Agricultural Economics
Crop Zoning in Thailand

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Secretary General
Office of Agricultural Economics

Presentation outline

- Agricultural Development Plan
- Agricultural Economics Crop Zoning
  - Goal
  - Principal and Approach
  - Benefit and Constraint
  - Conclusion
Thailand Agricultural Development Plan
2012-2016

**Strategy 1**
Farmers’ Quality of Life

**Strategy 2**
Production Capacity (Crop, Livestock, Fishery)

**Strategy 3**
Agricultural Resources Management

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**National Farmers Council**
- coordinate with the government and private sector for strengthening and developing farmers

**Farmer’s occupational and income security**
- agricultural risk insurance system
- organize farm household registration
- establish welfare system
- develop land protection system

**Building knowledge-base**
- promote the learning process under the sufficiency philosophy
- support the integration between new technology and local wisdoms

**Promote Food Safety and Security**
- promote sustainable agriculture
- provide and support City Farm
**Strategy 2**

*Enhance farmers’ production capacities, agricultural products’ quality and food security management*

- Promote production value-added and value-creation
- Promote environmentally friendly production
- Balancing between food crops and energy crops production
- Support the development of agricultural marketing system
- Establish linkages between regional and international economics
- Promote agricultural research and development

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**Strategy 3**

*Encourage efficient and sustainable use of agricultural resources*

- Develop infrastructure and agricultural resources (land, soil, and water management)
- Promote proper and sustainable uses of resources
- Encourage farmers to participate in agricultural resources management
- Preparedness for the impact of climate change
- Improve related laws and regulations to meet with current situation

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- **Strategy 1**: Produce adequate food for sustainable domestic consumption
- **Strategy 2**: Encourage all Thai people at all time to access good quality and nutritious food
- **Strategy 3**: Enhance good quality and safety food production, reduce food waste and promote appropriate food utilization
- **Strategy 4**: Promote sustainable use of natural resources for food production

**Agricultural Economics Crop Zoning**

- **Main Components linkage**
  - Sustainable land management
  - Crop production
  - Food Security
  - Smart Farmer
**Agricultural Economics Crop Zoning**

**Importance of Economics Crop Zoning in Thailand**

- The Agricultural Economics Crop Zoning has been set as the main mission of the Office of Agricultural Economics under the Agricultural Economics Act since the year 1979 (Article 5 (2) and Article 15).
- Since 1999 until now, OAE has announced the Agricultural Economics Crop Zoning of 13 agricultural commodities (coffee, cotton, jute, sugarcane, pineapple, cassava, garlic, shallots, onions, chicken, asparagus, pepper, and oil palm.)

**The Agricultural Economics Act of 1979**

**Article 3**

“Agricultural economics zone “ means the area of agricultural production, including animal husbandry and reforestation with to established according to the market conditions and the agricultural economy of the country. With taking into conditions similar to the main factors such as the climate, water resource, crops area, animal feed, types of farming and income of farmers.
The Goal of Agricultural Economics Crop Zoning

How to produce agricultural products in an appropriate way and how to sell it in a reasonable price.

The Approval of the cabinet on agricultural products relating the zoning

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<tr>
<th>Date</th>
<th>Action</th>
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<tr>
<td>20 March 2012</td>
<td>Assigned MOAC to conduct a study on the strategy of key agricultural products for achieving a balance between supply and demand by coordinating with MOC and MOD.</td>
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<td>2 April 2012</td>
<td>Assigned NESDB with MOAC and MOC to formulate the master plan to prevent and resolve agricultural product system problems for entry into the ASEAN Economic Community.</td>
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<td>1 May 2012</td>
<td>Assigned MOAC, MOC, and relevant agencies to implement the following: focus on increasing productivity, reducing costs, improving the quality and value of the product.</td>
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<td>20 May 2012</td>
<td>Agreed on the approach to solve the low price of agricultural products problem by zoning for appropriate crops and assigning to MOAC, MOC, and relevant agencies to conduct study on calculating the cost and selling price of vegetable products.</td>
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Principle/approach and administration of zoning

1. Principle

The Agricultural economics zoning is divided into two levels:

1. Area Level: To work in such participation into practical, it has three pillars as follows:
   1) Zoning for promotion
   2) Zoning for protection
   3) Zoning for Matching

2. Macro Level: Economic factors; Time, Form, and Place

2. Approach:

1) Strategy for province group (18 groups)
2) Key agricultural products and high export value agricultural products (10 commodities)
3) Cluster system (upstream ➔ intermediate ➔ downstream)
4) Target products base on “Thai food to world kitchen” policy
5) Crop land use mapping recommended by Land Development Department
<table>
<thead>
<tr>
<th>approach</th>
<th>Project/activity</th>
<th>agency</th>
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<tbody>
<tr>
<td>1. Zoning for promotion</td>
<td>Project of vegetable cropping in water management area</td>
<td>Permanent Secretary office</td>
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<td>Provincial groups</td>
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<td>Relevant agencies</td>
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<td>Public organization</td>
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<td>Project of cultivation zoning (rice, tomato, onion)</td>
<td>Rice Dep.</td>
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<td>Cooperative Promotion Dep.</td>
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<td>Dep. of Agriculture Extension</td>
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<td></td>
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<td>Northern provincial group 1, 2</td>
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<td>Central provincial group 1 (Kanchanaburi)</td>
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<td></td>
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<td>Relevant agencies</td>
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<td></td>
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<td>Public organization</td>
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<tr>
<td>2. Zoning for protection</td>
<td>Project of standard agricultural production (livestock, shrimp, organic product)</td>
<td>Dep. of Fishery</td>
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<td>Dep. of livestock</td>
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<td>Relevant of provincial groups</td>
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<tr>
<td>3. Zoning for matching</td>
<td>Project of supply chains link to agro-production and processing. (cassava, oil palm, pine apple)</td>
<td>Cooperative Promotion Dep.</td>
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<td>Dep. of Agriculture Extension</td>
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Project of Jasmine rice production for export in Tung Kula Rong Hai
Location-zoning for oil palm identified with suitable land use mapping recommended by Land Development Department

Oil Palm Suitable Land Use Zone

Principle/approach and administration of zoning

3. Administration:

   Administrative mechanism:

   - Committee on Agriculture Policy and Development Plan
   - Sub-committee on the agricultural economics zoning
   - Sub-committee on production management of the agricultural product groups (cluster product)

   Key incentive measures
Key incentive measures for Agricultural Economic Zoning

1) Measures on production such as
   (i) provide basic infrastructure development
   (ii) provide raw material at lower than market price
   (iii) support low interest rate loans
   (iv) support intensive production technology and agricultural machinery etc.

2) Measure on agriculture value added and price such as
   (i) price guarantee
   (ii) crop insurance scheme etc.

Benefits of Agricultural Economics Crop Zoning

- Farmers realize the potential of their own resources and can choose appropriate crops to grow in their own land.
- Government agencies can control and manage balancing of products supply and demand. And also can determine short term and long term measures to manage agricultural production efficiently.
- Private sector acknowledge the potential of raw material production in each area, therefore, they can make decision to invest in agricultural processing and reduce risk from raw material shortage.
- Consumer can purchase goods or services at lower price.
Constraints of Agricultural Economics Crop Zoning

Constraints:

- Voluntary guidelines / non-obligatory
- Farmers make decision according to market price in each year rather than consider the suitable land

Conclusion:

- Strategy which towards efficiency management to reduce production costs for farmers.
- Public-Private-Participation.
- The state must concentrate on support or incentives measures in zoning area.
Thank You!