

# PART III: RICE AND FERTILIZER BANKS IN SURVEYED VILLAGES

## 3.1 CASH CROPS PRODUCED IN SURVEYED VILLAGES

To help provide an overall view of the agricultural situation in the villages, the following table of major commercial crops grown is provided. It should be noted that every village grew rice, but all the rice was consumed within the village.

**Cash crops grown in surveyed villages**

| Village      | Black rice                    | Com | Ginger | Soybean | Taro | Other              |
|--------------|-------------------------------|-----|--------|---------|------|--------------------|
| Huai Eun     |                               | x   | x      | x       |      |                    |
| Kwae Wua Dam | x                             | x   | x      | x       | x    |                    |
| Obsuawaen    | x                             | x   | x      | x       | x    |                    |
| San Pa Rai   |                               |     |        | x       |      |                    |
| Huai Mafai   |                               |     |        | x       |      | Garlic             |
| Lao Fu       |                               | x   |        | x       |      | Lichee,<br>Cabbage |
| Jae Dee Kho  |                               | x   |        | x       |      | Groundnut          |
| Huai Tong    |                               |     |        |         | x    |                    |
| Mae Pun Lang |                               | x   | x      | kidney  |      |                    |
| Na Klet Hoi  | Vegetables for King's Project |     |        |         |      |                    |

## 3.2 RICE BANK VILLAGES SURVEYED

The following is a summary of the status of the rice banks in the villages surveyed. For each village, the village characteristics are provided followed by a summary of the CSDP-supported activities in the village, a description of bank operating problems (if any) and desired future CSDP assistance mentioned by villagers interviewed.

-----

## HUAI EUN VILLAGE

(Therd Thai), Branch District Mae Fa Luang, Chiang Rai Province

### 1. VILLAGE CHARACTERISTICS

This Christian village of Lahu and Akha was established about 15 years ago by persons moving from various other villages where land to farm was scarce. There were 45 households, but few of the people had Thai citizenship.

The village had no electricity, and could be reached only by a dirt road which would be difficult to traverse in the rainy season. There was a mountain water pipe system in the village.

Major commercial crops grown were corn, soybean, ginger, with middle-men from Therd Thai, a local village trading center, purchasing crops in the village. Most villagers also worked for wages in addition to growing crops on their own land.

There was a village revolving fund, not a CSDP activity, capitalized at 3,500 baht. Members could borrow up to 500 baht for up to three months at 2% per month interest. In addition, the village had planted fast growing trees to use as a village woodlot as there was not enough fuelwood available in the surrounding forests.

### 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

The rice bank started five years ago with 44 members, but has now been reduced to 33 due to families leaving the village for lack of sufficient land to grow crops. No members have resigned from the bank and stayed in the village. The cost of becoming a member was five thang of rice. New members were being accepted and non-members were allowed to borrow rice at the same terms as members as the bank had sufficient rice to meet the demands of bank members. The bank committee consisted of seven members.

For the first two years of the bank, rice loans were repaid in kind with 30% interest, later reduced to 20%. No cash was accepted in repayment for borrowed rice. Ostensibly the maximum rice loan per household was 15 thang, with an average of 10 to 15 thang. However, some households borrowed up to 30 or 40 thang. Rice was repaid following the next rice harvest.

Administration of the bank was by a committee of seven which is reelected every two years, but existing members may be re-elected. Committee meetings were held every three months after Sunday services, then rice was distributed the following Monday to those who wanted to borrow.

### Summary of Huai Eua Village Rice Bank Operation

| Year  | Number of members | Amt. of rice in bank (thang) |
|-------|-------------------|------------------------------|
| 1989  | 44                | 283                          |
| 1990  | 29                | 280                          |
| 1991  | 37                | 361                          |
| 1992  | 34                | 508.5                        |
| '1993 | 35                | 581+228=809 *                |

\* (8,000 baht borrowed from CSDP to buy rice)

### 3. BANK OPERATING PROBLEMS

None of the interviewed villagers or committee members expressed any problems with the bank operation. They stated that they were accruing an excess of rice each year from interest payments of borrowing households, and were considering selling some of the excess to earn cash for village development projects. However, they also said that the average yields of rice was falling, and that the Royal Forest Department would not allow expansion of planted area. In 1992 the bank committee borrowed 8,000 baht from CSDP to purchase additional rice to loan to villagers as demand exceeded supply. The average amount of rice loaned per household is rising. Although there had not yet been any cases of villagers defaulting on loans, these conditions could indicate that in the near future this village will suffer a severe rice shortage which could have severe deleterious effects for the rice bank.

### 4. DESIRED FUTURE CSDP ASSISTANCE

Villagers desired assistance establishing a fertilizer bank and a village revolving fund.

---

## KWAE WUA DAM

Mae Yao Sub-district, Muang District, Chiang Rai Province

### 1. VILLAGE CHARACTERISTICS

This Karen village, established 34 years ago had a population of 194 in 38 households. A significant number lack Thai citizenship. Located adjacent to the Mae Kok river about 40 km. from a hard surfaced road, on a dirt road that would be very difficult to traverse in the rainy season. There is no electricity, but a mountain pipe water system is in operation. Nearly all villagers are Christian.

Major commercial crops grown were black glutinous rice, corn, soybean, ginger and taro. Crops were generally sold in Chiang Rai, while some were sold in the village to middle-men.

Some villagers worked on the farms of others for (very low) wages for intermittent periods in addition to growing crops on their own land.

This village would be flooded if the Mae Kok Dam project is implemented. The dam project was currently under active government review, which reduced general villager confidence in long-term village development activities.

In addition to the rice bank, there was also a women's group, a weaving group, a Kok River Conservation Group, a youth group and a cooperative store.

## 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

All 29 members of the rice bank which was established four years ago were Christian, and many non-members borrowed rice based on the membership of a father or son. The cost of becoming a member is five thang of rice. Rice loans were repaid in kind with 30% interest, and no cash is accepted in payment of borrowed rice. The maximum loan per household was initially set at 500 kg., but this restriction had been deleted as there was sufficient rice in the bank to allow all to borrow as much as desired since a cash loan from CSDP was received.

Administration of the bank was by a committee of seven which was reelected every four years; serving members could be re-elected. Committee meetings were held every month.

The accounting methods used by village bank leaders was in need of improvement: it was not possible to determine the amount of rice borrowed each year without manually totalling figures as borrowing and repayment were listed in the same column.

The rice storage facility itself had been modified in an attempt to keep out mice, but it was in need of further repair.

### Summary of Kwae Wua Dam Village Rice Bank Operation

| Year | Number of members | Amt. of rice in bank (kg.) | Amt. borrowed (kg.) |
|------|-------------------|----------------------------|---------------------|
| 1991 | 29                | 3,976                      | 3,789               |
| 1992 | 29                | 4,924                      | 4,520               |
| 1993 | 29                | 7,909*                     | 7,406               |
| 1994 | 29                | 8,840                      |                     |

\* (6,028 baht borrowed from the CSDP to buy rice)

## 3. BANK OPERATING PROBLEMS

There were no reported problems with operation of the bank. A minor problem of infestation of mice in the granary was reported.

As the total amount of rice borrowed per household had risen each year, this village may have a problem in the future when villagers will be unable to repay loans. (One person interviewed indicated that some households had a problem repaying loans at harvest time, although the committee members and rice bank records showed all loans had been repaid.) Villagers said the problem of insufficient rice had been exacerbated the past two years due to rice disease problems.

#### 4. DESIRED FUTURE CSDP ASSISTANCE

Other than continued support for the rice bank, no additional CSDP assistance was desired.

---

### OBSUAWAEN VILLAGE

Mae Yao Sub-district, Muang District, Chiang Rai Province.

#### 1. VILLAGE CHARACTERISTICS

This Lahu village was established more than 30 years ago, and now has a total of 47 households and a population of 214. A significant number of villagers lacked Thai citizenship. The village was located adjacent to the Mae Kok river, on a dirt road that would be very difficult or impassable to traverse in the rainy season. There was no electricity.

Major commercial crops grown were black glutinous rice, corn, soybean, ginger and taro. Crops were sold either in Chiang Rai or to middle-men in the village.

This village would be flooded if the Mae Kok Dam project is implemented. This project was currently under active government review which had reduced general villager confidence in long-term village development activities.

Besides three rice banks (one supported by CSDP), there was a corn bank and a tithing group in the village. Cooperation between CSDP and these other projects was not assessed.

#### 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

The chief distinguishing feature of this village is that there are a total of three rice banks operating. The first bank established, with only 15 thang of rice, well below borrowing demand, was started by HDWC. That bank had increased to 39 thang, but had no storage facility. Although no HDWC rice bank members were interviewed, from conversations with CSDP bank members it appeared that HDWC loans were "rolled over," i.e., the borrowers needed to immediately borrow the same amount of rice again.

The CSDP rice bank began later, 4 years ago with a membership of 18.

Then, three years ago, International Christian Aid (ICA) started a third rice bank with an initial allotment of 100 thang. Persons interviewed stated that ICA required all households with children receiving ICA education scholarships to join the ICA rice bank. The rice of the ICA

bank was stored in the home of the local religious leader (sala). No ICA rice bank members were interviewed.

The CSDP rice bank was at a disadvantage at the outset vis a vis the other banks as it required new members to pay a fee of 120 baht as well as to deposit 5 thang of rice in the bank, whereas the other banks required no initial investment. The requirement for a cash fee had since been discontinued, but the five thang initial deposit remained. The interest rate for rice loans was also reduced from 40% to 20%, matching that of the other banks.

The project accounts could not be audited due to a change in CSDP extension officials and problems with the bank treasurer not being able to understand written Thai in the account books. (Villager fluency in spoken Central Thai and Northern Thai dialects was also minimal.)

The CSDP storage facility had a problem with mice. Otherwise the facility is in good order.

### **3. BANK OPERATING PROBLEMS**

Total membership in the CSDP bank has dropped to six; this is due to households moving away according to the CSDP rice bank committee. The committee says there are persons wanting to join the CSDP bank, but who lack the initial membership fee of five thang of rice. They said they would like the CSDP bank to succeed as it would be a model for others that the villagers can own and operate their own rice bank.

It appeared that there was significant internal dissention among the residents of this village which they did not share during the interviews and which would have a negative impact on the CSDP rice bank project.

### **4. DESIRED FUTURE CSDP ASSISTANCE**

No desires for future CSDP assistance were stated by persons interviewed.

---

## **SAN PA RAI**

**Tambon Mae Ja Rao, Mae Ramat District, Tak Province**

### **1. VILLAGE CHARACTERISTICS**

This Karen village of more than 200 households, divided among three sub-villages or "blocks" was founded more than 30 years ago. The population included Protestant and Catholics as well as Buddhists. The village had electricity and running water; the village had paved streets, although some sections of the road leading to the village were unpaved.

The major cash crop, soybeans, was sold in the village to merchants from Mae Ramat and other sub-villages in their vicinity.

Other than the fertilizer bank, the village has a rice bank (10% interest).

## 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

The fertilizer bank has had 43 members since its beginning nearly five years ago, each of whom paid a membership fee of 200 baht. No members have been allowed to join or to quit the bank since then. New members will be accepted at the end of the initial five year period. Fertilizer was purchased by the bank, with transportation costs born by the bank, at 460 to 480 baht per bag; members repay 500 baht per bag. The initial loan from CSDP will be paid off this year.

Meetings of the bank members were held twice a year. Topics of discussion have, over the past three years, focused on how to get delinquent members to repay loans. No penalty was charged for late payment of loans.

The bank treasurer had training in accounting. All members were trained in the village on proper use of fertilizer and pesticides.

### Summary of San Pa Rai Village Rice Bank Operation

| Year | Number of members | Amt. of rice in bank (thang) |
|------|-------------------|------------------------------|
| 1991 | 20                | 234                          |
| 1992 | 20                | 304                          |
| 1993 | 20                | 298*                         |

Note: Actual amount of rice probably did not decrease from 1992 to 1993; the apparent reduction is due to a change in accounting from volume measure (thang) to weight measure (kilograms)

## 3. BANK OPERATING PROBLEMS

The accounts of bank activities have been entered as daily transactions only. There are no summaries of bank activity each year, so it is impossible to ascertain the total amount of funds remaining in the bank or annual expenditures, etc.

A major problem with this fertilizer bank center around the management of bank funds. For the first two years, all loans were repaid on time. Then, in the third year, some members delayed payment. Other members followed their example, so the amount of cash available for loan was reduced. This problem of failure to follow bank policy was exacerbated when the bank committee chairman unilaterally decided to make cash loans to certain villagers without consulting the committee. (The bank operating procedures made no provision for any such revolving fund-type loans.) One loan of 10,000 baht was still outstanding. The upshot is that members had to purchase fertilizer from other sources, including middlemen who charge 5% interest per month, as the bank had insufficient funds to meet member's loan needs. The members describe the overall problem as a lack of "cooperative community spirit."

#### 4. DESIRED FUTURE CSDP ASSISTANCE

Because of the problems with non-repayment, some villagers wanted to disband the current bank and start again. Others feel that further efforts should be made to collect outstanding loans and continue with the original bank.

Further training was desired on how to improve crop production.

---

### HUAI MAFAI

Tambon Mae La Noi, Mae La Noi District, Mae Hongson Province

#### 1. VILLAGE CHARACTERISTICS

This Karen village, established about 50 years ago, had a population of 28 households and 103 residents, most Protestant with some Catholics. There was no electricity in the village, and the dirt road leading to the village was rather difficult.

The major cash crops, soybean supplemented by garlic, were usually sold in the village, with some farmers hiring transport to sell their crops in the local town.

There were no other banks or other similar community activities in the village.

#### 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

There were 20 members of the rice bank, each of whom had paid a membership fee of 5 thang of rice. (Two members had purchased two "shares" in the rice bank, paying 10 thang of rice each.)

Rice was loaned at an interest rate of 20%. All loans and repayments were in rice rather than cash. When rice loans were repaid, that rice was sold, and new rice was purchased when more was needed to make loans to keep fresh rice stocks in the bank. The rice bank committee planned that when rice bank stocks increase, the excess rice not needed for loans would be sold and the profits divided among members. There was limited borrowing of cash from the bank, with loans repaid in rice at a rate of 12 thang of rice for each 500 baht borrowed.

#### 3. BANK OPERATING PROBLEMS

Accounts of bank activities was satisfactory, although a change in the units of measurement of rice from thang to kilograms caused some discrepancies in the account record. (The change from thang to kilograms was instituted because there were different size "thang" [volume] measures in the village.) The current amount of rice in the bank was stated by the treasurer to be about 300 thang.

Bank meetings were held twice or three times a year, with good attendance of members.

The only training received by bank members was the accounting training given to the bank treasurer.

The overall impression was that this village worked hard to make their bank successful, and that there was excellent community spirit and a desire to help less fortunate villagers. (The village religious leader is also an advisor to the bank project.)

The bank was appreciated by members because they no longer had to travel to the town to purchase rice.

#### 4. DESIRED FUTURE CSDP ASSISTANCE

Possible additional CSDP activities desired included establishment of a fertilizer bank and training on crop production.

---

### NA KLET HOI

Tambon Ban Chan, Mae Chaem District, Chiang Mai Province

#### 1. VILLAGE CHARACTERISTICS

This small Karen village had only 26 households and 184 residents, mostly Christian with three Buddhist households. Founded more than 50 years ago, the village now had no electricity and no paved road, but it did have running water.

The King's Project was active in this village, encouraging villagers to grow various vegetable crops such as Japanese pumpkin, *phak wan*, etc. Income from these crops as reported by interviewed bank members was quite low: below 2,000 baht per household per year. They indicated that the price policy of the project was not clear to them and that they had no bargaining power regarding price.

Overall, this village seemed to have a particularly strong community spirit, with a ready willingness to help each other in time of need.

#### 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

CSDP activities started in this village with a loan to establish a rice bank in 1990, with all 27 households becoming members. An initial five thang share of rice was collected from each member; however, nearly all households provided ten or even fifteen thang of rice (two or three "shares" in the rice bank). Based on the number of thang borrowed from the bank by individual members each year, it would seem that there are some households in this village who were consistently unable to produce enough rice for their own consumption. Based on average incomes from cash crops and wage labor, it is estimated that they would not be able to purchase sufficient supplementary rice.

The storage facilities for rice was sturdy enough, but seemed to be too small for the needs of the village: the building was filled to overflowing. A larger facility may be in order. One rat was found and killed in the storage facility during the village visit: although the legs of the storage building were wrapped in steel sheet, the wooden stairs to the building were not taken up after use, providing easy access to rodents. Minor structural changes in the door and keeping the stairs up off the ground should solve the problem.

The bank committee of five holds meetings of all bank members four times a year. Members who fail to attend meetings are charged five baht. The committee indicated that if a member fails to repay a rice loan, the committee would make up the deficiency; however, there has been no repayment problem yet. (Although this may well become a problem in the next few years due to chronic low rice production).

The committee chairman had received training on bank management, and the treasurer had been trained on accounting methods.

#### Summary of Na Klet Hoi Village Rice Bank Operation

| Year | Number of members | Amount of rice in bank (thang) |
|------|-------------------|--------------------------------|
| 1990 | 27                | 204                            |
| 1991 | 27                | 355                            |
| 1992 | 27                | 430                            |
| 1993 | 26*               | 468                            |
| 1994 | 26                | 440/685**                      |

\* One member died in 1993

\*\* An additional 245 thang of rice was purchased with a loan from CSDP

### 3. BANK OPERATING PROBLEMS

The bank records were reasonably clear and accurate, and the treasurer was quite enthusiastic about his duties.

The committee felt that one of their goals should be to increase the supply of rice in the bank as it was not yet sufficient to meet the needs of the villagers.

### 4. DESIRED FUTURE CSDP ASSISTANCE

The members and committee all indicated a desire for technical assistance with agricultural production methods.

### 3.3 FERTILIZER BANK VILLAGES SURVEYED

The following is a summary of the status of the fertilizer banks in the villages surveyed. For each village, the village characteristics are provided followed by a summary of the CSDP-supported activities in the village, a description of bank operating problems (if any) and desired future CSDP assistance mentioned by villagers interviewed.

---

#### LAO FU VILLAGE

Pa Teung Sub-district, Mae Chan District, Chiang Rai Province.

##### 1. VILLAGE CHARACTERISTICS

Established approximately 20 years ago by the current, and highly charismatic, village headman, this Chinese Haw and Akha village had a total population of 570 from 87 households. The Village is located adjacent to the Mae Chan River on a main all-weather road and has electricity and running water.

Economic crops grown included lichee, ginger, soybean and corn. Lichee was sold to a processing factory in Mae Chan; other crops were sold either in Mae Chan or to a middleman in the village. Many villagers regularly left the village for extended periods to work in Bangkok, Japan or Taiwan.

The village included an apparently highly successful drug addiction rehabilitation center for Chinese Thais. In addition to the fertilizer bank, there was also a village cooperative store, a buffalo bank, a rice bank (started by HDWC) and a village revolving fund. This highly industrious village planned in the near future to import improved breed pigs (initially 10 breeding pairs) from Taiwan with support from Taiwan Christians and feed purchased through an agreement with the Chaoren Phokhaphan Company.

##### 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

There were a total of 29 fertilizer bank members, an increase from an initial membership of 21. Members paid a 200 baht fee to join the fertilizer bank. Villagers prepared a shopping list of fertilizer desired, then CSDP actually made the purchases and arranged delivery at a cost of 5 baht per 50 kg. bag which was paid by the bank to CSDP (and included in the price paid by bank members). About 200 bags of fertilizer were sold through the bank each year for the three plus years the bank has been operating. Members paid a premium to the bank of 10 to 30 baht per bag, a significant savings over the cost of an individual household travelling to the town to buy fertilizer and transporting it to the village. The fertilizer storage facility was in good repair. The bank committee consisted of seven members.

It is anticipated that next year (1995) the original CSDP loan of 44,640 baht will be paid off entirely. The current balance, after loan repayment, was 19,449 baht. There was a problem with accounting done by the original bank treasurer which have largely been solved; however,

the current treasurer was not using the accounting procedures promoted by CSDP, but rather was using a small ledger of his own design. The accounting language used was Burmese.

PAYAP UNIVERSITY

### Summary of Lao Fu Village Fertilizer Bank Operation

| Year | Number of members | No of bags of fertilizer purchased | Value of fertilizer purchased |
|------|-------------------|------------------------------------|-------------------------------|
| 1991 | 21                | 78                                 | 22,880                        |
| 1992 | no data           | 70                                 | 12,870                        |
| 1993 | no data           | 174                                | 13,910                        |
| 1994 | 29                | 192                                | no data                       |

#### Notes:

1. Original 1991 loan from CSDP was 44,630 baht for construction of fertilizer storage facility and purchase of fertilizer/pesticides. The amount still outstanding was 8,926 baht. Bank fund had a total of 28,375 baht.
2. Value of fertilizer per bag varies with the type of fertilizer.

### 3. BANK OPERATING PROBLEMS

Bank meetings were held four times per year; although member participation was limited, apparently the bank mechanism still worked so smoothly.

There were no problem with members not repaying fertilizer loans; all villagers interviewed seemed to be experienced with commercial dealings.

Record keeping was done in the Burmese language, and did not follow CSDP guidelines; nevertheless, the records appeared to be accurate and complete.

### 4. DESIRED FUTURE CSDP ASSISTANCE

No additional projects from CSDP were requested. The bank committee did indicate that they wanted CSDP assistance with the fertilizer bank to continue.

---

## JAE DEE KHO

Mahawan Sub-district, Mae Sot District, Tak Province

### 1. VILLAGE CHARACTERISTICS

This village, established 19 years ago, had a total of about 400 households and a population of 3,000. It was composed of three "blocks" or sub-village units which were located within a few kilometers of each other. The Hmong "block" was the initial group which began the CSDP fertilizer bank, but the project has now expanded to the other two "blocks" inhabited by mostly by Karen and Thai. The village is located just off a hard surfaced road, 26 kilometers from the

town of Mae Sot on the Burmese border. There was electricity and water to nearly all households.

Major commercial crops grown are corn, soybean, peanuts and a species of beans (ถั่วเขียว). Many households hire field workers to grow their crops. Most farmers sell to local merchants who purchase crops in the field, i.e., the merchant takes all responsibility for transporting the crops from field to market. A significant number of villagers borrow from BAAC at special low rates of interest given to small farmers.

There is a kindergarten school for local children run by a Christian volunteer who is also quite active in all aspects of CSDP activities.

## 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

CSDP activities started in this village with a loan to establish a fertilizer bank in 1989. Bank members appreciated the fertilizer bank as they paid a premium of only 50 baht per 50 kg. bag rather than a local market interest rate of 4% per month. Begun with 35 members, there were now 47 members and three more expected to join this year. Non-members could purchase fertilizer, but must pay in cash rather than buying on credit. There was apparently a waiting list for membership in the fertilizer bank in spite of the fact that the membership fee had been raised from 200 baht to 500 baht. The committee only allowed two or three new members per year - a limitation in large measure due to constraints on the amount of bank funds.

Fertilizer bank members have, on their own initiative using fertilizer bank profits, established a rice bank and a pesticide bank as well as a village revolving fund. Repayment of all loans was in cash rather than kind. (Loans from the rice bank were used to feed hired field laborers; villagers preferred to grow upland rice for their own consumption.)

In addition to a central accounting system for the fertilizer bank, each member had his own individual account book in which were recorded purchases of fertilizer as well as loans of rice and cash. Fertilizer bank record keeping was satisfactory. Members who fail to repay loans were not allowed to purchase additional commodities until all debts were paid.

All money loaned by CSDP had been repaid. The current bank balance in the fertilizer bank was about 120,000 baht.

As of this year, delinquent payment of loans will incur an interest charge of 2% per month. (Which is exactly half the interest rate charged by local money lenders.)

The storage facilities for fertilizer, pesticides and rice were located in adjoining rooms of a medium size facility which appeared to be in good repair and provided adequate protection.

The bank committee of seven is elected every year; members can be reelected. Meetings are held once or twice a year. The committee is assisted by a local "advisor" who is also a Thai Christian missionary who operates a kindergarten located in the village for about 50 children. At least in some areas of bank operation, the advisor seems to have more of a managerial than an advisory role.

Committee members stated they had received training in environmental protection and accounting. The general membership has received training on use of fertilizer and pesticides.

#### Summary of Jae De Kho Village Fertilizer Bank Operation

| Year | Number of members | Value of fertilizer purchased | Value of fertilizer purchased |
|------|-------------------|-------------------------------|-------------------------------|
| 1989 | 35                | 0                             | 23,508                        |
| 1990 | 38                | 42,062                        | 48,932                        |
| 1991 | 40                | 40,830                        | 41,860                        |
| 1992 | 42                | 38,700                        | 49,050                        |
| 1993 | 45                | 72,200                        | 40,300                        |
| 1994 | 47                | 87,230                        | 31,115                        |

### 3. BANK OPERATING PROBLEMS

The only problems with the banks were that a few members were slow in repaying loans and members sometimes did not attend bank meetings.

### 4. DESIRED FUTURE CSDP ASSISTANCE

Some bank members wanted CSDP to help establish a village credit union; one member wanted a cooperative established. Additional training on use of fertilizer and pesticides was also desired.

---

## HUAI TONG

Tambon Huai Pu Ling, Muang District, Mae Hongson Province

### 1. VILLAGE CHARACTERISTICS

This Karen village of 84 households and a population of 460 was founded more than 100 years ago. This Christian village has electricity and running water, but is reachable only by an unimproved dirt road.

The only major cash crop was taro, which the villagers sold either in the village or, depending on transportation, in Bo Kaeo Village or even to Chiang Mai. Cash cropping of taro began in this village after a road to the village was constructed. Continued planting of taro using traditional agricultural methods resulted in reduced yields, hence the villagers' desire to use

fertilizer. Income from sale of taro was quite low, only a few thousand baht per family in most cases.

In addition to CSDP, the Thai-German Highland Development Project (TG-HDP) is operating in the village through the Hilltribe Development and Welfare Department, a government agency. TG-HDP has provided fruit tree seedlings among other activities. There are also two co-operative stores in the village selling basic commodities.

This village has a problem with rice production: more than half the villagers were reported to be producing insufficient rice for home consumption. Those with insufficient rice had to mix what rice they had with ground corn, or, in more extreme cases, with banana plants - food normally reserved for pigs.

## 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

CSDP activities started in this village with a loan to establish a fertilizer bank in 1990. Bank members paid an initial fee of 200 baht per household and a premium of 50 baht per 50 kg. bag plus 25 baht interest for a total of 75 baht per bag. Membership in the bank was steady at 17 until a 10,000 baht loan from TG-HDP in 1993 allowed an additional 17 members to join. There are other non-members who would like to join, but have not yet done so because the total funds in the bank cannot purchase sufficient fertilizer to meet the added demand. Three of five installments on the loan from CSDP have been repaid on time.

The storage facilities for fertilizer was only moderately sturdy, but the villagers stated they had immediate plans to build a new structure.

The bank committee of five holds meetings of all bank members three or four times a year. Members who fail to attend meetings are charged five baht.

The committee chairman had received training on bank management, and the treasurer had been trained on accounting methods.

### Summary of Huai Tong Village Fertilizer Bank Operation

| Year | Number of members | Total fertilizer bank funds |
|------|-------------------|-----------------------------|
| 1990 | 17                | 36,145                      |
| 1991 | 17                | n/a                         |
| 1992 | 17                | n/a                         |
| 1993 | 17                | n/a                         |
| 1994 | 34                | about 50,000                |

Note:

A 10,000 baht fertilizer supplement was received from TG-HDP in 1993, allowing an increase in membership.

### 3. BANK OPERATING PROBLEMS

The bank records were not sufficiently clear to determine directly the amount of funds in the bank each year.

It is anticipated by the bank committee that this year (1994) there will be loan repayment problems as the taro crop has been poor. Bank members also stated that better cooperation among villagers would improve bank operation.

All fertilizer purchases were made by CSDP personnel in Chiang Mai, and the fertilizer was delivered to the village. Bank committee members stated that they had no experience in purchasing fertilizer and would not feel confident to do so on their own.

### 4. DESIRED FUTURE CSDP ASSISTANCE

The main desire expressed was for a credit union to provide loans for their children to study and for crop production. They cannot now borrow for these purposes for lack of collateral.

---

## MAE PUN LANG

Tambon Wiang, Wiang Pa Pao District, Chiang Rai Province

### 1. VILLAGE CHARACTERISTICS

This Red Lahu and Black Lahu village had 120 households and 950 residents, mostly Christian with some Buddhist and animist households. Founded 16 years ago, the village now had electricity and running water but the road to the village was unpaved and in poor repair.

The main cash crops crops grow, ginger, corn and some kidney beans, were sold in Wiang Pa Pao.

There was a credit union, founded six months ago, which had a total of 26,000 baht. Although not a CSDP activity, CSDP project officials have provide advice to the credit union organizers. Villagers also borrowed from cooperatives located in nearby villages at 1.5% to 3% per month. There was also a women's rights group formed in the village with assistance from Chiang Mai University which provided fruit tree seedlings among other activities.

### 2. CSDP-SUPPORTED ACTIVITIES IN THE VILLAGE

CSDP activities started in this village with a loan to establish a fertilizer bank in 1989, with 30 households becoming members with payment of 200 baht each. The number of members has not increased as the bank committee decided not to admit new members as there was not yet enough funds in the bank to provide sufficient fertilizer. The final repayment of the CSDP loan will be made this year, after which additional members may be allowed to join as financial circumstances allow.

The storage facilities for fertilizer was not very good. The bank had a plan to build a new, larger structure to accommodate the increases in fertilizer purchased. This year for the first time bank members (the bank treasurer) had purchased their own fertilizer rather than depending on CSDP. Bank record keeping was in good order.

The bank committee of six holds meetings of all bank members three times a year: the first meeting to take orders for fertilizer, the second to schedule repayments by members, and the third meeting to collect repayments. Members are charged 3% interest per month for late repayment of fertilizer loans.

The committee chairman had received training on bank management, and the treasurer had been trained on accounting methods. Members were trained on use of fertilizer and pesticides.

#### Summary of Mae Pun Lang Village Fertilizer Bank Operation

| Year | Number of members | Number of bags of fertilizer bought | Amount of funds in bank (baht) |
|------|-------------------|-------------------------------------|--------------------------------|
| 1989 | 30                | 276                                 | 93,908                         |
| 1990 | 30                | 323                                 | 101,850                        |
| 1991 | 30                | 333                                 | 108,735                        |
| 1992 | 30                | 374                                 | 106,684                        |
| 1993 | 30                | 286                                 | 102,855                        |
| 1994 | 30                | 304                                 | 106,700                        |

### 3. BANK OPERATING PROBLEMS

There were no problems with villagers repaying fertilizer loans on time. However, there was a misunderstanding at the outset of the bank: it was explained that members who purchase more fertilizer would be given a larger share of any bank profits. This was not consistent with the actual concept that each member with his 200 baht fee purchased an equal share of the bank. This misunderstanding had not yet been completely resolved.

Due to the limited funds in the fertilizer bank, not all members were not able to borrow as much fertilizer as they wanted.

### 4. DESIRED FUTURE CSDP ASSISTANCE

Villagers want financial assistance with construction of a new fertilizer storage facility. They also wanted an increased supply of fertilizer in the bank.