,762.00
- Others	414,156.00	440,257.22
<b>Total Account Receivable</b>	<b>36,995,447.85</b>	<b>34,192,020.02</b>
Less Bad Debt	26,742.20	26,742.20
<b>Net Account Receivable</b>	<b>36,968,705.85</b>	<b>34,165,278.02</b>
Deferred Interest	428,724.00	100,222.00
Less Bad Debt	852.45	21,384.50
<b>Net deferred Interest</b>	<b>427,871.55</b>	<b>78,837.50</b>
Inventories	8,688,545.34	1,559,633.87
Raw Material	101,943.34	49,768.94
Other Current Assets	21,054.83	400.00
<b>Total Current Assets</b>	<b>46,776,379.86</b>	<b>38,990,404.00</b>

	1992	1991
<b>Fixed Assets</b>		
Land	342,100.00	342,100.00
Buildings	3,695,226.24	3,922,053.85
Machine and Equipment	218,458.33	242,958.33
Vehicles	149,100.00	208,740.00
Office Equipment	151,564.92	95,273.87
Total Fixed Assets	4,556,449.49	4,811,126.05
Other Assets	436,861.83	435,067.83
Total other Assets		
Total Assets	51,769,691.18	44,236,598.78
<b>Liabilities and Equities</b>		
<b>Current Liabilities</b>		
Borrowing	12,073,929.73	11,395,186.60
Account Payable to PACF	398.80	398.80
Account Payable on Trading	212,616.00	546,053.00
Deposit Received	23,963,563.37	18,871,498.15
Other Current Liabilities	798,184.77	720,695.19
Total Current Liabilities	37,039,692.67	31,497,831.74
<b>Other Liabilities</b>		
CCF Fund	64,068.75	162,234.57
Member Donation Fund	219,698.76	-
Other Liabilities	597,071.92	400,083.25
Total other Liabilities	880,839.43	562,317.82

Total Liabilities	37,920,532.10	32,060,149.56
Cooperative Equities		
Share Capital	8,701,380.00	6,461,620.00
Less Share in Hand	4,180.00	-
Reserve Funds	4,608,122.88	4,403,390.24
Accumulated Funds	285,331.38	217,927.34
Net Profit	258,504.82	1,093,511.64
Total Cooperative Equities	13,849,159.08	12,176,449.22
Total Liabilities & Equities	51,760,691.18	44,236,598.78

## Sanpatong Agricultural Cooperative Ltd.

### 1. Introduction

Sanpatong District is one of the 19 districts of Chiangmai Province. This district is about 23 kilometres from the town with a population of 25,491 households or 105,689 people. There are 12 sub-districts and 173 villages. The geographical area can be classified as the plain with fertile land and sufficient water for farming. 95% of the people is engaged in agriculture. The main crop is rice. Rice farming area is 79,565 rai, with average yield of 70 tang/rai. The average land holding per household is 5.1 rai.

There are many rivers passing through this district, and farmers jointly build a small dam to access water for their own farms. Besides, the government also launched a Maetang Irrigation project by digging canals passing 5 sub-districts of which Sanpatong is included. This enables farmers to do farming all year round and result to increase production and income.

### 2. Background Information

Sanpatong Agricultural Cooperative Ltd. was registered on June 9, 1971 by amalgamation of 38 credit cooperatives and one marketing cooperative. Later on, according to the policy of the Cooperative Promotion Department, one land settlement cooperative joined in and it was re-registered on April 1, 1975 under the same name. As of December 31, 1989, its membership was 6,415 households which can be divided into 91 groups.

Sanpatong Agricultural Cooperative Ltd. can be considered as one of the most successful cooperatives in Thailand. The cooperative was selected by the Ministry of Agriculture and

Cooperatives as outstanding cooperative in 1975. His Majesty the King awarded the cooperative with plaque to acknowledge this achievement.

The cooperative has been functioning on multi-purpose basis which included the following activities:

1. Providing loan to members at low interest rate.
2. Receiving deposit from members.
3. Providing inputs supply and household goods at reasonable prices.
4. Collecting members' farm produces for processing and marketing.
5. Providing water resource for farming.
6. Providing extension service.

In order to perform these activities efficiently, the cooperative has set up four sections in the office, namely credit, input supply, marketing and extension service sections with the following facilities:

1. One storeys building used as office
2. One medium size rice mill with capacity of 24 ton/day
3. One six wheel truch with 3 1/2 tons capacity
4. One building for input supply section.
5. Two rice storages with capacity of 500 tons each
6. One pick-up truck

Moreover, there are other facilities received when amalgamated: two rice storages of 500 tons each, one rice scale of 30 tons and land of 7 rais which was bought in 1947 to build the office and storage. During 1977-1979, the cooperative bought more land to make the total of 18 1/2 rais which is used as the



demonstration plots for rice and soybean.

There are 15 committee members and 28 employees: 1 manager, 1 assistant manager, 1 accountant, 1 clerk, 9 credit officers, 1 tailor, 4 input supply officers, 3 marketing officers, 3 rice mill officers, 1 driver, 1 janitor and 2 watch man.

### 3. Operational result

The cooperative has been expanding its activities extensively for the past, for example, the loan given to the members of 30.2 million Baht was increased to 45.6 million Baht in 1988. Deposit from members of 16.01 million Baht in 1985 was increased to 31.8 million Baht in 1988, Business volume of the input supply section was 11.2 million Baht in 1985 was increased to 10.1 million Baht in 1988. Besides, the cooperative own funds of 18.91 million Baht in 1985 was increased to 27.6 million Baht in 1988.

### 4. Activities

The main activities of Sanpatong agricultural cooperative Ltd. are

1. Providing loan
2. Providing input supply and household goods
3. Collecting members' produces for processing and marketing
4. Receiving deposit
5. Providing extension services.

#### 4.1 Credit Business

At present credit business is still the main business of the cooperative. The cooperative provides credit to the members both in cash and in kind, depend on the need of the members. Normally, the cooperative provides credit according to the

members' production plan, members' income and their ability to repay the loan. During 1985 - 1988, the cooperative provided credit to members as follows:

Year	S.T. Loan	M.T. Loan	Total
1985	7,056,650	23,224,600	30,281,250
1986	11,191,980	13,118,720	24,118,720
1987	10,754,630	29,120,367	39,865,997
1988	11,934,420	33,679,100	45,613,520
1990	9,635,020	23,584,850	33,219,870

In 1986 Loan to the members decreased because of drought so that members did not want to get any loan for farming. More over when comparing short term loan and medium term loan, it shows that short term loan is less than medium term loan. It is because of the habit of members to prefer longer time more than one year for repayment and they mainly want loans for purchasing, expanding and improving the land.

#### Repayment

The repayment rate of members was 74.70% in 1985 and 74.30% in 1988. The repayment rate was high because the members have high income and can pay back the loan. In addition, the credit committee and cooperative staff follow-up and expedite debt regularly.

#### 4.2 Input supply business

One of the important business of the cooperative is obtaining consumer goods and necessary agricultural materials for distribution to members. The purpose of the business is to:

- Reduce the production costs of the members. Members can buy goods at a lower price when they combine their purchases and buy in bulk.

- Allow members to buy good quality items without having to worry about imitations because the cooperative buys directly from the manufacturer.

- Prevent members from getting in debt with private merchants. At present, the cooperative the cooperative sells on cash only, so it has the following methods:

1. Members pay for the goods in cash
2. The cooperative issues loans in the form of goods instead of cash.

The cooperative is determined to have members do as much of their business with the cooperative as possible. The cooperative seeks ways to promote its sales to motivate members, for example, issuing coupons for members who buy goods from the cooperative, then holding fairs where prizes are drawn for coupons. members show much interest in this type of activity. The business volume was 11.2 million Baht and 10.1 million Baht in 1988.

#### 4.3 Marketing business

Another important business of the cooperative is the collection of produces from members and the processing of such produces for sale at a higher price. This bussiness solve the marketing and sale problem for the members. In the past, member were not able to sell their produces or were able to sell at a lower price. Middlemen had kept prices low and took advantage by by altering the scale. These practices were detrimental to the members occupation. The Sanpatong Agricultural Cooperative ltd. found a measure to solve this problem by cconstructing a rice mill and rice storages. The cooperative were able to purchase rice from all members at a reasonable price. At year end, if the

cooperative was operating at a profit, it was then able to pay partonage rebate to the members in proportion of business each member conducted with the cooperative. Members received a higher income, experienced an improvement in their living conditions and were no longer being taken advantage of by middlemen. Members sold large amount of their produces to the cooperative and this amount has increased every year. Important produces collected by the cooperative included rice, soybean and garlic. The business volume in 1985 was 11.6 million baht and 14.51 in 1989.

#### 4.4 Saving Business

The Cooperative also considers this type of business as one of its important businesses. The cooperative receives deposits from members to promote the concept of saving among the members. This business also construct members on the benefit of making deposit with the cooperative in order to improve the financial security of the cooperative as a whole. In addition, the business helps the members and non-members build up confidence in their cooperative. The community sees the cooperative as a financial institution that can benefit its members both in receiving deposit and providing loans.

The cooperative has offered this type of business since 1971. Members show an increasing interest by making steadily increasing deposits. The cooperative also motivate its members by various mean, for example, giving prize to the member group that make the largest deposit with the cooperative.

At present, the cooperative is veru successful in coordinating the sales business with the saving business. When

members bring their produces to sell to cooperative, they will deposit the money received into their saving account and withdraw in part when they need to use the money. The cooperative receives both saving and fix deposit from members. In 1985, the total deposit was 16.01 million Baht and increased to 59.81 million Baht in 1989. It shows that the income of the members is increased with effects to high deposit and also reflects to high faith and belief of the members to their own cooperative.

#### 4.5 Extension Service Business

Agricultural extension service is also an important function of agricultural cooperatives. The purpose of agricultural extension is to increase production of members, increase quality and quantity up to level demand by the market, and also enable member to sell at a higher price, resulting in an improvement of living conditions among members.

The Sanpatong Agricultural Cooperative ltd. cooperated with the Cooperative Promotion Department and general farmers of the Sanpatong district to promote production of soybean, garlic and other crops both in and outside the rice season. members show a high level of interest and switch to modern farming methods, they also give greater confidence to the cooperative promotion officials.

Besides, the promotion of new crops, the cooperative also give instruction on the use of chemical and fertilizer in cooperation with farmers of Sanpatong district. In addition to this boost to agricultural methods, the cooperative tried to supply sufficient water for members to grow crops according to the seasons. The cooperative made repairs to keep the pong sanuk

irrigation dam in good condition. Irrigation canals were also dug to bring enough water to many thousand rais of farm land. At the same time, the cooperative is surveying methods to develop and provide additional water resources for members

Moreover, the cooperative is using 13 rais of its land to develop demonstration plots for growing rice and soybean for further propagation.

#### Other Business

Another service is the setup of a Funeral Service Association. It is for members and the cooperative employees with the objective to help financially for the funeral of members, employees and their spouse, by collecting membership fee and partonage fee. This is taken as the welfare for members and also being as the loan collateral. When any member dies, the cooperative can get the repayment from the fees.

#### Education and Occupational Promotion

The cooperative realizes the importance of education and occupational promotion since the success of the cooperative depends on the understanding of members in cooperative principles and methods as well as the agricultural technology in order to increase production, such as the uses of goods seeds, insecticides, machineries, etc. The cooperative also gives training to pre members in cooperative principles and practices so that they will understand the right, duties and responsibilities as the cooperative members.

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## Sanpatong Agricultural Cooperative Ltd.

## Balance Sheet

as at 30 June 1989

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## Assets

## Current Asset

cash & Bank Deposit	10,789,789.52
A/C Receivable	
-Trading	1,428,014.66
-Loan	75,765,512.50
-Others	69,391.40

Total A/C Receivable	77,262,918.56
Less Bad Debt on A/C receivable	440,228.45

Net A/C Receivable	78,822,690.11
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Deferred Interest	1,855,898.50
Less Bad Debt	160,763.86

Net Deferred Interest	1,695,134.64
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Good carried over	17,106,500.61
Net Inventories	557,127.20

Other Current Assets	79,367.05
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Total Current Assets	107,050,618.13
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## Fixed Assets

Land	734,616.24
Building	2,715,731.62
Building under construction	772,175.60
Machine and Equipment	222,867.81
Vehicles	1,108,317.67
Office Equipment	464,722.15

Total Fixed Assets	6,027,431.09
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Other Assets	893,702.03
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Total Assets	113,971,751.25
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## Liabilities and Equities

Bank overdraft and Borrowings	12,808,081.52
A/C Payable on Loan	1,381,896.36
A/C Payable on Trading	35,534,550.00
Portion of Long Term Loan	308,000.00
Deposit Received	24,284,779.73
Contribution to CLT	10,000.00
Other Current Liabilities	4,523,592.48
Total Current Liabilities	78,850,900.09
Long Term Loan	2,596,845.72
Total Long Term Liabilities	2,596,845.72
Other Liabilities	1,673,363.00
Cooperative Equities	83,094,108.81
Share Capital valued at 50 Baht/share	
2,108,382 paid up shares	21,083,820.00
Less Shares in hand	7,250.00
Cooperative Equities	21,077,570.00
Reserve Fund	6,716,539.88
Accumulated Funds	1,354,493.60
Net Surplus	1,729,038.96
Total Cooperative Equities	30,877,642.44
Total Liabilities and Equities	113,971,751.25