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Paper on  
Recent Changes, Trends and Developments  
of  
Cooperative Movement in Thailand

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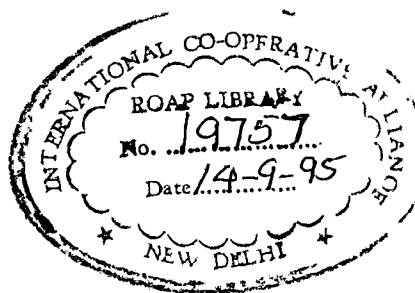
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Country Situation  
on  
Recent Changes, Trends and Development  
of  
Co-operative Movement in Thailand

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by  
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national apex organization of the Cooperative movement to function as the promotional and educational body of the cooperative movement.

A government program to amalgamate cooperative societies was implemented during 1969 - 1972 by combining several village level credit societies in each district into one cooperative at the district level called "agricultural cooperative ". This type of cooperatives has been contemplate 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.

The cooperatives in Thailand are vertically organized in a three tiers system: Local cooperative at the primary level, provincial federation at the secondary level, and national federation at the national level. The primary cooperative consists of individual members. Three or more primary cooperatives can together form a provincial or national federation to undertake joint activities on behalf of their primary affiliates. All types of cooperatives at all level have to be the affiliates of the Cooperative League of Thailand.

At present, there are six main types of cooperatives in Thailand. As of 1 January 1994 there were 3,744 primary cooperatives with a total membership of 5,844,027 families. The details are given below:

Types of Coop	No. of Coop	Membership
1. Agricultural	1,976	3,287,418
2. Land Settlement	95	109,740
3. Fishery	46	8,030
4. Thrift and Credit	965	1,648,511
5. Consumer	351	687,078
6. Services	311	103,250
<b>Total</b>	<b>3,744</b>	<b>5,844,027</b>

There were 11 National Cooperative federations with membership of 991 cooperative societies and 74 provincial cooperative federations with total membership of 1,046 cooperative societies.

#### NATIONAL COOPERATIVE ORGANIZATION

One of the national cooperative organizations is the Cooperative League of Thailand (CLT) which was organized in 1968 as an apex non-government organization representing the cooperatives. The cooperative Act, B.E.2511 (1968), Article 104, stated that "there shall be an institution called the "Cooperative League of Thai-

land" consisting of members which are co-operative societies having the objectives of promoting the activities of every type of co-operative societies throughout the Kingdom without sharing profit or income." The League now has affiliates of ~~3,163~~<sup>3,744</sup> cooperative societies, at all levels, serving over ~~3.8~~<sup>5.8</sup> million members at the primary level. The objectives of the League in general are to promote and develop the cooperative movement, to conduct research and training for the leadership within the cooperative movement, to build and expand cooperative activities and to serve as the representative of cooperatives in the country. Other cooperative organizations are the Agricultural Cooperative Federation of Thailand Ltd., the federation of Saving and Credit Cooperatives of Thailand Ltd., and the consumer Cooperative Federation of Thailand Ltd. These national cooperative organization are functioning mainly on business activities for the benefit of their member cooperatives respectively.

#### PRESENT SITUATION

According to the statistic report of the cooperative in Thailand for 1993, the present position of cooperatives in Thailand could be summarized as follows:

1. No. of cooperative: As of 1st January 1994, there were 3,744 cooperative societies. The number of cooperative increased by 611 societies compared to 3,163 societies in 1993. An increase of 5.11%
2. No. of membership: As of 1st January 1994, there were 5,843,916 individual members. The number of membership increased by 2,534,952 compared to 3,309,075 membership in 1993. An increased of 76.60%
3. Business volume: (As at the end of March 1993). The total business volume of cooperative in Thailand in 1993 was 131,659.35 million Baht. The total business volume increased by 42,592.56 million Baht or 35.35% over 1992. The business activities of the cooperatives in Thailand are as follows:
  - 3.1 Receive Deposit: In 1993, the amount of deposit received from the members was 33,070.84 million Baht. The amount of deposit increased by 14,152.63 million Baht or 74.81% over 1992.
  - 3.2 Loan to the members: In 1993, the amount of loan given by the cooperative to their members was 87,156.16 million Baht. The amount of loan increased by 27,776.13 million Baht or 46.78% over 1992.
  - 3.3 Supply of goods: In 1993, the cooperatives supplied goods to their members for the amount of 8,140.81 million Baht. An increased of 959.09 million Baht or 13.35% over 1992.
  - 3.4 Collection of members' produces: In 1993, the cooperatives collected produces from their members for the amount of 3,131.33 million Baht. An decreased of 265.79 million Baht or -7.82% over 1992.
  - 3.5 Agricultural extension and other services: In 1993, the cooperatives provided agricultural extension and other services to

their members for the amount of 160.21 million Baht. An decreased of 29.50 million Baht or -15.55% over 1992.

#### 4. Result of Business Operation

4.1 Income: in 1993, the cooperatives in Thailand earned the total income of 25,584.30 million Baht. The total income increased by 3,329.05 million Baht or 14.96% over 1992.

4.2 Expenditures: In 1993, the cooperatives in Thailand had the total expenditures of 17,798.97 million Baht. The total expenditures increased by 2,224.33 million Baht or 14.28% over 1992.

4.3 Net profit: In 1993, the cooperatives in Thailand earned the total net profit of 7,785.33 million Baht. The total net profit increased by 1,104.72 million Baht or 16.54% over 1992.

#### 5. Financial Status:

5.1 Assets: As at the end of 1993, the cooperatives in Thailand had the total assets of 110,786.38 million Baht. The total assets increased by 27,613.29 million baht or 33.20% over 1992.

5.2 Liabilities: In 1993, the cooperatives in Thailand had the total liabilities of 47,272.43 million baht. The total liabilities increased by 16,485.14 million Baht or 53.55% over 1992.

5.3 Cooperative own funds: In 1993, the cooperatives in Thailand had the total own fund of 63,513.95 million Baht. The total own funds increased by 11,128.15 million Baht or 21.24% over 1992.

In summary, the performance of the cooperatives in Thailand in 1993 was quite satisfied. The major business activities which contributed to the enhancing of economic development of the country were the credit business and the saving business. It was noted that the thrift and credit cooperative shared 78.56% of the total business volume, 89.19% of the total net profit.

#### CO-OPERATIVES DEVELOPMENT IN 1994

During the year 1994, the Co-operative League of Thailand in general has made a considerable progress in term of business volumes and services to the members. In order to cope with the changing situation, the CLT tried to develop it policy and plan to meet the increasing needs of the member cooperative. The major developments in 1994 could be summarized as follows :

1. The Co-operative League of Thailand started its project for construction of the new training center in Bangkok in May 1994. The training center will serve as an education and training center for all type of cooperatives as well as offices of national cooperative organizations in the country. it is expected the construction will be completed in September, 1995. The new training center will be able to accommodate 168 trainees with the main auditorium for 300 participants. However, the construction costs was higher than the original estimated, the CLT has to seek for

assistance from the government and the cooperatives within the country as well as foreign assistance.

2. The CLT has proposed for amendment to the Ministerial Regulation on the contribution fee to CLT. According to the present regulation, the cooperative shall contribute 5% of its annual net profit but not exceed 10,000 Baht as contribution fee to CLT. The proposal of CLT suggested the calculation of the fee based on 5% of the net profit of the cooperatives. The maximum amount shall not exceed 25,000 Baht. The proposal was under consideration of the Ministry of Agriculture and Cooperatives.

3. The Amendment of the cooperative society act 1968 is now in progress. The Parliament has already accepted draft proposals for amendment which submitted by government and political parties. A Commission was appointed by the parliament to consolidate the draft proposals. The common proposals proposed which will contribute to the development of Human Resource in the cooperative movement are :

4. The proposal for incorporate the cooperative development plan into the 8th National Social and Economic Development Plan (1997-2002). The CLT has organized a seminar of representatives of cooperatives throughout the country in August 1994 to prepare a cooperative development plan and submit to the government. It is suggested that the government should allocate more budget for cooperative development; especially, for the education and training for the personnel of the cooperatives including women and youth.

4.1 The provision for admission of associate members of cooperatives which will enable the people to avail of the services of the cooperatives as well as enhancing women and youth participation in the cooperative movement.

4.2 The provision for the cooperatives to engage in various business activities or invest in the business activities in order to provide a wider range of services to the members.

5. The setting up of the cooperative own insurance company is now in progress. The company has been registered as "Saha-Life Insurance Co.,Ltd." with the initial shares of 200 million Baht invested by the cooperative of all types in the country. The company has already employed professional staff to prepare a work plan for the take off stage. It is expected the company would be able to offer insurance policy to the member of the cooperatives in early 1995.

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Cooperative Statistics in Thailand

Table 1 : No. of Cooperatives								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Begining Balance	1,695	32	94	388	305	886	3,400	3,155
Increase	205	6	-	16	12	46	285	269
Decrease	-	-	-	10	4	2	16	24
Balance	1,900	38	94	394	313	930	3,669	3,400

Table2 : No. of Membership								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Begining Balance	2,057,455	6,273	94,943	627,718	79,872	1,478,618	4,344,879	3,246,505
Increase	675,301	455	4,721	35,295	7,716	172,327	895,815	1,296,083
Decrease	217,263	342	7,065	44,318	5,923	98,919	373,830	197,709
Balance	2,515,493	6,386	92,599	618,695	81,665	1,552,026	4,866,864	4,344,879

Table 3 : No of Cooperative Audited								
1993								
Item	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Engaged in Business	1,603	25	84	281	260	863	3,116	2,905
Not Engaged in Business	55	6	-	18	-	11	90	150
Stop Business	33	-	-	-	15	-	48	-
Total	1,691	31	84	299	275	874	3,254	3,055



Table 4 : Performance of Cooperatives																
1993																
	Agriculture		Fishery		Land Settlement		Consumer		Services		Thrift&Credit		Total		1992	
	No. of Coop	Amount	o. of Coop	Amount	o. of Coop	Amount	o. of Coop	Amount	o. of Coop	Amount	o. of Coop	Amount	o. of Coop	Amount	o. of Coop	Amount
Net Profit	1,728	711.23	17	5.60	59	24.98	256	159.39	216	25.65	843	6,945.22	2,669	7,872.07	2,569	6,736.43
Net Loss	252	47.21	8	0.90	25	14.65	34	6.59	15	-	11	-	202	-	3	-
No Profit	161	-	6	-	-	-	9	-	275	9.86	874	6,943.62	32,545	7,785.33	2,918	6,680.61
Total	1,691	664.02	31	4.70	84	10.33	299	152.80	275	9.86	874	6,943.62	3,254	7,785.33	2,918	6,680.61

Cooperative Statistics in Thailand

Table 5 : Saving Business								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Saving Deposit	3,077.80	2.35	157.89	14.76	6.15	21,695.80	24,954.75	13,447.94
Time Deposit	2,122.11	6.46	44.39	0.04	14.78	5,928.31	8,116.09	5,470.27
Total	5,199.91	8.81	202.28	14.80	20.93	27,624.11	33,070.84	18,919.21

Table 6 : Share Capital								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Begining Balance	3,606.64	16.23	153.86	123.25	81.92	36,214.56	40,193.46	34,304.91
Increase	1,032.81	1.27	25.76	9.52	17.73	10,660.35	11,747.57	8,580.77
Decrease	305.29	0.47	8.63	8.48	6.31	2,483.39	2,812.57	2,692.22
Balance	4,331.16	17.03	170.99	124.29	93.34	44,391.52	49,128.33	40,193.46

Table 7 : Credit Business								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Short Term Loan	6,878.32	11.45	303.30	13.01	79.97	-	7,286.05	6,173.84
Medium Term Loan	3,978.65	3.53	49.61	0.20	5.94	-	4,037.93	3,662.75
Long Term Loan	6.46	-	13.98	-	-	-	20.44	19.06
Emergency Loan	-	-	-	-	-	7,142.24	7,142.24	6,219.44
Ordinary Loan	-	-	-	-	-	60,832.88	60,832.88	39,085.47
Extra Ordinary Loan	-	-	-	-	-	7,836.62	7,836.62	4,129.47
	10,863.43	14.98	366.89	13.21	85.91	75,811.74	87,156.16	59,380.03

Cooperative Statistics in Thailand

Table 8 : Supply Business								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Fertilizer	1,224.99	2.84	64.35	-	-	-	1,292.18	1,119.00
Insecticide	181.59	-	17.94	-	-	-	199.53	154.90
Machines	551.74	-	2.76	-	-	-	554.50	235.40
Agricultural Tools	65.85	0.04	1.69	-	1.39	-	68.97	143.76
Seeds	109.24	-	7.43	-	-	-	116.85	53.95
Rice	266.70	2.18	9.75	41.08	-	-	319.71	319.83
Petrol	252.91	295.25	28.59	7.65	15.75	-	600.15	613.48
Feed Stuff	473.45	20.07	16.88	-	-	-	510.40	374.54
Cigarette	-	-	-	1,130.02	-	-	1,130.02	916.34
Restaurant	-	-	-	0.53	-	-	0.53	8.53
Land and Building	-	-	-	-	45.55	-	45.55	57.67
Vehicle	-	-	-	-	25.76	-	25.76	4.11
Transit Goods	-	-	-	49.10	-	-	49.10	54.62
Hire Purchase Goods	-	-	-	1.93	-	-	1.93	131.64
General Goods	-	-	-	2,283.22	106.72	-	2,389.94	2,384.99
Others	575.57	5.54	30.27	224.31	-	-	835.69	608.96
Total	3,702.22	325.92		3,737.84	195.17	-	8,140.81	71,841.72

## Cooperative Statistics in Thailand

Table 9 : Marketing Business								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Paddy	1,007.34	-	79.19	-	-	-	1,086.53	1,171.47
Maize	136.65	-	14.75	-	-	-	151.40	156.79
Beans	102.63	-	37.79	-	-	-	140.42	131.65
Sugarcane	53.22	-	2.84	-	-	-	56.06	62.09
Tea	0.92	-	-	-	-	-	0.92	0.73
Coffee	43.00	-	1.06	-	-	-	44.06	17.01
Cotton	15.83	-	-	-	-	-	15.83	32.35
Pineapple	280.24	-	-	-	-	-	280.24	252.35
Linseeds	1.07	-	3.08	-	-	-	4.15	2.60
Dried Chili	0.46	-	-	-	-	-	0.46	0.74
Bamboo Shoot	1.10	-	0.69	-	-	-	1.79	3.92
Kenaf	4.08	-	-	-	-	-	4.08	1.41
Rubber	146.57	-	9.76	-	-	-	174.33	171.47
Salt	0.10	-	-	-	-	-	0.10	-
Palm Oil	-	-	206.93	-	-	-	206.93	173.99
Casava	6.84	-	9.21	-	-	-	16.05	24.95
Fish Fries	-	2.92	-	-	-	-	2.92	-
Sorghum	1.04	-	-	-	-	-	1.04	7.11
Milk	319.39	-	-	-	-	-	319.39	581.36
Lives Stock	281.21	-	-	-	-	-	281.21	327.84
Rambutan	0.12	-	-	-	-	-	0.12	0.01
Coconut	3.54	-	1.14	-	-	-	4.68	2.31
Others	106.84	83.91	147.87	-	-	-	338.62	274.97
Total	2,530.19	86.83	514.31	-	-	-	3,131.33	3,397.12

Cooperative Statistics in Thailand

Table 10 : Extension Services Business								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
Land Preparation	41.54	0.13	13.76	-	-	-	55.43	13.44
Water Pumping	-	-	-	-	-	-	-	24.82
Demonstration Fields	-	-	-	-	-	-	-	0.27
Rubber Plantation	-	-	0.01	-	-	-	0.01	-
Bus Routing Service&rental	-	-	-	-	30.69	-	30.69	28.81
Real Estates	-	-	-	-	-	-	-	1.22
Water Supply	-	-	-	-	0.08	-	0.08	0.12
Contract Fee	-	-	-	-	-	-	-	1.26
Cooperative Fee	-	-	-	-	-	-	-	10.79
Others	37.62	3.89	4.22	-	28.27	-	74.00	108.98
Total	79.16	4.02	17.99	-	59.04	-	160.21	189.71

## Cooperative Statistics in Thailand

	Table 11 : Financial Status							
	1993							
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
<b>Current Assets</b>								
Cash and Bank Deposit	2,060.46	17.43	149.41	428.61	132.87	3,420.28	6,209.06	4,640.94
Cash in Transit	23.08	0.35	2.84	-	-	-	26.27	16.61
Short Term Investment	6.46	0.81	0.41	-	11.44	1,500.20	1,519.32	1,127.58
<b>Account Receivable</b>								
Loan	14,014.92	21.99	638.16	3.90	83.66	82,309.22	97,071.85	60,520.87
Trading	348.76	84.65	77.47	134.30	378.77	-	1,203.95	12,635.95
Services	3.46	-	10.50	-	24.02	-	37.98	-
Others	201.86	5.30	12.75	144.16	34.08	789.91	1,188.06	991.51
Less Bad Debt	161.43	3.79	36.03	23.38	7.04	55.99	287.66	273.53
Net Account Receivable	14,407.57	108.15	702.85	258.98	513.49	83,043.14	99,034.18	73,874.80
Deferred Interest	175.34	2.04	28.26	0.05	1.30	-	206.99	231.35
Less Doubtful Debt	85.83	0.81	14.89	-	0.29	-	101.82	100.42
Net Deferred Interest	89.51	1.23	13.37	0.05	1.01	-	105.17	130.93
Inventories	875.14	2.83	40.93	262.61	53.29	-	1,234.80	1,168.38
Raw Materials	24.51	0.96	1.43	4.07	0.85	15.25	47.07	62.96
Other Current Assets	91.57	1.47	15.06	23.42	12.01	257.91	401.44	259.57
<b>Total Current Assets</b>	<b>17,578.30</b>	<b>133.23</b>	<b>926.30</b>	<b>977.74</b>	<b>724.96</b>	<b>88,236.78</b>	<b>108,577.31</b>	<b>81,281.77</b>
<b>Fixed Assets</b>								
License/rental right	5.01	0.08	0.30	2.75	4.63	-	12.77	13.61
Land	260.86	11.76	7.45	116.03	25.07	106.43	527.69	414.74
Buildings	373.05	1.98	37.61	45.92	15.04	140.48	614.08	569.59
Building under construction	21.55	-	0.79	-	-	-	22.34	-
Machines&Equipment	137.24	0.74	7.74	1.67	0.71	-	148.10	244.06
Vehicles	78.88	0.74	4.25	4.13	80.84	8.89	177.73	156.85
Office Equipment	60.24	0.73	4.83	26.00	3.88	130.15	225.83	85.55
Breeding Live Stock	1.55	-	0.01	-	-	-	1.56	1.44
Rights	0.40	-	-	0.06	0.06	-	0.52	1.29
<b>Total Fixed Assets</b>	<b>938.78</b>	<b>16.03</b>	<b>63.07</b>	<b>196.56</b>	<b>130.23</b>	<b>385.95</b>	<b>1,730.62</b>	<b>1,487.13</b>
<b>Other Assets</b>								
Investment	160.09	0.05	1.86	5.39	0.92	107.90	276.21	212.97
Deferred Expenditures	32.27	0.06	2.04	22.38	8.68	46.00	111.43	83.44
Deposit Money&others	33.01	4.52	1.33	7.15	32.11	12.69	90.81	107.78
<b>Total Other Assets</b>	<b>225.37</b>	<b>4.63</b>	<b>5.23</b>	<b>34.92</b>	<b>41.71</b>	<b>166.59</b>	<b>478.45</b>	<b>404.19</b>
<b>Total Assets</b>	<b>18,742.45</b>	<b>153.89</b>	<b>944.60</b>	<b>1,209.22</b>	<b>896.90</b>	<b>88,789.32</b>	<b>110,786.38</b>	<b>83,173.09</b>

## Cooperative Statistics in Thailand

Table 11 : Financial Status(contd.)								
1993								
	Agriculture	Fishery	Land Settle.	Consumer	Services	Thrift&Credit	Total	1992
<b>Current Liabilities</b>								
Loan&Bank Overdraft	6,384.02	17.70	232.49	79.46	61.29	9,586.69	16,361.65	12,672.58
Account Payable & Payble Draft	725.89	75.03	30.57	206.88	8.87	21.38	1,068.62	833.53
Portioin of Long Term Loan	56.34	4.00	84.97	7.28	15.71	-	168.30	160.24
Deposit Received	3,074.68	8.57	94.95	4.69	21.76	19,216.91	22,421.56	12,180.88
Contribution to CLT	13.75	0.10	1.21	3.15	1.12	-	19.33	16.69
Other Current Assets	429.20	5.28	63.33	146.77	46.19	824.99	1,515.76	1,237.34
<b>Total Current Assets</b>	<b>10,683.88</b>	<b>110.68</b>	<b>507.52</b>	<b>448.23</b>	<b>154.94</b>	<b>29,649.97</b>	<b>41,555.22</b>	<b>27,101.26</b>
<b>Long Term Liabilities</b>								
Account Payable on Loan	188.44	3.95	89.84	26.94	148.53	3,854.08	4,311.78	2,516.52
Others	5.35	-	-	3.46	-	0.34	9.15	28.07
<b>Total Long Term Liabilities</b>	<b>193.79</b>	<b>3.95</b>	<b>89.84</b>	<b>30.40</b>	<b>148.53</b>	<b>3,854.42</b>	<b>4,320.93</b>	<b>2,544.59</b>
<b>Other Liabilities</b>								
Deferred Income	0.80	0.04	-	0.37	180.65	-	181.86	182.19
Others	366.71	1.28	23.09	39.90	224.48	558.96	1,214.42	959.25
<b>Total Other Liabilities</b>	<b>367.51</b>	<b>1.32</b>	<b>23.09</b>	<b>40.27</b>	<b>405.13</b>	<b>558.96</b>	<b>1,396.28</b>	<b>1,141.44</b>
<b>Total Liabilities</b>	<b>11,245.18</b>	<b>115.95</b>	<b>620.45</b>	<b>518.90</b>	<b>708.60</b>	<b>34,063.35</b>	<b>47,272.43</b>	<b>30,787.29</b>
<b>Cooperative Own Funds</b>								
Share Capital	4,331.16	17.03	170.99	124.29	93.34	44,391.52	49,128.33	40,193.46
Reserve Funds	2,100.06	17.44	137.24	267.65	73.04	2,996.46	5,591.89	4,745.70
Accumulated Funds	507.74	1.53	63.82	146.32	36.16	395.71	1,151.28	897.22
Net Profit	664.02	4.70	10.33	152.80	9.86	6,943.62	7,785.33	6,680.61
Net Profit before Distribution	3.38	-	0.41	-	0.42	-	4.21	-
Accumulated Profit/(Loss)	109.09	2.76	8.64	0.74	24.52	1.34	147.09	131.19
<b>Total cooperative Own Funds</b>	<b>7,497.27</b>	<b>37.94</b>	<b>374.15</b>	<b>690.32</b>	<b>188.30</b>	<b>54,725.97</b>	<b>63,513.95</b>	<b>52,385.80</b>
<b>Total Liabilities&amp;Own Funds</b>	<b>18,742.45</b>	<b>153.89</b>	<b>994.60</b>	<b>1,209.22</b>	<b>896.90</b>	<b>88,789.32</b>	<b>110,786.38</b>	<b>83,173.09</b>

Source : Cooperative Audit Department

1USD = Approx 25 Baht