COOPERATIVE MOVEMENT IN
THAILAND

REPORT OF STUDY TOUR
29 NOVEMBER – 3 DECEMBER 2004

Cooperative activities symbolized in front of Cooperative Promotion Department office in Bangkok

English Version February 2005
# Table of contents

## Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TABLE OF CONTENTS</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>ACKNOWLEDGEMENTS</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>ABSTRACT</strong></td>
<td>7</td>
</tr>
<tr>
<td><strong>RESUME</strong></td>
<td>8</td>
</tr>
<tr>
<td><strong>1. CONTEXT AND OBJECTIVES OF THE MISSION</strong></td>
<td>10</td>
</tr>
<tr>
<td>1.1. <strong>Background</strong></td>
<td>10</td>
</tr>
<tr>
<td>1.2. <strong>Objectives of the mission</strong></td>
<td>10</td>
</tr>
<tr>
<td>1.3. <strong>Mission team</strong></td>
<td>11</td>
</tr>
<tr>
<td><strong>2. COOPERATIVE DEFINITIONS AND LEGISLATION</strong></td>
<td>13</td>
</tr>
<tr>
<td>2.1. <strong>History of cooperative development in Thailand</strong></td>
<td>13</td>
</tr>
<tr>
<td>2.2. <strong>Existing legislation</strong></td>
<td>15</td>
</tr>
<tr>
<td>2.3. <strong>Steps to form a cooperative</strong></td>
<td>16</td>
</tr>
<tr>
<td>2.4. <strong>Functioning of agricultural cooperatives</strong></td>
<td>18</td>
</tr>
<tr>
<td>Membership</td>
<td>18</td>
</tr>
<tr>
<td>Operating area</td>
<td>18</td>
</tr>
<tr>
<td>Structure</td>
<td>18</td>
</tr>
<tr>
<td>Regulation and by-laws</td>
<td>20</td>
</tr>
<tr>
<td>2.5. **Example of one agricultural cooperative: Photong Agricultural</td>
<td>21</td>
</tr>
<tr>
<td>Cooperative Ltd</td>
<td>21</td>
</tr>
<tr>
<td>Background</td>
<td>21</td>
</tr>
</tbody>
</table>
### Cooperative Activities  
**Capital:** 22  
**Capacity building:** 23  
**Woman cooperative:** 23  

#### 2.6. Recommendations  

#### 3. RELATIONSHIPS BETWEEN GOVERNMENT INSTITUTIONS AND COOPERATIVES  

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1. Organization and roles of government side</td>
<td>27</td>
</tr>
<tr>
<td>Cooperative Promotion Department (CPD)</td>
<td>30</td>
</tr>
<tr>
<td>Cooperative Auditing Department CAD:</td>
<td>33</td>
</tr>
<tr>
<td>Conclusion</td>
<td>36</td>
</tr>
<tr>
<td>3.2. Relationships between government and cooperatives</td>
<td>37</td>
</tr>
<tr>
<td>Cooperative Promotion Department:</td>
<td>37</td>
</tr>
<tr>
<td>Cooperative Auditing Department:</td>
<td>39</td>
</tr>
<tr>
<td>3.3. Organization and roles of non-government side</td>
<td>41</td>
</tr>
<tr>
<td>Cooperative League of Thailand</td>
<td>41</td>
</tr>
<tr>
<td>Credit Union League of Thailand:</td>
<td>44</td>
</tr>
<tr>
<td>NEDAC : a network involving government and non government institutions</td>
<td>46</td>
</tr>
<tr>
<td>3.4. Relationships between government and non government institutions</td>
<td>47</td>
</tr>
<tr>
<td>3.5. Recommendations</td>
<td>49</td>
</tr>
</tbody>
</table>

#### 4. FINANCIAL SYSTEM  

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1. Financial resources for cooperatives</td>
<td>52</td>
</tr>
<tr>
<td>Sources of loans and subsidies</td>
<td>52</td>
</tr>
<tr>
<td>Process to get loans</td>
<td>53</td>
</tr>
<tr>
<td>Taxation policy</td>
<td>53</td>
</tr>
<tr>
<td>4.2. Cooperatives implementing saving and credit activities</td>
<td>54</td>
</tr>
<tr>
<td>Saving and Credit Cooperatives</td>
<td>54</td>
</tr>
<tr>
<td>Credit unions</td>
<td>54</td>
</tr>
<tr>
<td>Agricultural Cooperatives</td>
<td>54</td>
</tr>
<tr>
<td>4.3. Recommendations</td>
<td>55</td>
</tr>
</tbody>
</table>
5. COOPERATIVES IN A MARKET ECONOMY

5.1. Cooperatives and private sector in Thailand
Paddy supply of private rice mill
Quality control

5.2. Government policy to support marketing
Direct intervention on marketing
Other interventions

5.3. Recommendations

6. CONCLUSIONS

APPENDIX

Appendix 1: Program of the study tour
Appendix 2: Contact addresses
Appendix 3: Consulted Bibliography
Table of charts

**Chart 1: Structure of a Primary Cooperative**

**Chart 2: Organizational Structure of the Ministry of Agriculture and Cooperatives of Thailand**

**Chart 3: Organizational Chart of the Cooperative Promotion Department**

**Chart 4: Organizational Chart of Cooperative Auditing Department**

**Chart 5: The Structure of Cooperative Movement in Thailand**

**Chart 6: Organizational Chart of the Cooperative League of Thailand**

**Chart 7: Relationship between the Government and the Cooperative Movement**

**Chart 8: Stakeholders Working with Agricultural Cooperative Movement in Cambodia**
Acknowledgements

We would like to express our full thanks to all organisations we met during the mission for their warm welcome and for all the very useful information they have provided.

We particularly thank Mr Chakgree Sujarittum and Mrs Saovannee Shoojan from Cooperative Promotion Department for their precious help to organise the study tour.

We also thank all CPD staff who accompanied us during all visits and took care of us.
Abstract

The Cambodian Ministry of Agriculture is promoting agricultural cooperatives since the publication of the Royal Decree on Agricultural Cooperatives in 2001. This study mission on Thai Cooperative system, supported by French Cooperation Agricultural Policy Project aimed at getting some guidelines to strengthen Cambodian national policies.

The report gives findings on Thai cooperative system and recommendations for Cambodia in four topics.

First we analyze the general cooperative definitions (history of development, functioning) and legislation. These provisions are illustrated with the example of an agricultural cooperative in Anthon Province. Recommendations for Cambodia focus on clarifying some technical issues (possibly in future revisions of legislation) and on promoting the establishment of a national strategy for cooperative development.

The second part of the report focuses on relationships between government and cooperative movement. Thai government is much involved in supporting cooperatives through Cooperative Promotion and Cooperative Auditing Departments. The report describes the relationships between cooperatives and these government agencies. Non government institutions like the Cooperative League of Thailand and the Credit Union League of Thailand also play important roles. Connections between all these institutions are also described. Recommendations raise four points: develop training centers, strengthen the internal auditing system, clarify the structure of government by creating a specific Department devoted to Agricultural Cooperatives and promote the cooperation between all stakeholders and particularly between government and NGOs.

The third part describes the financial system in Thailand where cooperatives have several possibilities to get resources to develop their activities. The report also explains the functioning of saving and credit activities in cooperatives. The mission recommends to explore the possibilities for cooperatives to access to loans with low interest rates.

The last part analyses the position of Thai cooperatives in the agribusiness system. Relationships with the private sector are analyzed through one example of a rice mill. Thai government has also developed several policies to support marketing.
Résumé


Le rapport présente les résultats de la mission selon quatre axes.

Tout d’abord nous analysons les définitions générales des coopératives en Thaïlande (développement, fonctionnement) ainsi que leur cadre légal. Ces éléments sont illustrés par l’exemple d’une coopérative agricole dans la Province de Anthon. Les recommandations pour le Cambodge se concentrent sur la clarification de plusieurs aspects techniques (à considérer lors de futurs aménagements de la législation) et sur la définition d’une stratégie nationale pour le développement des coopératives.

La seconde partie se concentre sur les relations entre coopératives et administration. Le gouvernement thaïlandais est fortement impliqué dans l’accompagnement des coopératives à travers les Départements de Promotion Coopérative et d’Audit des Coopératives. Le rapport décrit les relations entre les coopératives et ces agences gouvernementales. Des institutions non gouvernementales telles que la Ligue Nationale des Coopératives ou la Ligue Nationale des Unions de Crédit jouent également un rôle important, en relation avec le gouvernement. Quatre points sont soulevés en recommandations : développer des centres de formation, renforcer le système d’audit interne, clarifier la structuration de l’administration avec la création au sein du Ministère de l’Agriculture d’un Département spécifique consacré aux coopératives et promouvoir les coopérations entre les différentes parties prenantes, et en particulier entre le gouvernement et les ONGs.

La troisième partie décrit le système financier thaïlandais avec les différentes possibilités pour les coopératives d’accéder à des ressources financières pour leur développement. Nous expliquons également le fonctionnement des activités d’épargne et de crédit dans les coopératives. La mission recommande d’explorer les voies possibles pour que les coopératives cambodiennes aient accès à des emprunts à taux bonifiés.

La dernière partie analyse la position des coopératives thaïlandaises dans le secteur agro-alimentaire. Les relations avec le secteur privé sont approchées à travers l’exemple d’une usine de décorticage de riz. Le gouvernement thaïlandais a également développé plusieurs politiques de soutien à la commercialisation.
# Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAAC</td>
<td>Bank for Agriculture and Agricultural Cooperatives</td>
</tr>
<tr>
<td>CAD</td>
<td>Cooperative Auditing Department</td>
</tr>
<tr>
<td>CLT</td>
<td>Cooperative League of Thailand</td>
</tr>
<tr>
<td>CPD</td>
<td>Cooperative Promotion Department</td>
</tr>
<tr>
<td>CUC</td>
<td>Credit Union Cooperatives</td>
</tr>
<tr>
<td>CULT</td>
<td>Credit Union League of Thailand</td>
</tr>
<tr>
<td>M A F F</td>
<td>Ministry of Agriculture, Fisheries and Forestry, Cambodia</td>
</tr>
<tr>
<td>M R D</td>
<td>Ministry of Rural Development, Cambodia</td>
</tr>
<tr>
<td>N G O</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>PDA</td>
<td>Provincial Department of Agriculture (Cambodia)</td>
</tr>
</tbody>
</table>
1. Context and objectives of the mission

1.1. Background

A Royal Decree has been issued in July 2001 for the constitution of «Agricultural Development Communities», new forms of agricultural cooperatives in Cambodia. The Department of Agricultural Extension, inside the Ministry of Agriculture, Forestry and Fisheries, is responsible to disseminate this Decree.

The French Embassy supports the Ministry in this mission through FSP project nº2001-61 on Agricultural Policies. One working group with members from Ministry of Agriculture and Ministry of Rural Development has been created in 2004 to work on policies concerning farmer organisations.

The implementation of the Royal Decree raises a lot of questions, on the functioning of cooperatives managed by farmers and on the role that government and non-government institutions should play to support these new organizations.

Thailand has a long experience of cooperative development and is an interesting field to visit to help finding adequate answers for Cambodia.

One first study tour had been organized in April 2004 with staff from Battambang and Pailin Provincial Departments of Agriculture. This mission, which mainly focused on Thai Provinces close to Cambodian border, gave first information on Thai cooperative system, mainly at provincial level. This second study tour focuses on central level.

1.2. Objectives of the mission

The mission had two objectives: strengthen knowledge of the participants on cooperatives and get information on Thai cooperative system.
Participants of the mission prepared the mission in Cambodia by reading available documents on Thai cooperative system and by listing questions to be answered by the study tour. These questions were related to four main topics:

1. **Cooperative definition and legislation**
   
   What are the fields of activities of agricultural cooperatives in Thailand? What are the existing legislations? Are the cooperatives initiated by the farmers or by the government? Why are they sustainable? How was the start of the cooperatives?

2. **Relationships between government administrations and cooperatives**
   
   What are the incentive policies of government to support cooperative development? How farmers can negotiate with government? What is the role of federations? Are there other organizations supporting farmer cooperatives? What about the auditing system? Is the auditing made by government or by other institutions? In a context of decentralization, what is the role of local authorities?

3. **Financial system**
   
   How can cooperatives get loans? What sort of credit do the cooperatives provide to their members? How do the members save money in the cooperatives?

4. **Cooperatives in a market economy**
   
   What is the position of cooperatives in Thai agricultural economy? Can they compete with private sector? Does the government have policy to organize marketing, to control prices?

1.3. **Mission team**

![Mission team with CPD staff](image-url)
Seven persons joined the mission:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Sing Var</td>
<td>MAFF, Director of Department of Agricultural Extension Coordinator of working group</td>
</tr>
<tr>
<td>Mr Khieu Sopheak</td>
<td>MAFF, Department of Agricultural Extension Secretary of working group</td>
</tr>
<tr>
<td>Mrs Bouth Virya</td>
<td>MRD, Department of Community Development Member of working group</td>
</tr>
<tr>
<td>Mrs Chan Sipana</td>
<td>MAFF, Department of Planning Member of working group</td>
</tr>
<tr>
<td>Mr Chea Sareth</td>
<td>MAFF, Deputy Director of Department of Agricultural Extension In charge of agricultural cooperatives</td>
</tr>
<tr>
<td>Mr Tea Rithyvong</td>
<td>PDAFF of Kompong Cham Province Chief of Agricultural Extension Office</td>
</tr>
<tr>
<td>Mrs Julie Couturier</td>
<td>French Embassy Technical assistant to Battambang PDA</td>
</tr>
</tbody>
</table>

This document exposes collected information in Thailand during the study tour and gives some recommendations established by the mission team.
2. Cooperative definitions and legislation

2.1. History of cooperative development in Thailand

The Thailand government was greatly concerned with deteriorating economic and social conditions of the masses of farmers, especially in the central region of Thailand. Rice production and trade were becoming commercialised, but farmers could not benefit fully from the situation. Moreover, the natural disaster put them into chronic and severe indebtedness due to being unable to repay their loans. Consequently, they were losing their farmlands, becoming landless labourers and leaving their debts unpaid.

With the view to improve the livelihood of small farmers, Thai government initiated the cooperatives in 1915 as means to face the problem above. One year after, on February 1916, one first Cooperative namely the Wat Chan Cooperative Unlimited Liability in Phitsanulok was established in the form of a small village credit cooperative. It had a single purpose with a small number of members. The first Cooperative helped the severely indebted farmers through preventing them from being foreclosed their land by the money-lenders. This was the success of the Cooperative that led to expand a large number of small village credit Cooperatives in all parts of the country.

In 1947, with a view to facilitate financing to Cooperatives and Cooperatives members, the government set up the “Bank for Cooperative” with government funding. Village credit Cooperatives members were urged to increasingly hold share capital in the Bank with the hope that they would, in future, be owners of the Bank which would be their own financing centre. In 1952 and 1953, two provincial Cooperative banks were established in Chiangmai and Uttaradit provinces by the affiliation of village credit Cooperatives in each of the two provinces. The provincial Cooperative banks were serving their affiliates so well both in credit needs and depositing surplus funds. The two provincial Cooperative banks were reorganized into federations of credit Cooperatives because of the enactment of a new “Commercial Bank” Law in 1962 laid down that deposit on “current accounts” could be operated only by Commercial Banks.
In 1966 the Bank for Agriculture and Agricultural Cooperative (BAAC) was established as a state enterprise functioning as a financing centre of Agricultural Cooperatives and lending directly to individual farmers as well. The Rice Growers’ Groups, at that time did not have a status of a juristic person, could not have BAAC service. In practice, BAAC was lending credit to the selected farmers who had enough collateral. There were a lot of complaints that BAAC usually gave credit in kinds and most often the things supplied by BAAC did not meet the requirement of the farmers and farmers had to accept them without satisfaction.

In 1968 with the objective to facilitate the strength of the Cooperative movement the government enacted the Cooperative Act, which allowed the establishment of the Cooperative League of Thailand (CLT), functioning as the apex organization of the Cooperative movement. This enactment also facilitated the government to implement the amalgamation programme which combined the neighbouring small village credit Cooperatives as well as paddy and marketing Cooperatives, land improvement and land settlement Cooperatives. At the district level Cooperatives were performing multipurpose function and were categorized as Agricultural Cooperatives.

The law recognises six forms of Cooperatives:

1. Agricultural Cooperatives
2. Land Settlement Cooperative
3. Fisheries Cooperatives

Agricultural sector: 3588 Coops

5,266, 165 members.

4. Consumer Cooperatives
5. Thrift and Credit Cooperatives
6. Service Cooperatives

Non-Agricultural sector

2045 Coops-3,186, 575 members

There are now three forms of farmer organisations in Thailand: farmers getting credit through BAAC, cooperatives and farmer groups. Farmer groups are informal and can constitute a first step before register as a cooperative.

Conclusion

The development of cooperatives in Thailand is a long story which mainly started from government impulsion. According to Cooperative promotion Department, the strategy at the start consisted in beginning in a few location as pilot operations with small scale projects. CPD officers explained that the government did not push farmers to organize in cooperatives.
2.2. Existing legislation

Thailand has a cooperative law, called the **Cooperative Act B.E-2542**. It was proclaimed by His Majesty King Bhumibol Adulyadej by the Parliament and countersigned by Mr. Chuan Leek bhai, Prime Minister.

This cooperative Act is a result of several changes and revision since the first cooperative law issued in Thailand in 1914. Last revision was in 1999 and a new draft is at the moment in the process of consideration by the Parliament.

Amendment of Cooperative Act is done through discussion between government and non-government institutions to analyse the problems and possibilities to improve.

The King urges the Ministers, especially the Minister of Agriculture and Cooperatives to charge and control the execution of the Act.

The Act is divided into 10 parts:

Part I : General Provisions.

Part II : Supervision and Promotion of Cooperatives:
  + Board of National Cooperative Development.
  + Registrar of Cooperatives.
  + Supervision of Cooperatives
  + Cooperative Development Fund.

Part III : Cooperatives:
  + Formation and Registration of Cooperative.
  + By-Law and Amendment of By-Laws.
  + Operation of Cooperatives.
  + Audit
  + Dissolution of Cooperatives.

Part IV : Liquidation

Part V : Amalgamation of Cooperatives.

Part VI : Division of Cooperative.

Part VII: Cooperative Federations.

Part VIII: Cooperative League of Thailand.
Part IX : Farmers Groups.

Part X : Penalties

After developing the Cooperative law / legislation by the Parliament, they have to pass it forwards to the grass roots Farmers members of Cooperative with the view to seek convenience of the law and make the members aware of it. No one can break the law.

A Cooperative shall be established and registered under the provisions of the Act B.E-2542.

The primary Cooperative consists of individuals members. In the case of agricultural cooperative, the average membership is 1,300 households per society, and divided into groups at village level. According to the Act Cooperative, it must have as its objects the promotion of socio-economic interests of the members by means of self-help and mutual assistance, and must:

1. Have common business affairs according to the type of cooperative proposed to be registered.

2. Have members being natural persons and sui juris.

3. Have capital which is divided into shares of equal value and each member must hold at least one share but not more that one-fifth (20%) of the total paid-up shares.

4. Have members with qualifications as prescribed in the by-laws.

The type of cooperative to be registered shall be prescribed in the ministerial regulation.

The Cooperative in Thailand are vertically organized in a three-tier system: primary cooperative, provincial federation and national federation.

2.3. Steps to form a cooperative

Before a farmer group takes the initiative to form as a cooperative, there is a first period (step 0) during which CPD makes the promotion of cooperative concept, explaining cooperative philosophy and functioning. This step can take a long time before farmers feel ready or not to form a cooperative.

Generally, six steps of formulation a cooperative are introduced:

1. Ask persons who have common needs or interests to group together.

2. The group of persons holds a meeting to elect not less than ten persons to act as a cooperative organizing committee.

3. The organizing committee organizes a meeting for the purposes of:
-Selecting the type, objectives for the cooperative
-Making the business operating plan
-Making a name list of prospective members together with number of shares
-Drafting the by-law of the would-be cooperative

4. The organizing committee shall call the meeting to deliberate the draft by-laws and adopt them as the by-laws of the cooperative.

5. The organizing committee signs the application for registration of the cooperative, and then submits to Registrar of cooperatives.

6. Documents essential for the registration:
   -One application for registration of the cooperative
   -Two copies of each minute of the meeting for selection of organizing committee and the meeting for the adoption of by-law of the cooperative
   -Two sets of the work plan related to the business or activities of the proposed cooperative
   -Two name lists of the members together with the signature and number of shares they wished to hold.
   -Four copies of the proposed by-law.

The Registrar, Deputy-Registrar of Cooperatives or a competent official entrusted by the Registrar has the power to issue a written order requiring any person concerned to appear for enquiry and to send documents for the purpose of considering the registration of a Cooperative.

If the application is connected, not be detrimental to the Cooperative system, the Registrar shall register and give a certificate of registration.

A registered Cooperative shall be a juristic person.

If the application is refused, the organizing committee shall be notified without delay and takes the order refusing the registration to the Board of National Cooperative with Registrar within 60 days. The decision of the Board of National Cooperative shall be final. When a Cooperative is registered, the organizing committee shall have the same power duties and rights as its boards of directors elected by the General Assembly.

After the date of its registration, the person whose names appears in the name list of the prospective members are deemed members of the Cooperative upon complete payment of all of their subscribed shares.
Within 90 days after the date of registration the organizing committee shall call the first general meeting for electing a board of directors and hand over all matters to the board.

The Registrar of Cooperative shall make announcement prescribing a type of Cooperatives which can admit associate members.

The qualifications, procedure for admission and loss of membership including the rights and duties of the associate members, shall be prescribed in the by-laws of a Cooperative.

### 2.4. Functioning of agricultural cooperatives

At the district level there are primary Cooperatives and farmer groups at the village level. We will detail here the functioning of primary cooperatives.

**Membership**

Members of primary cooperatives are households. It means that only one member of each family can join the cooperative.

All members of the Cooperative have to pay the shares they subscribed otherwise their liability will be limited. Creditors should not enforce their claims over the value of shares of members.

Associated members shouldn’t be given the rights to vote in any matter or to be elected as a member of the board of directors.

**Operating area**

Cooperatives perform their activity on a specific area. Two cooperatives with the same objective can not perform in the same area, so that there is no competition between these two cooperatives. But you can have two cooperatives in the same area as long as they have different objectives.

**Structure**

Agricultural cooperatives have a structure including a general assembly which elects a board of directors. The board of directors formulates the policy of the Cooperative, and appoints a manager and staff to run the Cooperative. Primary cooperatives also have internal auditors.
CHART 1: STRUCTURE OF A PRIMARY COOPERATIVE

Members → Members’ Group

Members → Members’ Group

Members → General Meeting

General Meeting → Internal auditor

General Meeting → Board of Director

Board of Director → Manager

Manager → Accounting and Finance Division
Manager → Credit Division
Manager → Marketing Division
Manager → Purchasing Division Supplies
Manager → Processing Division
Manager → Extension and Training
Members of Board of Directors are not paid but they can receive allowance, which have to be approved by the General Assembly.

Manager and other employees of the cooperative are recruited according to their capacities. Most of them have Bachelor Degree or follow additional trainings. There is no University specialised on cooperatives in Thailand.

In average, salaries are less important in cooperatives than in private sector but usually staff can benefit from welfare systems (education…). CPD provides some guidelines about the level of staff salaries but they are not followed by all cooperatives. The board of directors approves the salary of the manager.

**Regulation and by-laws**

The Cooperative establishes its by-law including the following particulars set up by the general meeting.

1. Name of Cooperative with a word “limited” at the end of its name.
2. Type of Cooperative
3. Objects
4. Address of central office and branch office
5. Capital which is divided into shares, value of shares, payment of share value in cash or in kind, sale and transfer of shares as well as repayment of share value.
7. Qualifications of members, procedure for admission of members, cessation of membership as well as rights and duties of members.
8. Prescriptions for general meetings.
9. Election, term of office, vacation of office and meeting of board of directors.
10. Appointment, term of office, vacation of office, prescription of power, duty and responsibility of manager.
2.5. Example of one agricultural cooperative: Photong Agricultural Cooperative Ltd

The mission team visited Photong Agricultural Cooperative Ltd, located in Anthon Province and met its manager, accompanied by CPD provincial officer.

**Background**

In 1936 there were 5 cooperatives initially established with 76 members and operating fund at 39,900 bath. After that there were 16 cooperative established more. When the Cooperative Act B.E. 2511 was issued, all 21 cooperatives were amalgamated as an agricultural cooperative unlimited on 1st October 1970 with total 288 members and operating fund at 844,680 bath. After that 1971 the cooperative was changed to be an agricultural Cooperative Ltd. Namely “Photong Agricultural Cooperative Ltd”. On 1st May 1976, the cooperative was amalgamated with Photong Cooperative Ltd. Photong Rice Selling Cooperative Ltd. and Photong Land Cooperative Ltd. So far the cooperative owns building, central markets and necessary equipments for rice business such as drying yard, scale, trucks, warehouses, etc.

Today the cooperative has 3820 members.

**Cooperative Activities**

**Credit to the members**

Credit was the first activity to start in the cooperative. The cooperative handles more than 200 million bath of loan. It sometimes face problems of non repayment when bad weather conditions affect the harvest.

**Consumer cooperative**

The cooperative sells consumption goods (televisions, computers, cars…) to the members. The cooperative also sells fuel (petroleum). The price is the same for members and non members but members can get a one month credit.

**Central market**

The central market consists of a storage place, an area to dry rice and a scale. The construction of all facilities was financed by CPD. This place is a meeting point for farmers (sellers) and traders (buyers). There was about 150,000 tons of rice sold on the market in 2002. The cooperative does not buy the rice but farmers individually sell their rice. The idea
is to have transparency on the price to improve the bargaining conditions. All farmers (not only members) can use the central market facilities but only members get returns if the cooperative has benefit. In that case, they receive 50 Baths per ton of rice sold on the market place.

Storage place and facilities in Photong Cooperative

Rice mill
This activity is new in the cooperative, as it started in October 2004. The cooperative buys paddy from the members, mills the rice and sells it to private companies (mainly for export).

The rice mill was financed by a loan from CPD.

The cooperative has no technical extension activity. Extension workers (from Extension office) work directly with farmers.

Capital

Photong cooperative has a total capital of 377,14 millions:

<table>
<thead>
<tr>
<th>Capital Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital</td>
<td>377,14 millions Baths</td>
</tr>
<tr>
<td>Share capital</td>
<td>46,75 millions Baths</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>17,7 millions Baths</td>
</tr>
<tr>
<td>Other fund (for welfare, training…)</td>
<td>2,36 millions Baths</td>
</tr>
<tr>
<td>Deposit (from the members)</td>
<td>287,95 millions Baths</td>
</tr>
<tr>
<td>Loans from another cooperative</td>
<td>5,5 millions Baths</td>
</tr>
<tr>
<td>CPD Fund loan</td>
<td>13,23 millions Baths</td>
</tr>
<tr>
<td>Profit</td>
<td>3,65 millions Baths</td>
</tr>
</tbody>
</table>
Each capital share values 10 Baths. The richer farmers have up to 1 million Baths.

The cooperative got a short term loan (one year) from another cooperative with interest rate of 5% per year. It has also contracted a loan from CPD to build the rice mill. This is a long term loan (15 years) with interest rate of 2% per year. Around 10% of the capital is repaid each year.

**Capacity building**

Trainings are organised two times a year for the members. The Board of directors also follows many trainings. All trainings are free for the members.

**Woman cooperative**

We visited one woman cooperative, under the umbrella of Photong cooperative, working on handicraft of wood, bamboo, palm tree by-products. The members of this group are the 100 women doing the processing work.

They are producing many items such as: baskets, handbag, wallets, purse and so on for domestic demand and for export.

56 of the 100 women members of the group are shareholders. The women get the raw material from the cooperative and then resell bags to the cooperative. Each woman received the money according to the work she has achieved. The cooperative is then responsible to finish the decoration and to sell the final products.

The group established production and marketing network for their products, particularly contracts with private companies to export bags to other countries such as Canada. Quality and design have to be improved progressively, in the purpose to effectively get the good market.
The cooperative receives financial support from Photong cooperative and technical advice from CPD.

CPD is promoting women groups and cooperatives for the following objectives:

- To promote group formation of women in the cooperative members' families
- To promote the common participation of women
- To develop the leadership of women
- To enhance knowledge in various aspects to women
2.6. Recommendations

**CLARIFY SOME TECHNICAL ISSUES**

Some technical points raised during the study tour will need clarification in the future. Still, regarding the actual development of cooperatives in Cambodia, most of these points will be considered for future amendments of the Royal Decree.

In Cambodia, members are individuals and several members of the same family can join the cooperative whereas in Thailand members are households. Still the mission recommends to keep for the moment individual members, as stated in the Royal Decree, as this can help the cooperatives to get more capital.

The definition of farmer will also have to be clarified as people having other activity apart from farming (government officers, teachers…) can be willing to become members of cooperatives.

Regulation on cooperatives shall also include the definition of associated members as they can buy additional shares and contribute to the capital of the cooperative. The mission recommends that each cooperative includes in its own by-laws the possibility of accepting associated members and define the regulations these associated members have to follow (non participation in decision, follow the decisions of the General Assembly regarding the distribution of interests).

Regulations shall also be established in order to limit the activity of one cooperative inside a defined area. In fact this will prevent competition between cooperatives, which goes against cooperative principles.

The distribution of the benefit of the cooperative shall be clarified for cooperative leaders and for staff of supporting agencies. In fact, the General Assembly can decide to distribute benefit in two different ways, through bonus (proportional to activity with the cooperative) or through interest (proportional to amount of shares). The mission team recommends to elaborate a booklet on this point to be disseminated to all cooperatives and supporting institutions. Appropriate vocabulary needs to be found in Khmer language.

**ESTABLISH A NATIONAL STRATEGY FOR COOPERATIVE DEVELOPMENT IN CAMBODIA**

Cooperative development is in a early step now in Cambodia, that’s why the guidelines for this development have still to be clarified.
The mission recommends the establishment of a national strategic plan for the development of agricultural cooperatives in Cambodia.

Following ideas shall be included in this plan:

- Focus in priority on supporting one or two cooperatives in each Province as pilot cooperatives. The government shall focus on the quality of the support more than on the quantity of established cooperatives.

- At this step, the government shall play an important role in establishing and maintaining the cooperatives.

- Government and non-government agencies working with cooperatives shall be opened to international support, not only for financial inputs but also for human resources.
3. Relationships between Government institutions and cooperatives

3.1. Organization and roles of Government side

To promote cooperatives in Thailand, a long historical background was developed by the Government of Thailand. By the history of this country, in 1915, a year before the first cooperative was introduced to Thailand, the Cooperative Section of Thailand was established under Ministry of Finance. With an increasing role and task of cooperatives in Thai economy, the cooperative section was transformed to become the Cooperative Department under Ministry of Commerce in 1920, and then became again in 1952 the Ministry of Cooperatives.

In 1963, according to the reorganization of the Government agencies of Thailand, the Ministry of Cooperatives was abolished and new Ministry of National development was established in substitution. Under the new Ministry of National development, there were three newly established Departments responsible for all previous cooperative duties as follows: Land Cooperative Department, Cooperative Auditing Department and Trade and Finance Cooperative department.

Again in 1972, a new reorganization of Government agencies was organized. The Ministry of National development was abolished and taken place by the Ministry of Agriculture and Cooperatives. During that time, all cooperative works and duties, except duties under the Cooperative Auditing Department, were merged together under the new Department named Cooperative Promotion Department (CPD) and attached to the Ministry of Agriculture and Cooperatives so far.
CHART 2: ORGANIZATIONAL STRUCTURE OF THE MINISTRY OF AGRICULTURE AND COOPERATIVES OF THAILAND

<table>
<thead>
<tr>
<th>Offices and Department</th>
<th>State Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Secretary of the Minister</td>
<td>Forest Industry Organization</td>
</tr>
<tr>
<td>Office of the permanent Secretary</td>
<td>Rubber Estate Organization</td>
</tr>
<tr>
<td>Royal Irrigation Department</td>
<td>Fish Marketing Organization</td>
</tr>
<tr>
<td>Department of Cooperative Auditing</td>
<td>Cold Storage Organization</td>
</tr>
<tr>
<td>Department of Fisheries</td>
<td>Dairy Farming Promotion Organization</td>
</tr>
<tr>
<td>Department of Livestock Development</td>
<td>Office of Rubber Replanting Aid fund</td>
</tr>
<tr>
<td>Royal Forestry Department</td>
<td>Thai Plywood Company Limited</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>Marketing Organization</td>
</tr>
<tr>
<td>Department of Agriculture Extension</td>
<td></td>
</tr>
<tr>
<td>Cooperative Promotion Department</td>
<td></td>
</tr>
<tr>
<td>Land Development Department</td>
<td></td>
</tr>
<tr>
<td>Agricultural Land Reform Office</td>
<td></td>
</tr>
<tr>
<td>Office of Agricultural Economics</td>
<td></td>
</tr>
</tbody>
</table>
CHART 3: ORGANIZATIONAL CHART OF THE COOPERATIVE PROMOTION DEPARTMENT

Cooperative Promotion department

Central Administration

Office of Secretary
Personnel Division
Finance Division
Planning Division

Information Technology center
Cooperative Promotion Office Area 1
Cooperative Promotion Office Area 2
Cooperative Establishment and Promotion Office

Cooperative Business Development Office
Cooperative Management System Development Office
Cooperative Technology Transfer and Development Office

Provincial Administration

75 Provincial Cooperative Offices
Cooperative Promotion Department (CPD)

Vision of CPD:

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

Duties and Responsibilities of CPD:

The Cooperative promotion department (CPD) is responsible for promoting and disseminating the cooperative ideology, principles and methods to cooperative personnel, farmer’s groups and the public, promoting, supporting and strengthening the cooperative system in Thailand. CPD is responsible for all kinds of cooperatives.

The Cooperative Promotion Department of the Ministry of Agriculture and Cooperatives is also responsible for improving cooperatives’ learning process to increase the capacity of business management as well as the efficiency of their operation, and encouraging cooperatives to upgrade the business linkages to international levels for better living quality of cooperatives members both social and economic aspects.

The duties and responsibilities of CPD include:

1. Taking responsibilities following the Cooperative Act, Land Allocation for Livelihood Act on the matter relevant to land settlement cooperative promotion and related laws.
2. Studying, analysing and conducting research for cooperative system development.
3. Promoting, disseminating and instructing the cooperative ideology, principles and methods to cooperatives personnel, farmer’s groups and the public.
4. Promoting, supporting and protecting the cooperative system.
5. Studying and analysing the guideline or the direction of cooperative development for proposing to the National Cooperative Development Board.
6. Studying and analysing the need of cooperative product markets and creating the business linkage among cooperatives and between cooperatives and private sectors both in domestic and foreign countries.
7. Taking other responsibilities according to the authorities of the Department prescribed by the Cooperative Act or by the Ministry of Agriculture and Cooperatives or by the Cabinet.
Organizational structure of the Cooperative Promotion Department (CPD):
The administration of the Department of Cooperative Promotion Department is divided into 2 levels: Central and Provincial level. Central Administration, which is located in Bangkok, consists of 3 divisions, 1 center and 7 offices as follows:

- Personnel Division: is responsible for personnel affairs, staff recruitment and manpower allocation.
- Finance Division: is in charge of finance, account and commodity procurement.
- Planning division: is responsible for planning, budget allocation, project monitoring and evaluation, and international affairs.
- Information Technology Center: is responsible for data base, information system and network development.
- The Office of Secretary: is in charge of general office works, library and legal duties.
- Cooperative Promotion Office area 1 and area 2: is supervising the operation of all types of cooperatives in Bangkok.
- Cooperative Establishment and Promotion Office: takes care of cooperative establishment and registration, including research and development on cooperatives and farmer’s groups.
- **Cooperative Business Development Office**: promotes cooperatives and farmer’s groups’ production, marketing, research and development on goods and service. It is specialized in all kinds of business i.e. plantation, fishery, livestock, handicraft and services.
- Cooperative Management System Development Office: strengthens cooperative management and takes care of funding support to cooperatives, for example the Cooperative Development Fund.
- Cooperative Technology Transfer and Development Office: designs and conducts training courses relevant and useful to CPD staff, cooperative members, Board of Directors and staff of cooperatives and the public through its **10 Regional Technology Transfer centers**.

Provincial Administration comprises 75 Provincial Cooperative Offices. These local offices are responsible for supervising and promoting all cooperatives within their responsible areas.
Staff and Employees of CPD:

In totally, CPD has 2,304 permanent employees working for both central and provincial level of the country. The annual budget allocated by Government for CPD was 3,643 million Baht which 2,104 million Baht allocated for investment budget and other 1,539 million Baht for staff and personnel.

Besides, the Cooperative Promotion department (CPD) has the current policies to help and strengthen the implementation, administration and management of cooperative societies in Thailand as follows:

1. To promote and develop cooperatives and farmer’s groups into self-reliance through the opportunities of participatory development.
2. To improve the efficiency of the organizational administration and business of cooperatives and farmer’s groups so as to member reliance.
3. To improve the standard of post harvest management to improve the value of processed products.
4. To increase the capacity of production in the cooperatives and farmer’s groups up to standard and to create the awareness of institutional procession via information technology transmission throughout branches.
5. To develop the quality of products under the vocational group activities up to standard defined as the Government policy of one Tambon, one product project.
6. To promote and rehabilitate the managing administration and agricultural infrastructure of cooperatives and farmer’s groups efficiency.
7. To encourage the establishment of cooperatives and farmer’s groups according to the needs of people.
8. To promote, support and protect the cooperative system.
9. To adjust the roles of organization for cooperatives and farmer’s groups from controlling to supervising, promoting and supporting.
10. To categorize cooperatives and farmer’s groups according to their capacity for individual improvement and standard development.
11. To develop the database of cooperatives and farmer’s groups to increase productivities, to improve the product quality, to develop production and marketing technologies as well as taking into consideration for assistance over natural disaster or falling price of farm products.
12. To promote marketing for cooperatives and farmer’s groups to enable the distribution of products, inputs and supplies to members.

13. To promote the establishment of network among cooperatives and farmers for mutual help in production, marketing and funding.

14. To campaign and disseminate the cooperative system and the outstanding progress of cooperative movement and farmer’s groups to create the understanding and faith among members and public.

15. To campaign voluntarily saving among farmers to cooperatives and farmer's groups.

16. To support low-interest rate loan for cooperatives and farmer groups on business development.

17. To manage cooperative development fund and Government support for cooperative members.

Cooperative Development scheme of the Cooperative Promotion Department CPD:

In order to answer to the responsibilities and roles of CPD, many activities were performed by both central and provincial personnel such as follows:

1. Establishment of Tambon Agricultural product Central Market of Cooperatives
2. Improvement of effectiveness and quality of agricultural product
3. Farmer dept reduction project
4. Fertilizer procurement loan
5. Development of processing farm product
6. Community enterprise development and,
7. One Tambon one product.

Cooperative Auditing Department CAD:

Related to the Cooperative Auditing Department (CAD), this Government organization is responsible to carry out cooperative auditing. The external auditing is conducted at least once a year in accordance with the Cooperatives Act. Internal audit is not compulsory. For farmer groups, auditing is optional.

The cooperative auditing activity was first performed by the auditing officers in the Cooperative section, Department of Commerce and Statistic Forecast of the Ministry of Finance in 1916. Later, on 12th March 1952, the Cooperative Auditing Department was
established under the Ministry of Agriculture and Cooperatives. This is the only institution which has rights to audit all types of cooperative societies in Thailand.

In the past, all auditing officers of the Cooperative Auditing Department were stationed in Bangkok and have travelled to the province to conduct auditing once or twice a year for 60 to 90 days each time. Often they found transactions had not fully been recorded or bookkeeping in general was not up-to-date. Due to this fact, it was difficult for them to carry out an impartial audit. So in order to solve these particular problems, the provincial auditing Offices have been established in every province.

Cooperative Auditing Department (CAD) is headed by a Director – General and assisted by two Deputy – Director Generals, and is structured into 9 Regional Cooperative Auditing Offices and 76 Provincial Cooperative Auditing Offices at field level and 4 Divisions at headquarter with the following functions:

1. To provide auditing to all types of cooperatives and farmer associations in accordance with the Cooperative Act.
2. To prescribe suitable accounting systems for cooperatives and farmer associations.
3. To provide regular advice in accounting and financial matters and internal control to cooperatives and farmer associations.
4. To provide training in finance and accounting for cooperatives’ and farmer associations’ members, staff and Board members in order to upgrade the capacity of cooperatives’ and farmer associations’ officers in accounting.
5. To regulate the cooperative auditing by private auditors.
6. To provide report on financial position and economical situation of cooperatives and farmer associations.
7. To perform additional activities to support the Government policy.
CHART 4: ORGANIZATIONAL CHART OF COOPERATIVE AUDITING DEPARTMENT

Director - General

Accounting Specialist

Administration System Development Group

Deputy-Director General

Auditing specialist

Internal Auditing Unit

Deputy-Director General

Office of the Secretary

The regulatory of the cooperative auditing by private

Cooperative Auditing Office

Planning Division

Information Center

Cooperative Auditing Office

Provincial Cooperative Auditing

Provincial Cooperative Auditing
Staff and personnel of CAD:

As in November 2003, Cooperative Auditing Department has a total number of 1,315 officials of which 192 officials employed at headquarter in Bangkok and 1,123 officials stationed in provinces. Due to the limited and a constant number of staff of the Cooperative Auditing Department, 260 permanent employees and 1,097 temporary employees are hired to assist CAD officials.

Activities done by the Cooperative Auditing Department CAD:

Referring to the main roles and responsibilities of CAD as mentioned above, there are following activities being done by the Cooperative Auditing Department:

1. Advisory service
2. Interim Auditing
3. Annual Auditing
4. Private Cooperative Auditing and,
5. Conducting training programs for both officials and cooperative societies in Thailand.

Conclusion

As the cooperative movement in Thailand is regarded as an important factor for economic and social development, especially in the rural sector. Its activities receive both technical and financial assistance from the Government. In order to provide this support, the Government has established three organizations in charge of cooperatives as follows:

1. The office of the Registrar of Cooperative Societies with the function of registration, liquidation and supervision of cooperative societies according to the Cooperatives Law.
2. The Cooperative Promotion Department (CPD) is responsible for the survey and establishment, promotion and guidance of cooperative societies in order to enable to carry out their business activities accordance with cooperative regulation. and,
3. The Cooperative Auditing Department (CAD) is responsible for cooperative auditing and practical guidance in the field of financial and accounting management to cooperatives.
3.2. Relationships between government and cooperatives

As mentioned in the above pages of this report, Government agencies such as Cooperative Promotion Department (CPD) and Cooperative Auditing Department (CAD) of the Ministry of Agriculture and Cooperatives of Thailand have close relationship with cooperative societies of all types and levels. Actually, the activities and schemes performed by the two Government agencies are as follows:

**Cooperative Promotion Department:**

According to the roles and responsibilities of the Cooperative Promotion Department, there are following schemes and activities organized by CPD to help and promote cooperatives in the whole country as well as to maintain linkage and relationship of Government agencies with cooperative societies of Thailand. Generally, CPD of the Ministry of Agriculture and Cooperatives has the following relationship with cooperative societies:

1. Legislation, registration and strengthen cooperative system
2. Capacity building and conducting of training courses for cooperatives through 10 training centers all over the country
3. Technical assistance to cooperatives
4. Financial assistance to the cooperatives through Cooperative Development Fund
5. Guidance and orientation.

According to CPD, Provincial CPD offices work closely with cooperatives, particularly for technical assistance. But they don’t interfere in their business.

Following are specific projects currently undertaken by CPD:

- **Establishment of Tambon Agricultural Product Central Market of Cooperatives:**
  
  This project was initiated by CPD in 1993 to promote market places for direct negotiation between producers and traders. CPD allocated grant to the potential cooperatives for providing agricultural Product Central Market and equipment packages such as drying yard, paddy warehouse, dryer machine and scales.

- **Improvement of Effectiveness and Quality of Agricultural Products:**
This project initiated by CPD to provide foundation seed of paddy and soybean for developing multiplication seed to cooperative members. The seed will be bought back to be graded and cleaned at the cooperative’s plant provided from CPD’s grant. The high quality multiplication seed will be distributed to public farmers for better farm product quality.

- **Farmer Dept Reduction project:**

This project covers about 1.5 million farmers in the country who still owe less than 100,000 baht both systematic and non-systematic financial institutions. These farmers will be entitled to get loan with 3% reducing annual interest rate for three years consecutively. The participating farmers will have more opportunities to recover from vicious circle of overloade_ repayment. They also can invest more to add up their farm productivity.

- **Fertilizer Procurement Loan:**

CPD still has a project to allow members of farmer organization to get low interest rate loan for fertilizer and seed procurement. This project can reduce the cost of fund, farm production cost and increase farm income.

- **Development of Processing Farm products:**

The objectives of the project are to promote group formulation, local input processing, quality improving and marketing. To reach the above objectives, CPD conducts training courses on the relevant topics, provides market channels and financial support to farmer groups to develop farm products, for example, Para Rubber Processing Product, Wine and Herbs processing.

- **Community Enterprise Development:**

This project is one of those projects serving the Government policy which is jointly implemented by many Government agencies in line with their main missions. CPD is responsible for encouraging farmers to select their potential economic activities and develop their own community enterprise plan. The plans approved by the Cabinet will get financial support from the Government.

- **One Tambon, One Product Project:**

This project was conducted based on the policy of the Government of Thailand to strengthen the economic situation at the grass root level. This project combines the natural resources or agricultural produce and traditional wisdom of farmers and improves the quality of local agricultural products to increase their market value. These measure will increase farmers income and generate the employment in the local communities and improves the standard of living of the farmers.
Other relationship between CPD and cooperative societies in Thailand:

- **Registration:**

According to the Cooperatives Act of Thailand, all form and types of cooperatives must be registered by the Ministry of Agriculture and Cooperatives.

The Director General of CPD was appointed by Minister of the Ministry of Agriculture and Cooperatives to become Registrar, therefore CPD needs to implement registration for all types of cooperatives. This registration provided by CPD free of charge. Registrar alternates from CPD to CAD. Today, in order to deliver the task from central to provincial level, CPD has encouraged Cooperative Offices of the 75 provinces of the country to have full rights to register cooperatives by themselves.

- **Promote the formulation of cooperatives:**

CPD staff at provincial level contacted with farmers who wish to group together to become farmer’s group. Those farmers are explained by the staff of CPD about the concept and theory of cooperative as well as the benefit of staying in cooperative and the problem caused by living alone without group or cooperative. Then, if the concept and theory of cooperative suits to those farmers, a process of formulation of cooperative is started later on by the assistance from CPD staff.

**Cooperative Auditing Department:**

As Cooperative Promotion Department CPD, the Cooperative Auditing Department CAD has many relationships with cooperative societies of Thailand. As mentioned already the relationships are as follows:

- **Advisory services:**

To enable the main objective of upgrading the capacity of agricultural cooperatives’ staff to be attained, it is important for CAD’s officials to carry out monthly advisory service for staff of cooperatives and farmer groups. The staff provides advice to cooperatives’ bookkeepers and accountants to record correctly and to be able to prepare their own financial statement.

- **Interim auditing:**

This activity is conducted during the financial year of the cooperatives to check the correctness of bookkeeping, observe whether the internal control is as efficient as possible and to assist and guide the cooperative to update and complete their book of account. The interim auditing is provided to the agricultural cooperatives which are not given advisory service and the large size of thrift and credit cooperatives, consumer and service cooperatives who are facing internal control problems.
• Annual auditing:
This activity must be done annually according to the Cooperatives Act of Thailand. The Cooperative Auditing Department's auditors appointed by the Registrar need to have to audit the financial status of the cooperatives. The auditing activity performs both financial auditing and management auditing. CAD provides auditing aspect to cooperatives free of charge, except when the capital of the cooperatives exceed 100 millions Baths.

In case of liquidation of a cooperative, liquidator prepares the official statement and send to CAD then after the signature of CAD, the official statement will be sent to Registrar of the cooperatives for dissolution of bankruptcy of the cooperatives.

According to the role and responsibilities of CPD and CAD in the field of finance, CPD allocates financial support to help cooperatives to run their business but CAD is just Government agency to support cooperatives to offer good and smooth financial management. So, CAD will not control the fund provided by CPD.

Related to the task and roles of CAD and Internal auditor or Inspector of the cooperatives, CAD's auditing statement is sent to Registrar of the cooperatives whereas statement and reports of Internal auditor or inspector are reported to General Meeting of the cooperative as:

<table>
<thead>
<tr>
<th>Internal audit</th>
<th>External audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 inspector elected (can get fees for his work)</td>
<td>CAD auditor</td>
</tr>
<tr>
<td>1 internal auditor (hired staff)</td>
<td>(or private auditor if capital &gt; 100 millions Baths)</td>
</tr>
<tr>
<td>☐ Report to general assembly</td>
<td>☐ Report to Registrar</td>
</tr>
</tbody>
</table>

• Private cooperative auditing:
Under the promotion of the Government, and by facing a big burden for CAD officials to perform the duties, CAD has private auditors to relieve the audit work load. So, the consumer cooperatives, thrift and credit cooperatives and service cooperatives with at least 100 million Baht of total assets can be annually audited by private auditors, while the cooperatives have with total assets less than 100 million Baht are audited by CAD auditors.

• Training programmes for cooperative societies:
Besides the auditing service provided to the cooperatives, CAD organizes training programmes in finance and accounting for cooperative’ members and farmer’ groups, staff
and Board of Director of cooperatives in order to improve the managing performance of the cooperatives.

Generally, CAD has conducted the following training courses for the purposes of cooperatives as well as CAD staff:

- Basic accounting and farm accounting
- Training programme for Board Members and staff of cooperatives
- Training for CAD officials including Information Technology programme and Net Working and,
- Training for cooperatives inspectors.

3.3. Organization and roles of non-government side

Besides the two Government agencies CPD and CAD of the Ministry of Agriculture and Cooperatives, there are some non-government agencies which have close relationships with cooperatives in Thailand.

The cooperatives in Thailand are vertically organized in a three tier system:

1. Primary cooperative - at local level
2. Provincial federation – at provincial level and,
3. National federation – at national level

Three or more agricultural primary Cooperatives can together form a provincial federation which undertakes joint activities on behalf of their primary affiliates such as processing of agricultural products So federations are involved in business activity.

At national level, there is the Agricultural Cooperative Federation of Thailand of which all 76 provincial agricultural cooperative federations are affiliates.

**Cooperative League of Thailand**

All types of cooperatives at all levels in Thailand are affiliated to the Cooperative League of Thailand (CLT), the top national apex organization which was organized in 1968. CLT is not involved in business but operates as a promotional, educational organisation throughout the country. Cooperatives have to pay 5% of their profit to CLT, as fee for services.

In this report, functioning of the Cooperative League of Thailand will not be detailed due to the absence of visiting during study tour.
Chart 5: The Structure of Cooperative Movement in Thailand

The Cooperative League of Thailand

- Agricultural Cooperative Federation of Thailand Ltd.
- Consumer Cooperative Federation of Thailand Ltd.
- Federation of Savings and Credit Cooperative of Thailand Ltd.
- Bus Service Cooperative Federation of Thailand Ltd.

Intermediate Levels:
- Regional Land Settlement Cooperative Federation
- Provincial Agricultural Cooperative

Lower Levels:
- Agricultural Coop
- Land Settlement Cooperative
- Fisheries Cooperative
- Consumer Cooperative
- Thrift and Credit Cooperative
- Consumer Cooperative
Credit Union League of Thailand:

This agency is an apex organization for community base credit unions and is considered as a center for financial services, information technologies and education to promote and strengthen credit unions as community based financial institutions. Credit Union League of Thailand was established in 1965. Today, there are around 900 credit unions in the country with the total members of 428,297. In 2000, the total share of Credit Union League was 1,849,273,305 Baht, with a total assets of 3,761,079,043 Baht. The Credit Union League of Thailand has 6 branches offices with 74 staff including 20 chapters to support Credit Union Cooperatives.

This institution has the following objectives:

1. To promote and establish credit unions in the country
2. To strengthen the management of credit unions
3. To provide continuous education to the human resources of credit unions such as Board of Directors, sub-committees and staff
4. To mobilize excess liquidity within the credit unions by offering saving, deposits and promissory notes.
5. To develop innovative loan products to back up the lending activities of members credit unions
6. To provide support services to manage risk in the financial operations of credit unions
7. To provide support for skill development of members involved in micro-enterprise
8. To introduce programme to encourage women and youth to participate in credit unions
9. To maintain linkage with government and other cooperative leagues.

Relationship with members:

At present time, Credit Union League of Thailand has relationship with following members such as:

- 344 cooperatives as regular members
- 351 farmers groups as affiliated members and,
- 161 as saving groups.
Each cooperative member pays a fee for general management of CULT (up to 30,000 Bath/cooperative).

Credit Union cooperatives of Thailand are different from Saving Cooperatives as they have a broader scope of activities.

Functioning of Credit Union Cooperatives CUC:
CULT supports the establishment of Credit Unions Cooperatives (CUC) in two ways:

- Support existing saving groups in the village to improve management and be able to register as cooperative
- If no saving group exists in the village, train about how to save money and to change attitudes.

CULT is only involved in technical support, it doesn’t provide financial aid.

Therefore, CUC pays much attention to provide knowledge and understanding to their members firstly in order to make them clear and accept all the conditions as mentioned above.

Programmes and services for members:
Main tasks undertaken by Credit Union League of Thailand for its members are as follows:

- Education
- Accounting, auditing and field visit
- Supplies and publication
- Dormitory and meeting room services
- Credit Union Chapter promotion (groups of volunteers)
- Women and youth programme income generating activities
- Interlending programme and,
- Organizing training.

Each year, at least 50 training programmes are being conducted by Credit Union League of Thailand. Education and training are priorities of CULT.
NEDAC: a network involving government and non-government institutions

NEDAC (Regional Network for the Development of Agricultural Cooperatives in Asia and the Pacific) was organized in 1991 with 20 members. NEDAC is a network involving government and non-government institutions. NEDAC was organized with the following objectives:

1. To sensitise governments on the need for promoting the potential of Agricultural Cooperatives’ role in development particularly in the agriculture and rural development.

2. To provide a forum for exchange of information and experiences and promote cooperation among member countries through joint efforts and exchange of knowledge and experiences.

3. To establish among its members an internal based system for data collection, exchange of information and experiences regarding agricultural cooperative development.

4. To strengthen the capacity of member countries to identify the problems and formulate the solutions and to encourage self-confidence among member countries.

5. To establish and maintain the relationship with FAO, ILO and ICA-ROAP and other organizations which having similar or related objectives.

6. To stimulate the capacity and training of human resources at all levels.

7. To document and disseminate success stories in regard to innovation intervention between government and cooperatives.

Actual activities of NEDAC:

NEDAC has some actual activities provided to members such as capacity building on strengthening agricultural cooperatives at grass root level, impact of WTO and Globalization, organizing forums, workshop and training courses at international and national level. These activities are implemented by the government of each member country.

Sometimes, NEDAC provided advice to cooperative society of member countries too. The following are activities of NEDAC:

- Organize consultation, conference, workshop, seminar, research, course and training programmes at regional, sub-regional and national levels.
• Organize surveys
• Organize observation tour/study programmes for policy makers, cooperative leaders and senior officers.
• Organize staff exchange programmes in the specific areas of cooperatives
• Collect and disseminate success stories and information in the field of cooperative development
• Promote mutual technical cooperation among member countries
• Issue periodic information note/materials on agricultural cooperative development in the region through e-mail and develop web-site on Network’s activities.

At the beginning of the development of cooperatives in Thailand, some NGOs were supporting cooperatives. NGOs do not operate so much in that field nowadays.

International organizations like FAO have also developed supporting programs to cooperatives.

3.4. Relationships between government and non government institutions

In Thailand, both government and non government institutions are providing services to cooperatives, as we can see in the following chart.
CHART 7: RELATIONSHIP BETWEEN THE GOVERNMENT AND THE COOPERATIVE MOVEMENT

Ministry of Finance

Cooperative League of Thailand

Ministry of Agriculture and Cooperative Farmer Institutions, Improvement Committee, Cooperative Register

Other Concerned Ministries

BAAC

National Cooperative Federation

Concerned Agencies

Provincial Cooperative Federation

Regional Auditing Office

 Provincial Cooperative Office

Governor

Provincial Auditing Office

Concerned Agencies

Branch Office

Primary Cooperatives

District Cooperative Office

District Chief Office

Field Unit Office
3.5. Recommendations

DEVELOP TRAINING CENTERS

Capacity building of cooperative leaders is a crucial issue in any country to help cooperatives to get stronger. Moreover capacity building of all members of cooperatives is an important issue for their strong participation in cooperative management.

To deal with this issue, the mission recommends the establishment of **cooperative training centres** which would provide trainings to cooperative leaders and staff of supporting organisations.

One or two centres could first be established under the responsibility of MAFF. In a long term, these training centres could be organised and managed by the cooperatives themselves.

STRENGTHEN AUDITING SYSTEM

Cambodia has not developed for the moment any institution in charge of auditing cooperatives and other farmer organisations. But cooperative members elect a control committee whose responsibility is to make internal audit of the cooperative management.

Regarding the early stage of cooperative development in Cambodia, **internal auditing** seems to be enough. Members of control committee need to receive trainings and tools to be able to do efficient internal auditing. Moreover, control committees could provide a yearly auditing report to Provincial Departments of Agriculture, so that the Departments can help in monitoring cooperative management and facilitate solving eventual problems and conflicts in the cooperative.

CLARIFY THE STRUCTURE OF GOVERNMENT SIDE

In Cambodia, the responsibility of cooperative issues is under a Cooperative Office inside the Department of Agricultural Extension. Line offices in the Provinces are responsible for promoting agricultural cooperatives. These offices don’t have many human resources and financial means. Moreover, the responsibility of agricultural cooperatives and farmer organisation lack visibility inside the Ministry of Agriculture for outside partners.

The mission recommends the creation of a **specific Department dedicated to agricultural cooperatives and farmer organisations inside the Ministry of Agriculture, Forestry and Fisheries**. Staff from this Department and line offices at Provincial level shall
receive appropriate trainings to improve their knowledge on cooperatives. This Department shall also provide incentives to staff working with cooperatives at local level.

**PROMOTE COOPERATION BETWEEN ALL STAKEHOLDERS**

The following chart shows the scheme for government and non-government institutions working with agricultural cooperatives in Cambodia.

Compared to Thai organisation chart, some elements are missing like provincial and national federations of cooperatives and a cooperative bank. On the other hand, in Cambodia, the government recognises the role of NGOs to support farmer organisations and cooperatives. Still some linkage are missing between government and NGOs in order to establish an efficient strategy and to promote the same concept of cooperatives.

The mission recommends the establishment of a national forum of agricultural cooperatives with participation of all concerned government ministries (MAFF, Ministry of Finance, Ministry of Commerce…) and NGOs. This Forum will have the responsibility to establish a national strategic plan for the development of agricultural cooperatives in Cambodia.
CHART 8: STAKEHOLDERS WORKING WITH AGRICULTURAL COOPERATIVE MOVEMENT IN CAMBODIA
4. Financial system

4.1. Financial resources for cooperatives

Cooperatives in Thailand, like in any other countries, have sources of financing:

- Member shares
- Member deposits
- Surplus of the activity
- Outside loans
- Outside subsidies

Sources of loans and subsidies

Cooperatives can get loans through:

- **BAAC: Bank of Agricultural Cooperatives**
  
  To have access to these loans, cooperatives shall have at least 100 members and exist for at least 2 years, this means that only already strong cooperatives can have access to these loans. BAAC has district offices and also provides loans directly to farmers.

  The interest rate is 4% per year.

- **Cooperative Development Fund**
  
  This fund managed by CPD targets cooperatives which can not get loans from BAAC. CPD has a total of 3000 millions Baths for this fund. The approval of loan is decided at provincial level when the amount of loan is less than 1 million Baths and at central level when the loan is more than 1 million Baths. This policy of decentralisation tries to make the process easier, faster and aims at reducing interest rates by cutting one step in the system.

  Cooperative Development Fund provides three kinds of products to cooperatives:
1. Subsidy for pilot operations (example: establishment of a central market in a cooperative, free of charge)

2. Credit at 0% interest

3. Credit with interest from 0 to 6% per year. The rate starts at 6% the first year but decreases if the loan is paid back in time.

- **Loan provided by other cooperatives**

Cooperatives can receive loans from wealthier cooperatives. The rates and the duration of the loan depend on the policy of each cooperative.

Cooperatives can also receive grants from government, local authorities supporting for investment or from NGOs.

**Process to get loans**

To get the previously described loans, cooperatives have to submit projects and to give collateral (check 3 year accounting, education of board of directors, settlements (office, facilities...)). CPD provincial offices often help the cooperatives to prepare the projects.

**Example:** process to get loan from Cooperative Development Fund to build a rice mill (Photong Agricultural Cooperative):

1. The manager and the board of directors discuss and prepare the project
2. Decision of Board of Directors to build a rice mill, proposal to borrow 10 millions Baths from CPD
3. Submission to the General Assembly for approval
4. Approval of the General Assembly
5. The manager prepares report to send to CPD provincial office
6. CPD prepares another report to be sent to CPD head quarters
7. Decision of CPD to provide loan.

**Taxation policy**

Cooperatives do not pay tax on the benefit (private companies have to pay 30% of tax) but pay tax on the added value.
4.2. Cooperatives implementing saving and credit activities

Three different kinds of cooperatives implement credit in Thailand:

- Saving and Credit Cooperatives
- Credit Unions
- Agricultural Cooperatives

**Saving and Credit Cooperatives**

Any person living in the area can apply to be member, whatever his or her profession. These cooperatives implement saving and credit for their members.

**Credit Unions**

Up to now, saving and credit cooperatives and credit unions were considered as the same kind of cooperatives but they will be separated in the future as credit unions have often broader programs than financial activities, including social action. Like for saving and credit cooperatives, any person living in the area can apply to be member, whatever his or her profession.

Usually, the activity first starts inside saving groups. Then the groups have to collect shares from their members to be prepared to register as cooperative.

1) Each member shall save money
2) After one year, the member can get loan from the cooperative, (1.5 times the amount of saved money)
3) Later, if he gives back correctly the money, he can have access to higher amounts.
4) To guarantee the risk of repayment of the group, 2 people are needed to act as guarantors for loan taking. Generally, last intervention of bringing to the court is applied only if repayment is not respected by both loan taker and guarantors.

**Agricultural Cooperatives**

In agricultural cooperatives, all members are farmers. Credit is in fact one of the most important activities of agricultural cooperatives. Interest rates are usually around 6% per year.
4.3. Recommendations

**ENABLE COOPERATIVES TO ACCESS LOANS WITH LOW INTEREST RATES**

Agricultural cooperatives in Cambodia don’t have at the moment any possibility to access loans at low rate. In fact in Cambodia, commercial banks ask for important guarantees that the farmer cooperatives can not give. On the other hand, micro-credit institutions deliver credit to individuals or small solidarity groups but not to farmer organisations.

In Thailand like in many other countries, financial policies have been necessary instruments to support cooperative development. That’s why, the mission recommends the creation of a specific financial institution providing loans exclusively to agricultural cooperatives and other farmer organisations. Interest rates and loan duration should be adapted to farming activity.

**PROMOTE OTHER FINANCIAL RESOURCES FOR COOPERATIVES**

In addition to outside loans, cooperatives should develop their ability to gather the resources of their own local community.

That’s why the mission recommends to promote saving activities inside the cooperatives and contribution of local investors (with associated members for example).
5. Cooperatives in a market economy

5.1. Cooperatives and private sector in Thailand

We have visited Patum Rice Mill, one important private company in the suburbs of Bangkok. It distributes milled rice and rice flour both local and overseas including by-products from rice mill process (broken rice, crude bran oil, extracted bran and husk bran).

**Paddy supply of private rice mill**

The Patum rice mill buys paddy from three origins:

- Paddy wholesalers who collect paddy from farmers.
- Rice mills who buy paddy from farmers, do their own milling but sell also some paddy to Patum
- Agricultural cooperatives.

Patum rice mill does not collect directly from farmers as the factory needs big quantities.

When the company buys paddy from cooperative (farmers) they have met the manager of cooperative first. The Cooperative has controlled the farmer own paddy. The company agrees with the leaders of the cooperative by talking together (how much they need…). Usually the price is not fixed but is depending on the time of sell (market price).

Patum Rice mill managers have reserved opinions on cooperatives. On the one hand, they would like to work more with cooperatives because they have better control on the quality of the products of their members. But on the other hand, they prefer to deal with rice millers and wholesalers as they are more flexible and can take quicker decisions.

**Quality control**

Now the company exports rice to many countries such as Canada, United States, Norway, Spain, Malaysia.
Patum Rice Mill has developed an important policy for the quality of its products. First, they establish their price for suppliers according to the quality of paddy.

For exports, the government has set up standards for white rice (Ministry of Commerce). When Patum Rice Mill agrees with a customer overseas, the customer has to appoint an external surveyor to check that standards are respected.

There is also a specific standard for Jasmine rice established by the Ministry of Commerce. As Jasmine rice can be exported at higher prices, the controls are more important with taking samples in order to control that it is pure jasmine rice.

So the government has set standards of rice but the company also check the quality by itself. During the visit, we could observe several methods to check the quality (manual, mechanical and chemical process).

Some experts met in Thailand also explained that the cooperatives are trying more and more to involve themselves in marketing of the products of their members. Marketing business seems at the moment to be mainly implemented by private companies.

Some cooperatives now contract with private companies to organise exportation of the products. In this case, the company buys products from the cooperative and organises logistic and transport. Moreover some cooperatives now have their own rice mill (example of Photong Cooperative).
5.2. Government policy to support marketing

Direct intervention on marketing

During the mission, we could get some information on the way Thai government can intervene to regulate markets.

First Thai government has issued a law that prohibits to buy paddy from abroad. This law is meant to promote the national production of paddy.

Nevertheless, according to Patum Rice Mill, the total capacity of rice mills in Thailand is three times the Thai paddy production. It means that paddy is illegally imported in Thailand, for example from Cambodia (smuggling along the boarder).

The government of Thailand has also established a system of price guarantee. This means that when the price of paddy goes down below a minimum price, the government buys it.

The manager of Photong Cooperative explained us that usually the cooperative makes the advance to buy paddy from their members at a minimum price. Then the cooperative has to fulfill forms to get reimbursement from the Ministry of Commerce.

Other interventions

Apart from these direct interventions, the government has developed many indirect ways to support marketing, following the three main components of the Agricultural Policy: Revival and strengthening of farmers; Development of domestic markets and strengthening of rural communities; and increasing the competitiveness of the agricultural sector in the world market.

The Ministry of Agriculture and Cooperatives, mainly through Cooperative Promotion Department has many interventions that have already been mentioned before.

We will describe here only two specific programs focusing on marketing.

Establishment of Cooperative Marketing Centers

This project has start since 1993. The objective is to provide facilities of Central Markets composed of warehouse paddy dried cement field, balance (40 ton scale) and buildings. These Central markets are located on the compound of the cooperative. All facilities are financed by CPD. 780 central markets have been established throughout the country.

These Central Markets are places where all sellers (farmers) and buyers can meet and make transactions. The cooperative does not intervene in the transactions.
The objectives are to up-date market information and to get reasonable prices for farmers, through increase competition between all buyers.

**One Tambon, One Product project**

This project has been implemented since 2001 under the government policy, which places emphasis on strengthening the economy at the grass root level. It combines natural resource of agricultural produce and traditional wisdom and tends to improve the quality of local agricultural products to increase their market values. These products are high quality products, targeted for export or for upper internal consumption. So One Tambon, One Product project wishes to generate income of rural area people through local wisdom and local materials.

CPD is the implementing agency for this project. One sub-committee has selected groups (Cooperative Women Groups, Farmer Groups, other groups) which have a potential for production or tourism. 2500 groups have been selected. These groups then receive technical and financial assistance on Production: quality, packaging, processing. CPD particularly insisted the need to improve packaging and much work has been done in that field. The Cooperative Auditing Department has prescribed suitable accounting system for the One Tambon, One Product producers. Coaching and advice in accounting is also provided in order that producers can make use of the information for business management.

CPD has also worked on the marketing of these products: creation of distribution centres, e-commerce, direct contacts with customers.

Concerned products by this project are: non-processed food (bananas, rice…), processed food (fruit snacks, dried chilli, tea, fish…), handicraft (baskets, artificial flowers, clothes…) and agro tourism services.

These measures will increase farmer’s income and generate employment in the local communities that will result in improved standard of living of the farmers.
5.3. Recommendations

DEVELOP SPECIFIC STRATEGIES FOR MARKETING IN COOPERATIVES

In its strategy to promote cooperatives, the government shall particularly pay attention to the question of marketing. In the Cambodian context, farmers face many difficulties to sell their products even when there are markets because farmers are isolated and information doesn’t circulate properly.

Marketing is a crucial issue for farmers and this can be a good point to rebuild the confidence of farmers in cooperatives.

The mission recommends to promote cooperatives as a tool for the farmers to collect and group their products together. If cooperatives have places to stock the products, it will be easier for buyers to have information on available products and on their quality. Provincial Departments of Agriculture and Commerce could then facilitate exchange of information between cooperatives and buyers.
6. Conclusions

This study tour on Thai cooperative movement has been fruitful to produce information and think thought for Cambodia. Cooperative movement has already a long story in Thailand and the government has given many impulsion for its development. The cooperative movement is today well organised in Thailand with both government and non government institutions (federations and unions of cooperatives).

This mission helped us to formulate some recommendations for the development of agricultural cooperatives in Cambodia.

Cooperative movement is still very young in Cambodia but it can be an important issue for rural development in the country.

The Ministry of Agriculture, Forestry and Fisheries shall give strong support to the newly born agricultural cooperative movement in Cambodia. To express this commitment, a specific Department dedicated to cooperatives shall be created.

Moreover, a National Strategic plan for the development of agricultural cooperatives shall be established by the Ministry of Agriculture in collaboration with other organisations and particularly with NGOs. We recommend that this plan focuses on supporting a limited number of pilot cooperatives before spreading cooperatives all over the country.

Regarding the tools to support cooperative development, the mission has raised several ideas. Firstly, financial tools are crucial for the development of cooperatives and the creation of specific financial institutions shall be studied. Capacity building is another central issue and training centres could help to increase the capacity of both cooperatives and supporting agencies.

As government means are limited to achieve the suggested strategic plan, the Ministry shall remain opened to international financial and human support.
Appendix

Appendix 1: Program of the study tour

November 29, 2004
Morning    Arrival at 10:30 at the airport
Afternoon  Visit NEDAC

November 30, 2004
Morning    Visit Cooperative Promotion Department (including Cooperative Development Office)
Afternoon  free

December 1, 2004
Morning    Visit an agricultural cooperative in Angthong Province, study its activities including marketing business and rice mill.
Afternoon  Visit a cooperative women group

December 2, 2004
Morning    Visit Credit Union League of Thailand
Afternoon  Visit of Patum Rice Mill and Granary Public Company Limited

December 3, 2004
Morning    Visit Cooperative Auditing Department
Afternoon  Departure at 2:00 pm.
## Appendix 2: Contact addresses

<table>
<thead>
<tr>
<th>Cooperative Promotion Department</th>
<th>Mr Chakgree Suvarittum</th>
</tr>
</thead>
<tbody>
<tr>
<td>12, Krung Kasem Road, Theves</td>
<td>Director of Cooperative Business Development Office</td>
</tr>
<tr>
<td>Bangkok 10200 Thailand</td>
<td>Tel: 66 – 2280-1341 / 66-262-9018</td>
</tr>
<tr>
<td></td>
<td>Mobile: 66-1174-3720</td>
</tr>
<tr>
<td></td>
<td>Mrs Saovanne Shoojan</td>
</tr>
<tr>
<td></td>
<td>Foreign Relations Officer, Planning Division</td>
</tr>
<tr>
<td></td>
<td>Tel: 66-2628-5515</td>
</tr>
<tr>
<td></td>
<td>Fax: 66-2281-0107</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:saovaneccpd@hotmail.com">saovaneccpd@hotmail.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cooperative Auditing Department</th>
<th>Mrs Pannee Wuttanachongkon</th>
</tr>
</thead>
<tbody>
<tr>
<td>12, Krung Kasem Road, Theves</td>
<td>Chief of Foreign Relations</td>
</tr>
<tr>
<td>Bangkok 10200 Thailand</td>
<td>Tel: 66-2282-8498</td>
</tr>
<tr>
<td></td>
<td>Fax: 66-2628-5010</td>
</tr>
<tr>
<td></td>
<td>Mobile: 66-1812-7180</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:supalionic@hotmail.com">supalionic@hotmail.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Network for Agricultural Cooperative Development in Asia and the Pacific (NEDAC)</th>
<th>Mr. W. Khan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAO-Regional Office for Asia and the Pacific</td>
<td>Tel 66-2697-4366</td>
</tr>
<tr>
<td>Maliwan Mansion, 39 Phra Athit Road</td>
<td>fax: 66 –2280-0445</td>
</tr>
<tr>
<td>Bangkok 10200 Thailand</td>
<td>email: <a href="mailto:NEDAC@fao.org">NEDAC@fao.org</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FAO-RAP (Regional Office for Asia and the Pacific)</th>
<th>Mr Wim Polman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maliwan Mansion, 39 Phra Athit Road</td>
<td>Rural Development Officer</td>
</tr>
<tr>
<td>Bangkok 10200 Thailand</td>
<td>Tel: 66-2697-4316</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:Wim.Polman@fao.org">Wim.Polman@fao.org</a></td>
</tr>
<tr>
<td>Company Name</td>
<td>Contact Person</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Patum Rice Mill and Granary Public Company Limited</td>
<td>Mr Rut Subniran</td>
</tr>
<tr>
<td></td>
<td>Managing Director</td>
</tr>
<tr>
<td></td>
<td>Tel : 66-2620-9037</td>
</tr>
<tr>
<td></td>
<td>Fax : 66-2620-9034</td>
</tr>
<tr>
<td></td>
<td>Mobile : 66-1836-2764</td>
</tr>
<tr>
<td></td>
<td>Email : <a href="mailto:rutsb@patumrice.co.th">rutsb@patumrice.co.th</a></td>
</tr>
<tr>
<td>Photong Agricultural Cooperative Ltd</td>
<td></td>
</tr>
<tr>
<td>16 M.6 Ang Thong Sub-district, Phothong District , Ang Thong Province 14120</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3: Consulted Bibliography

- Ministry of Agriculture and Cooperatives, Cooperative promotion Department, *The Cooperative Act B.E.2542*

- Cooperative Promotion Department, *Presentation*

- CPD, *Cooperative Promotion Department in Brief*, leaflet

- Cooperative Promotion Department, “How to organise a cooperative?”, leaflet

- Mr Susumu Ozaki (2004), JICA Senior Volunteer, report about “One Tambon, One product” policy (Thai language)

- Ministry of Agriculture and Cooperatives, *1 Tambon, 1 Product*

- Cooperative Auditing Department (2004), *presentation*

- Cooperative Auditing Department (2004), *Quality of Life*, (including CD)

- Cooperative Auditing Department, Examples of leaflets on accountability (Thai language)

- The cooperative league of Thailand (CD-Rom)

- Credit Union League of Thailand Limited (2004), *presentation*

- Patum Rice Mill and Granary Plc, *presentation*

- NEDAC, *Constitution*

- NEDAC, FAO (2003), *Report on Regional Meeting on Agricultural Cooperative Enterprise Development (ACED)/Business Planning and Exchange Visit to selected Cooperatives, New Delhi, India, 20-29 April 2003*

- NEDAC (2003), *General Assembly 2003 and a seminar on “Information Technology and Computerization of Agricultural Cooperatives with Special reference to SME Development and Business Planning”*

- FAO Regional Office for Asia and the Pacific (1998), *A study of cooperative legislations in selected Asian and Pacific countries*


- Department of Agriculture, Forestry and Fisheries, Office of Agricultural Extension, Battambang province, French Embassy, Agricultural Sector Policy Project (2004)

