

SUMMARY RORMAT II : Project-type cooperation

Date:

Sector	Rural Development
Development issue	Quality Improvement of Agricultural Products

Scheme: Project-type technical cooperation	
Proposal title: Market Channel Improvement for Agricultural Products	
Requesting agency	Cooperative Promotion Department
Ministry concerned	Ministry of Agriculture and Cooperatives
Outline of the Implementing agency: (Budget, personnel, technical level, responsibility/authorization)	
Project site (km from Bangkok): (1) A national-level wholesale market near Bangkok (Location of the market is to be determined later by CPD.) (2) A regional-level wholesale market and a model cooperative (Location is to be determined later by CPD.)	

Background of the proposal (present situations, relevancy with the National Economic Development Plan and other development programs: Cooperative Promotion Department of MOAC has been promoting improvement of farm product marketing system and wholesale markets through the activities of agricultural cooperatives. It is intended to strengthen farmers' bargaining power in the market, to improve quality of farm products, and to increase farmers' income. In the 8 th National Economic and Social Development Plan, one of major policy initiative of MOAC concerns stronger competitiveness and efficiency of agricultural production, which includes the improvement of agricultural product quality as a major component.
Overall Goal: Marketing system of agricultural products is modernized and rationalized so that farmers may participate in product price formation and in market channel management.
Project Purpose: (Specific target figures are required as much as possible) ① A system of farm product collection, packaging, grading, marketing, etc. by the agricultural cooperative will be developed. ② Farmers' organizations will be strengthened in cooperative handling and marketing of their products. ③ A national-level wholesale market and a regional-level wholesale market are managed effectively and. ④ A network of commodity flows supported by modernized packaging and temperature control will be formulated.
Output: ① Cooperative level: A model of cooperative's product handling and marketing for better quality will be formulated. ② Wholesale market level: Operation/management of wholesale markets is efficient and effective. Price formation and market information becomes transparent. ③ Commodity distribution channel: An improved model of commodity packaging and transportation will be formulated.
Specific Activities: ① Modernization of cooperative management of farm product marketing: product handling and marketing, quality control, human resource development

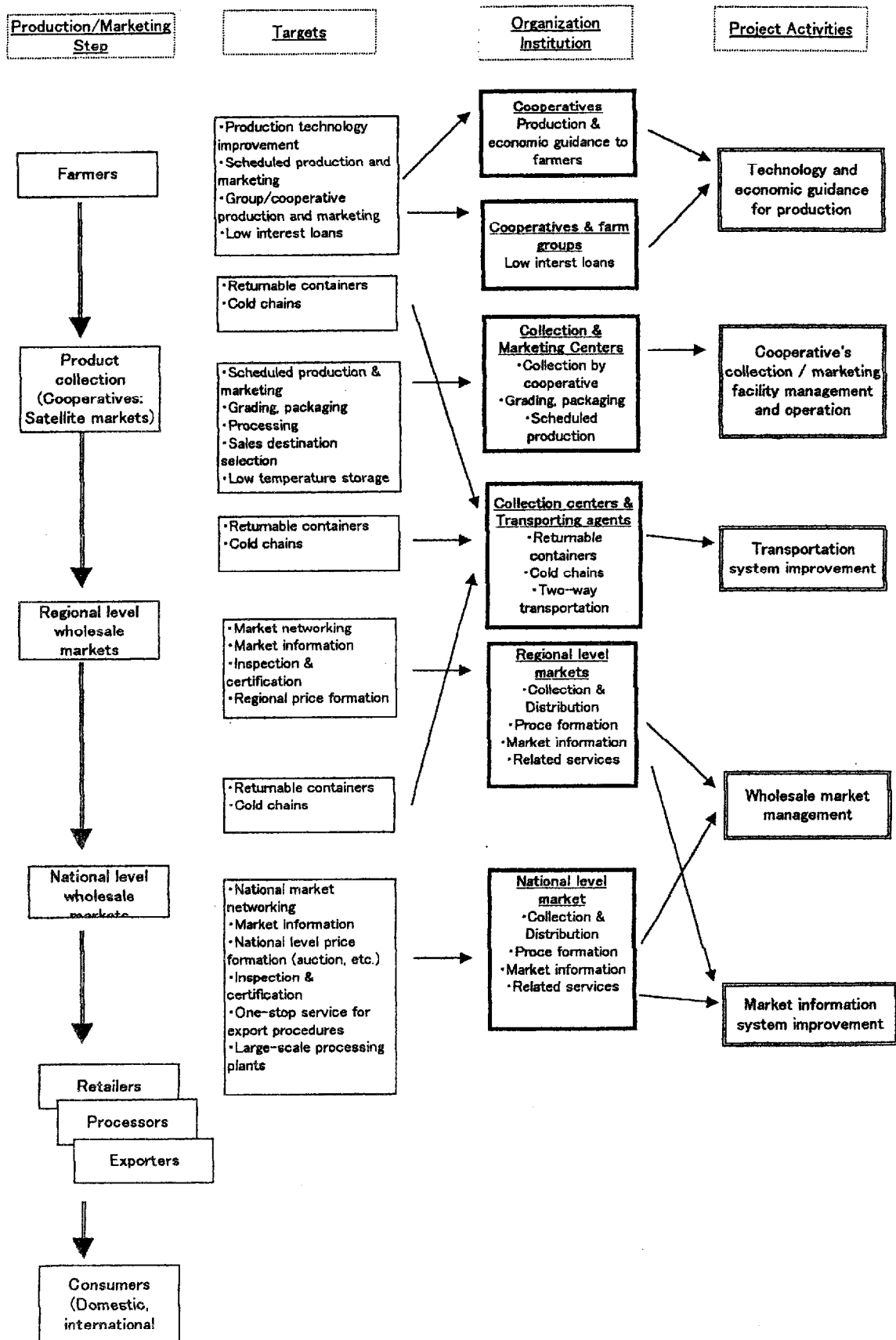
② Modernization of national- and regional level wholesale markets: Wholesale market infrastructure and facilities, market management, trading system, market information, human resource development
③ Modernization of farm product distribution channels: Packaging and containers, cold storage, product routing
Beneficiary (target group, number of direct /indirect beneficiaries, etc):
<ul style="list-style-type: none"> ● Counterpart personnel ● Management and operators of the model cooperative ● Farmer-members of the model ● Managers and operators of the national level and regional level wholesale markets ● Consumers of agricultural products

INPUT by JAPAN
Number of experts and technical fields: 5 persons
<ul style="list-style-type: none"> ● Technology and economic guidance for production ● Cooperative's collection / marketing facility management and operation ● Transportation system improvement ● Wholesale market management ● Market information system improvement
Number of C/P personnel training in Japan and technical fields Totally 15 persons are to be trained in the fields corresponding to those of experts.
Details of equipment(volume, Price, etc) required for the implementation
<ul style="list-style-type: none"> ● <u>Product quality inspection/grading equipment</u> ● <u>Packaging facilities</u> ● <u>Controlled temperature transport vehicles</u> ● <u>Computer systems for market information</u> ● <u>Etc.</u>
Total value: up to US\$ 2 million

INPUT by THAILAND
Budget to be prepared by the requesting agency for the implementation of the project
Number and technical level of C/P personnel: Approximately 15 persons
Conditions of the project site:
Main facilities <input type="checkbox"/> Existing <input type="checkbox"/> Planned to be built or installed

Relevance to other JICA cooperation activities:
<ul style="list-style-type: none"> ● Management of Agricultural Product Wholesale Market (Long-term Expert, 1999-2001, CPD) ● Improvement of Agricultural Product Collection and Shipment (Short-term Expert, 2000, CPD) <u>Modernization</u> <u>Distribution</u>
Relevance to Projects conducted by international organizations or donors involved:
<ul style="list-style-type: none"> ● Agricultural Sector Program Loan (Jointly financed by Asian Development Bank and Japan Bank for International Cooperation, 1999-2004)
Security situations:
Local consultants Available / not available
<ul style="list-style-type: none"> ● <u>The official proposal including the terms of reference is required to be attached to this summary format.</u> ● Contact for further information: <u>Mr./Ms. _____</u> Tel: _____

Market Channel Improvement of Agricultural Products



**APPLICATION FORM
FOR PROJECT-TYPE TECHNICAL COOPERATION**

1. Date of entry: day 25 month July year 2000

2. Applicant: the Government of Thailand
(Cooperative Promotion Department, Ministry of Agriculture and
Cooperatives)

3. Project Title: Market Channel Improvement for Agricultural Products

4. Sector/ Subsector Rural Development

5. Desired project period(month, year): 5 years

6. Project site (Attach a map indicating the location of the project office and target area.)

(1) Location of the project office

- Site 1: A national level wholesale market

Province/Country name: _____

City/Town/Village name: _____

Distance from the capital city: _____

- Site 2: A regional level wholesale market and a model cooperative

Province/Country name: _____

City/Town/Village name: _____

Distance from the capital city: _____

(2) Target areas:

- Area of the model cooperative
- Area covered by a regional level wholesale market
- Area covered by a national level wholesale market

7. Implementing agency

(1) Name of the implementing agency:

Division, Cooperative Promotion Department

Address: Theves Bangkok 10200

Telephone No: 281 0535

(1) Supervising ministry/agency and responsible department:

Ministry of Agricultural Cooperatives

8. Outline of the implementing agency

(1) Position and authority in the government (Attach an organization chart.)

(2) Total annual budget

Implementing agency (current amount):

(annual amount in last five years):

(expected amount during the project period):

(3) Number of staff members

Implementing agency(current number):

(expected number during the project period):

Responsible department of the supervising ministry/agency: MOAC

9. Background of the project

(1) Current problems that need to be addressed by the project

Presently, the largest parts of farm products are brought to consumers and processors without sufficient attention to their qualities. Many products are marketed in the "mixed" quality, meaning that they are not graded. In most cases, their processing is minimal. As a result, it becomes more difficult to meet increasing requirement for better quality from the consumer.

Marketing systems of farm products are mostly dominated by dealers, often called "middlemen". Product prices are formed under their control and do not necessarily reflect objective demand supply balance. In addition, many farmers are indebted to the middlemen and have to sell their products for lower prices than otherwise.

Despite efforts of the government agencies to rationalize marketing channels, many of existing farm product markets do not perform required functions such as price formation, quality improvement, market information dissemination, etc.

The government is aware of necessity for a market/distribution system in which farmers make their own decision in production and marketing without

being forced by these agents. Therefore the government insists that the market system performs fair price formation function and transparent market information dissemination.

(2) Countermeasures against the problems that have been taken by the government

Cooperative Promotion Department of MOAC has been promoting improvement of farm product marketing system and wholesale markets through the activities of agricultural cooperatives. It is intended to strengthen farmers' bargaining power in the market, to improve quality of farm products, and to increase farmers' income.

Starting in year 1995, CPD assisted Agricultural Cooperatives to establish "Central Markets" where farm products are assembled, measured, dried, graded and traded. Total 880 Central Markets have been developed nationwide.

Starting in year 2000, CPD plans to undertake a "Project for Agricultural Production Quality Improvement and Management of Farmer Institute" through the Agricultural Sector Program Loan (ASPL) jointly financed by Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC). The Project plans to develop infrastructure and facilities for collection, storage, processing and shipment of agricultural products.

Included in ASPL is a feasibility study of wholesale markets, which will draw up a plan for a nationwide network of wholesale markets in Thailand. It is envisaged that based on the result of the feasibility study, a national network system of wholesale markets will be developed and serves will serve members of agricultural cooperatives in Thailand.

The proposed Project intends to supports the development of the market network by introducing technology and know-how in management and control of modernized wholesale market system.

(3) Relation between the project and any national development plans/policies (name the specific plans or policies and their term of validity)

In the 8th National Economic and Social Development Plan, one of major policy initiative of MOAC concerns stronger competitiveness and efficiency of agricultural production, which includes the improvement of agricultural product quality as a major component. The 8th plan also envisages assisting

small farmers to educate them and organize them. This will be achieved by participatory activities of farmers in marketing their products under agricultural cooperatives.

Although the 8th Plan will come to an end in year 2001, policy initiatives mentioned above will certainly be carried on in the coming 9th Development Plan which will start in fiscal year 2002.

10. Summary of the project

(1) Overall Goal

(Development effect expected as a result of achievement of the 'Project Purpose)

Marketing system of agricultural products is modernized and rationalized so that farmers may participate in product price formation and in market channel management.

(2) Project Purpose

(Objectives expected to be achieved by the end of the project period. Elaborate with quantitative indicators if possible.)

- ① A system of farm product collection, packaging, grading, marketing, etc. by the agricultural cooperative will be developed.
- ② Farmers' organizations will be strengthened in cooperative handling and marketing of their products.
- ③ A national-level wholesale market and a regional-level wholesale market of major agricultural commodities, established and/or supported by MOAC, are managed effectively and.
- ④ A network of commodity flows supported by modernized packaging and temperature control will be formulated among producers, cooperatives, a regional level market and a national level market is developed

(3) Output

(Objectives to be realized by the 'Project Activities' in order to achieve the 'Project purpose'. Describe several items.)

- ① Cooperative level
 - A model system for cooperative management for product handling and marketing will formulated.

- Marketing skills and bargaining power will be accumulated in the model cooperative.
- A model of quality improvement and control will be developed on (farm level and) cooperative level.

② Wholesale market level

- Management of a national-level wholesale market and a regional-level wholesale market of major agricultural commodities is performed efficiently and effectively and a standard model of the wholesale marketing operation is formulated.
- A rational model of commodity trading (example: auction) will be developed.
- A model system of market information collection and dissemination will be developed.

③ Commodity distribution channel

- An improved feasible model of commodity packaging and transportation will be formulated.

(4) Project Activities

(Specific actions intended to produce the 'Output' of the project through effective use of the 'Input'. Describe major activities of the project.)

① Modernization of cooperative management of farm product marketing

- Planning and management of farm product handling and marketing facilities by the cooperative
- Quality control and improvement for farm commodities handled by the cooperative
- Assistance and guidance to farmers for product quality improvement and for better marketing performance
- Operation and accounting management of cooperative marketing activities
- Human resource development for capability for cooperative marketing

② Modernization of national- and regional level wholesale markets

- Planning and management of wholesale market infrastructure and facilities
- Wholesale marketing operation management
- Trading system and price formation improvement
- Market information development

- Human resource development for wholesale market development
- ③Modernization of farm product distribution channels
 - Improvement of packaging and containers
 - Introduction of low temperature storage and transportation
 - Routing product shipment according to market information

11. Input from the recipient government side

- (1) Budget allocation plan for the project throughout the project period
(Break it down in detail.)

Detail to be formulated later on by CPD

- (2) Staff allocation plans for the project throughout the project period, and technical levels of the staff members (provide plans for full-time and part-time project staff members.)

Total number of staffs directly concerned with the project will be approximately 15. Detail to be specified later on.

- (3) Buildings, facilities and equipment necessary for the project activities(Circle 'a' or "b" and answer the following questions if relevant.)

- a. Existing buildings, facilities and equipment are available.(Describe their current condition below)

Some of cooperative facilities are already built by cooperatives.

- b. Buildings, facilities and equipment must be newly built introduced.

A national and regional wholesale market facilities will be newly constructed through support of JBIC (ASPL) or MOAC budget. If the national level market is combined with an existing market, a part of buildings, facilities and equipment may be newly built.

On the cooperative level, some facility may be built through JBIC assistance (ASPL) (see item 9 (2) above).

12. Expected input from the Japanese side

- (1) Experts

Estimated number of experts necessary throughout the project period: 5 persons

Specific fields required:

- Technology and economic guidance for production
- Cooperative's collection / marketing facility management and operation
- Transportation system improvement
- Wholesale market management
- Market information system improvement

(2) Training in Japan

Estimated number of the participants to receive training in Japan throughout the project period: 15 persons

Specific fields required: Same as (1) above

(3) Provision of equipment

Major equipment and amount:

- Product quality inspection/grading equipment
- Packaging facilities
- Controlled temperature transport vehicles
- Computer systems for market information
- Etc.

Total value of the equipment in US\$ or Japanese yen

Up to 2 million US dollars

(4) Grant Aid from Japan(only for the eligible countries)

Indicate whether applications for Grant Aid from Japan have been (or will be) submitted to go government of Japan for preparation of buildings and equipment necessary for the project activities.(Circle "a" or "b" and answer the following questions if relevant).

(a. O No: b. Yes)

If "yes" ---Value of the buildings applies: us\$ _____

Value of the equipment applies: us\$ _____

Total: us\$ _____

Possibility of preparing alternate building/equipment if the grant application is not accepted (Circle "a", "b" or "c")

Building (a. Possible: b. Impossible: c. Only _____ is possible)

Equipment (a. Possible: b. Impossible : c. Only _____ is possible)

13. Benefits and effects of the project

(1) Describe, in detail, the project staff members(counterparts)who will work with the experts from Japan.

In Japan, farm product marketing/distribution mainly through agricultural cooperative networks and a system of wholesale markets operated by the public sector are well developed. Thai counterparts will gain knowledge and know-how in these fields and increase their capability in conducting marketing/distribution improvement duties in Thailand more effectively.

(2) Describe the people who will directly benefit from the project and indicate their population. Then, describe the expected benefits in detail.

- Management and operators of the model cooperative will gain knowledge and skills in product handling, marketing for improved quality and better management.
- Farmer-members of the model cooperative will gain skills and information on better production and marketing practice. As a result, heir economic situation will be improved.
- Managers and operators of the national level and regional level wholesale markets will acquire skills and information concerning wholesale market management.

(3) Describe the people who will benefit from the project when the Overall Goal is achieved and their population. Then, describe the expected benefits in detail.

- Farmers-producers will enjoy better income through higher prices, higher value added and greater volume of sales.
- Farmers will be better organized for joint actions for better bargaining position
- Both consumers and producers will benefit from fair price formation and less marketing costs.
- Consumers nationwide will enjoy agricultural products supplied in

better quality and less expensive.

- Thai products will enjoy better reputation through improved quality and their competitiveness will be improved in international markets.

(4) Describe other expected social and economic effects of the project

14. Related technical cooperation and grant aid

(1) Describe related technical cooperation and grant aid provided by Japan (if any)

- Management of Agricultural Product Wholesale Market (Long-term Expert, 1999-2001, CPD)
- Improvement of Agricultural Product Collection and Shipment (Short-term Expert, 2000, CPD)

(2) Describe related technical assistance and grant aid provided by other donors (if any)

None

15. Other related information

(1) Potential risks that may hamper the project activities or reduce the likelihood of achieving the project results.

(2) Security situation (Give detailed information for each project site, if the project covers more than one site.)

(3) Residential environment around the project office (e.g. climate, water and supply, available medical facilities, telecommunications, etc.)

(4) Availability of consultants for the sector / subsector concerned and their technical levels

16. Special remarks

8. 第9次国家経済社会開発5か年計画概要

第9次国家経済社会開発5か年計画概要

1. 特徴

(1) 基本的哲学として、国王陛下が提唱した「セータギット・ポービエン（足るを知る経済）」を採用し、経済危機を招いた急激な経済発展よりも、経済社会の安定をより重視した持続的成長路線を指向している。

(2) 構成として、(イ) 社会の質的发展、(ロ) 地方開発、(ハ) 天然資源及び環境保護、(ニ) 全体経済政策、(ホ) 競争力強化、(ヘ) 科学技術振興、(ト) 良きマネジメント、という7つの戦略を掲げている。さらに、それら戦略を実施するための具体的行動指針が最終部分に付け加えられている。

(3) 第8次国家経済社会開発5か年計画の際に記載のあったメコン流域開発、国内西部及び南部の開発計画等の大規模開発計画への明示的言及はなくなり、一般的な地方開発及び周辺国との経済協力促進を述べるにとどまった。

2. 具体的目標指標

(1) 社会の質的发展

- (イ) すくなくとも6割以上の国民がスポーツを行うようにする。
- (ロ) 国民の平均教育年数を9年以上とする。
- (ハ) 労働者の中で、中等教育修了者の割合を50%以上とする。

(2) 地方開発

貧困比率を 10%以下とする。

(3) 天然資源及び環境保護

(イ) 国土面積中、保護森林比率を 33%、経済林比率を 5%以上とし、保護湿地面積を 125 万ライとする。

(ロ) 50%以上のごみを適切かつ安全に処理し、30%以上をリサイクルとして有意義に使用する。

(ハ) 主要な河川の水質に関し、1リットル当たり2ミリグラム以上の酸素を含むようにする。

(ニ) 産業部門及び地域社会部門から排出される危険廃棄物の増加量が、50%を超えないようにする。

(4) 全体経済政策

(イ) 経済成長率は、5～6%を目標とする。

(ロ) 一年あたり、30万人の雇用を創出する。

(ハ) インフレ率を 3.5%以下とする。

(ニ) 経済収支黒字の GDP 比率に関し、2.5%の黒字を維持する。

(5) 競争力強化

(イ) 農業部門の生産性を年率 0.5%、工業部門の生産性を年率 2.5%向上させる。

(ロ) 労働生産性を年率 3%向上させる。

(ハ) 環境に悪影響を与えない持続的農業計画を推進し、農地面積の 20%をカバーさせる。

(ニ) 輸出を年率 8% 増加させ、2006 年に全世界の輸出の 1.1% を占めることを目指す。

(ホ) 外国人観光客による所得を年率 10% 以上増加させる。

(6) 科学技術振興

(イ) 2006 年までに、科学技術関連貿易の赤字を、科学技術関連輸入額の 10% まで減少させる。

(ロ) 文系と理系の学生比率を 50 : 50 とする。

(ハ) 科学者の人口比を 1 万人あたり 3.5 人とする。

(7) よきマネジメント：具体的目標指数はなし。

Summary of The 9th National Economic and Social Development Plan (2002 - 2006)

The National Economic and Social Development Bureau of Thailand has been formulating the National Economic and Social Development Plan to be the guideline for National Development. The 8th National Economic and Social Development Plan (1997-2001) had been enforced until end of Thai fiscal year 2001. The 9th Plan formulation process was initiated at the end of 1999. However, the 9th Plan will be consistent with the 8th Plan and the 1997 constitution which is focused on the public participation in every sector of society regarding national development planning. The 9th Plan development vision framework (2002-2006) was approved by the cabinet on August 1, 2000.

The 9th Plan will be emphasized on "sufficiency economy" as the main philosophy for "sustainable development and well-being of the Thai people". It will be focused on development integration with people as the center for development and the balanced development in economic, social, politics and environment aspects. Furthermore, the Thai people must be aware of the necessity of changing concept idea, attitude and working process as to be in line with the changing administration system aiming at efficiency, quality and modernization. They should be able to efficiently utilize knowledge and technology, able to protect themselves, be moral and honest as well as flexible to adapt to the changes.

Development direction

In stead of focusing only on economic prosperity, the 9th Plan re-directed to strengthening strong social foundation and prosperity decentralization as well as poverty alleviation and income generation. In addition, it would include enhancing capability and opportunity for self-reliance as well as upgrading income and quality of life for the majority of the people. These approaches will promote people to be the center for development.

Development strategies

The development strategies are divided into three inter-related approaches. Firstly, the enhancement of the capability for the grass roots level should be strengthened and be ready to face the globalized world. This approach will focus on

human, community and societal development. Secondly, the economy should be readjusted to suit the current world situation and the new economy. Thirdly, the governance for management system should be improved in every part of the society through prioritizing the strategies and development guidelines associated with poverty alleviation and enhancing more efficiency of management system gained from brainstorming of every group of the society. In so doing, the existing capital will be fully utilized in line with the limited resources. The development strategies may be summarized as follows.

Strategy 1 : Human development and social protection

This strategy aims at developing the life-long learning process through education reform and skills development. The quality of the Thai people should be consistent with the changing situation and new technology associated with their living principle and be able to take a leading role in every level. The duty and responsibility as well as social immunity system regarding health, welfare, labour and safety at work and in everyday life as well as property should be developed efficiently in every society to promote good quality of life throughout the life-long period. The poor and the underprivileged should also be protected. In this regard, investment in human resource development and the improvement of social protection management should be streamlined. Wastes and redundancies must be minimized as well as promoting all the parties' participation as much as possible.

Strategy 2 : Restructured rural development and sustainable urbanization

The area management should be focused on the connection between rural and urban development so as to reduce gaps between rural and urban areas. In this regard, it should be done through developing the potential of human resource, strengthening the community and promoting the participation of the people in the society in terms of sustainable development integration. To achieve the desired outcome, social and economic costs, together with culture and natural resources should play the efficient and equitable roles to deal with the poverty and the underprivileged as well as development of human resource potential for community strength. Therefore the implementation should emphasize participation of the people from all walks of life and efficient resource utilization in the frame of participatory approach.

Strategy 3 : Management of natural resources and environment

This strategy aims at managing environment and natural resources rehabilitation. This will make emphasis on enhancing the efficient management and public participation along with sharing costs and building appropriate rules and regulations which facilitate the balanced ecology system and the whole society.

Strategy 4 : Macro-economic management

This approach focuses on macro-economic management in terms of monetary policy, capital market and public finance policy. This guideline will create the stability and security for economic system under the liberalized trade, finance and investment. In addition, it will help promote the production sector in the particular fields having the competitiveness and benefits for the business at all levels, and focus on the distribution and upgrading of income and quality of life of people in the country.

Strategy 5 : International competitiveness

The production structure should be made to increase the competitiveness of the country through utilizing modern knowledge and technology to increase productivity, improving labour skills and creating links among the activities in agriculture, industry and service sector. International cooperation and infrastructure development should support to create employment and improve quality of life and income of the people. Meanwhile, the public sector should pay attention to the efficient management and rules and regulations facilitating the working of the private sector. The capital mobility should be made from every sector of society to contribute to the restructuring of production sector and the improvement of infrastructure.

Strategy 6 : Strengthening science and technological base

Science and technology should be strengthened and modernized. Degree of dependence should be reduced. Access to appropriate technology should be more equitable. This will enhance the competitiveness in future through developing body of knowledge to be associated with the local wisdom in the context of Thai culture and folkways. Moreover, the basic concept of science, investment, human resources development, innovation, as well as policy design and research management should be given more.

Strategy 7 : Development management for Good Governance

This is a key strategy with particular emphasis on transparency and public participation. This approach will help prevent the corruption and determine the direction of development for the poor and the underprivileged. However, the good governance approach and the public participation will make collaborative efforts for changes.

Management of change process and operationalization and implementation of the 9th Plan

To translate the 9th Plan into action effectively, the concept of ideas, value, purpose and procedures should be re-adjusted. In this regard, it should focus on management of change so as to create leadership at all levels and mobilize the social capital in every aspect.

- 1. Develop mechanism to manage change process to support the implementation of the Plan.** The people in every sector of society should realize and understand the mission, purposes and strategies in participating in the process of translation of the Plan into action. The body of knowledge related to management of change should be built and incorporated into the curriculum and training course of public and private training institutions. Furthermore, the development of staff and the support of budget should also be made.
- 2. Synchronization of planning and budgeting in line with needs of local level.** The public administration and budget system should be met with the need of local community. At the same time, the central agency should play more roles in integrating workplan, financial plan and human resources management together as well as determining coordinating mechanism at all levels : sectoral, area and community levels.
- 3. To set framework for translation of the Plan into action** This measure focuses on re-orienting the concept ideas, value and analytical perspective. In this context, the translation of the Plan into action should rely on the following criteria.
 - 3.1 To focus on sufficiency economy and people centre approach.**
 - 3.2 To aim at tackling the poverty, the underprivileged, the fair distribution of income and the well-being of the people.**
 - 3.3 To promote the balanced and sustainable development on the basis of self-reliance with regard to production process, resource utilization and environmental impact.**

- 3.4 To delegate roles, mission and cooperation which may contribute to the efficient resource utilization among public, private and people sectors.
 - 3.5 To focus on the effective and efficient workplan and procedures with regard to the economical and maximum resource utilization.
 - 3.6 To meet with the development strategies of the Ninth Plan and be amenable to systematic evaluation.
-
4. To develop monitoring and evaluation system. This guideline will rely on key indicators as a management tool in development projects as well as monitoring and evaluation.
 5. To modernize economic and social information system. This guideline could support the efficient administration and provide access to data to the public widely.

9. 短期調査団の質問票に対する組合振興局(CPD)からの回答

1. Questionnaire to CPD for the request about project – type technical cooperation

(1) For Agricultural products

- 1) What's the concrete meaning about "agricultural product"? It is necessary to clarify what this word intend to mean, for each vegetables, fruits...

Answer: Agricultural Products under this project can be categorized into 8 groups which are rice, bean, field crops (such as corn, sesame seed), vegetables (such as onion, garlic, red onion), fruits (such as durian, mango, coconut, rambutan), livestock (such as pig, cow, chicken, duck), aquatic animal (such as inland animal, marine animal), and distinctive product (such as orchid, chrysanthemum)

- 2) In the request, CPD mentioned that "fair price formation doesn't introduced". What's the biggest reason about this? And what measure(s) did CPD took about this matter?

Answer: Even though we already have agricultural cooperatives in rural area, the middle men still have the important role to control the price. Because the role of cooperatives limit only in the local area and cooperatives are lacking of their network to flow their products between cooperative. Most cooperatives have the main activity in gathering member's product to sell but they are still lacking of proper marketing equipment or storage to keep product to wait for the reasonable price. CPD try to support facilities and equipments to those cooperatives such as rice mill, warehouse, drying yard, etc. in order to solve this problem.

- 3) For the background about the Project, CPD mentioned about the problems for "mixed quality" and "not graded". Are they the biggest problems for the Project and who wants to resolve these problems?

Answer: "Mixed quality and not graded" is only one problem which cooperatives have to face with. Therefore, if farmers are not realized about this problem, they do not have anything to influence them to produce high quality product since they will receive only one price from the whole products no matter what quality of their products are .

- 4) Does the requested expert named "guidance for production" mean an expert on " farm guidance activity of agricultural cooperative"?

Answer: The latter.

- 5) Does the requested expert named "facility management and operation" mean an expert on "operation and maintenance of facilities" or an expert on "marketing business of agricultural cooperative".

Answer: The latter.

- 6) For requested expert named "transportation system", what is this expert expected to advise?

Answer: Expert is expected to analyse the appropriate transportation system to transport products from cooperative to regional market.. For example: Type of vehicle, Channel of transportation, Who should run this activity? Wholesale Market, Cooperatives or private sector. Etc.

- 7) If some cooperative deals with agricultural products from farmers, what is the price formation system between cooperative and farmers? And for other price formation system like middle men's dealings, how is these price formatted, and what is the merit and demerit of farmers for these existing price systems?

Answer: Cooperatives use local market price. In case of middle men, farmer have to accept the price they offer. The merit of this price system is most farmers can get money as soon as they sell their products to middle men but the demerit is the price control belong to middle men.

- 8) For this Project Type Cooperation, if CPD intends to include technical transfer of cultivation for farmers, how and who coordinate the job between CPD and extension Department of MOAC?

Answer: Agricultural technology transfer center will be the center to coordinate the job between CPD and extension Department of MOAC through board of technology transfer center which compose of representatives from every agency within MOAC.

(2) For Cooperative

- 1) CPD explains the Project site in " a regional level wholesale market and a model cooperative". What area or region does CPD intend to implement the Project? And what are the main agricultural products in this area? Or, if CPD doesn't have concrete image for the Project site, how are they going to decide the area?

Answer: What we explain in the project site about "a regional level wholesale market and a model cooperative", it might be the new organization whose run wholesale market or the effective cooperative which might take place more than one region. In 2000, CPD got the result of feasibility study project on the development of an agricultural product marketing system by Chulalongkorn University. From the study, the appropriate location are Chiang Mai, Phitsanulok, Khon Kaen, Nakhon Ratchasima, Phetchaburi, Chantaburi, Surat Thani, Songkhla, and Bangkok.

- 2) Regarding to the Project site above, which cooperative does CPD intend to as "a model cooperative"? And how about details about details about present situation and future planning for this cooperative (such as organizational structure, businesses especially for marketing and processing about agricultural products).

Answer: Same as above.

- 3) Why and how did CPD decide "a regional level wholesale market and a model cooperative"? If the Project has already started, how is CPD going to extend to another area and/or cooperatives? Any possibility to make some (not one) project site and/or cooperative for which take into consideration CPD's capability?

(For the beneficiaries, cooperative staff and farmer of the cooperative can be assumed.)

Answer: Same as above.

- 4) Are "Farmer's organizations" mentioned in the "Project Purpose" existing organizations of the cooperative, or organizations which CPD intended to create?

Answer: existing organizations of the cooperative

- 5) If CPD wants to include "improvement of processing" as a project activities, how does CPD make this procedure and is it concerned in? How CPD Make the demarcation with private companies.

Answer: Only primary processing such as cleaning and waxing agricultural products before launching them to the market.

- 6) What is the present situation about extension and marketing activities by cooperatives? Is the model Cooperative already doing marketing activities for designated agricultural products? Or does CPD newly encourage the cooperative to create marketing through this Project?

Answer: Most cooperatives are running marketing activities only in their operation area without the linkage between them. For the extension activities mostly run by government sector.

- 7) What is the present situation about higher organizations for central and/or provincial level which coordinate each cooperatives especially for the field of marketing?

Answer: Cooperative Federation no matter in central/or provincial level still do not have much role in the field of marketing.

- 8) Are there any information for organizations and activities about Women's Group in cooperative and Cooperative by operated by women only in Thailand?

Answer: Women's Group in Thailand are natural group which normally join together during the free time from working in the field. Under CPD promotion, we support women group under cooperative to do such activities to get extra income except from farm. For women's group in cooperative is group under cooperative which running by the relatives of cooperative member who join to do some activities within the same interest of each group. Most activities are in primary food processing, weaving, handicraft, etc.

- 9) For " a model cooperative", does this cooperative have its own facilities such as warehouse, selecting machine, cold storage, transporting vehicle etc. Or how does CPD equip such facilities if there is a deficit of such equipment

Answer: In this case, a model cooperative is not selected. However, in order to promote the strength of cooperative in marketing, CPD had supported potential cooperative with some marketing facilities as you mentioned by using government budget and ASPL.

- 10) What is the concrete image of "Human resource development for capability for cooperative marketing" ? Does this mean human development for high quality product, develop new marketing route, promotion of these products, marketing activities by cooperative etc.?

Answer: That's right.

(3) For Wholesale Market

- 1) What is the differences between "national level wholesale market" and "regional wholesale market " in respect of owner, founder, operator, managing system, buyer and seller of the market, laws and regulations? Are such wholesale markets already existing or under planning? In case of latter side, when the construction will be finished?

(In the request, there are the phrase, "improvement of wholesale markets through the activities of agricultural cooperatives".)

Answer: The clear answer will exist in the result of feasibility study.

- 2) Who owns and operates "central market", cooperative or other (governmental/private) organization? What is the main function of the central market? Did cooperative establish "central market" to strengthen their marketing and processing ability? Are there any concrete cooperatives which CPD is going to support. Give us the information about these cooperatives like location, scale, the number of staff etc.

Answer: Central markets are owned and run by cooperatives (non-government) but they get support from CPD. The main function of the central market is to facilitate for trading agricultural products and lower the role of middleman. Moreover, farmers will gain more

benefits from reasonable price and reliable scale. Cooperative establish "central market" to strengthen their marketing and processing ability since under CPD project had subsidize storage, scale, drying yard, and decreasing moisture machine for central market to run their activities effectively.

- 3) What are other CPD's activities except "central market"? Does CPD have any other policies and/or measurement to strengthen marketing activities through cooperative?

Answer: Arrange exhibition fair to promote marketing activities through cooperatives in Bangkok and other provinces.

- 4) Let us know the detailed information about "existing farm product market", including location, scale, operator, function etc., Who make necessary advice to improve their job?

Answer: Not running by CPD

- 5) What is the main purpose of the Agricultural Sector Program Loan (ASPL) by JBIC and ADB? Give us the latest information about ASPL, and concrete plan for establishment of the wholesale market by that loan.

Answer: To promote greater involvement of the private sector in agricultural marketing. By stimulating the establishment by the private sector of a nationwide network of one-stop services centers to serve farmers' wide range of needs at the regional, provincial and district level. These centers will support various facilities of providing agricultural inputs and outputs, and will improve access to market information and farm technology, and rural financial services.

(4) For implement agency of Project (CPD)

- 1) It seems that CPD request three items as follows,

1. modernization of cooperative for marketing of agricultural products,
2. modernization of wholesale market,
3. modernization of marketing system of agricultural products,

What are the numbers of c/p staff. And the amount of local cost budget which CPD will be able to implement the Project? Are CPD going to implement all three items above mentioned?

Answer: At least 3 c/p staff per expert will be assigned. If the project is approved from JICA, Department of technical and economic cooperation (DTEC) will distribute budget for this project under the Thai government regulation as follows: Allowances (accommodation/house rental, medical services), Support services of temporary employees (secretary, driver, or

typist), travelling expenses & other supplies (official travel, repair and maintenance of vehicle, postal services), supply and materials (fuel and lubricant, spare parts, office supplies). For CPD will arrange for the office for expert and expenses for c/p staff. CPD are going to implement all three items above mentioned but we will set priority to those topics respectively since the wholesale market is on the process of budget proposal.

- 2) Is there any change between the request and present policy after previous government has changed on October 2001?

Answer: Although present policy concentrate more in Cooperative activities than the whole system of agricultural product, the main policy and the target group still be the same. Government just reshuffles the order of the projects to match with economic situation.

- 3) If some change has happened, why CPD has changed the contents (changed item, reason, backgrounds change).

Answer: same as answer 1)

- 4) How CPD prepare such change on above mentioned (allocation of counterpart personal, local budget, organizational support)?

Answer: Allocation of counter personal, local budget, and organizational support will vary on the number of expert which approve from JICA. In management level, we can arrange some support to the new project by reallocate our budget to the necessary project.