Political mindset crucial for Thai agriculture, says DOAE

Department of Agricultural Extension urges policymakers to reform the country's agricultural sector to cope with climate change and evolving market demands

Thailand needs a political mindset on agricultural policies to cope with the impacts of the changing landscape of markets, climate change, advanced technology, and ageing population.

The need to rethink the way agriculture is handled comes as the Thai GDP expanded only 1.5 per cent year on year in the first quarter, mainly due to the ongoing US-China trade war and the impact of geopolitical conflicts on the global economy, according to the National Economic and Social Development Council.

The agricultural sector, which currently accounts for 9 per cent of the country's GDP from the previous 30 per cent, dropped by 4.1 per cent year on year in the first quarter. El Nino's impact on crop yield and rainfall was among the reasons behind the small agriculture GDP expansion, the Office of Agricultural Economics said.

The natural phenomenon, which brings reduced rainfall to Southeast Asia and southern Australia, has been declared over, although the UN Food and Agricultural Organisation has indicated that its lingering effects are leaving a significant mark. An increase in rainfall is likely due to the onset of La Nina later this year.

Although many technologies to mitigate the impacts of climate change like drones and data analysis have been introduced so far, some farmers face limitations in their use them due to a difference in educational background.

Several economists including the World Bank and the International Monetary Fund have thus urged Thailand to pay attention to reforming the country's structure and human capital development to stimulate GDP expansion by 3-5 per cent annually.

Agriculture needs a political mindset

DOAE director-general Peeraphan Korthong said in an exclusive interview with The Nation that the subsidy being handed out to 8.8 million farmers has adversely affected the sector's productivity and competitiveness, explaining that this policy is causing farmers to avoid competition or fail to improve cultivation methods.

"We used tax revenue from the service and industrial sectors to subsidise the agriculture sector. If the service and industrial sectors cannot expand, how can the agriculture sector survive?" he asked.

He noted that subsidies would be better offered to senior farmers aged above 60 years, the number of which is estimated at 2,987 people, instead of young farmers aged 17-45 years thought to number 23,412, to ensure maximum return on investment.

Subsidies for the elderly cost less than large agriculture promotion projects, he said, adding that this move also aims to ensure their quality of life after retiring from working their farms.

He added that young farmers should be able to access training, technology and cost mitigation to raise their productivity and discipline.

"Thailand needs to change its political mindset [on agriculture] by understanding the impact of climate change, digital transformation and a change in population structure," he said.

The government has spent more than 100 billion baht to improve farmers' quality of life so far, including through aid to farmers at the rate of 1,000 baht per rai of farming land, capped at a maximum of 20 rai or 20,000 baht.

Recently, the Cabinet agreed to earmark 29.99 million baht to cover a fertiliser subsidy, capped at a maximum of 20 rai or 10,000 baht.

Peeraphan also believes that the Thai agricultural sector has the potential to attract new and competent farmers as long as it shows it can generate revenue for the country.
If engineers were to become farmers, they could use their mathematical minds to accelerate development, he said, adding that science and technology play an important role in the agriculture sector due to climate change.

He also stressed that Thailand should take action on digitisation, technology and climate change disruption seriously to boost competitiveness and keep up with the global move towards a digital and low-carbon economy.

“Everyone, including the country’s leaders, should play an important role in these issues, he said, adding that Thailand still lacks understanding of climate change adaptation and mitigation.

Bio, circular and digital technologies are crucial for the transition, which will be fast and competitive, he said.

Human resources key
Peeraphan noted that human resource development is crucial to boosting Thai GDP, pointing out that Singapore is promoting the potential of human resources to develop modern skills to drive the country’s economy.
Along with offering subsidies for purchasing farming materials, he explained that farmers will be trained as follows:

- **Growth mindset and antifragility:** Farmers should have a growth mindset and develop antifragility to come up with solutions against disruption in the agricultural sector, such as the Russia-Ukraine war, which pushed fertiliser prices higher.
- **Learning skills:** Farmers should be able to learn about new agriculture technology and skills that could be applied to their cultivation method.

- **Financial skills:** Farmers should have financial discipline that includes when they should save money or repay debt. Meanwhile, they should know how the economic situation affects their lives, such as the central bank's interest rate hike's impact on business operation costs and product prices.
- **Digital skills:** Farmers should be able to use applications and utilise data in agriculture, such as humidity in soil and the perfect time for watering crops, and be able to access e-commerce platforms to boost their competitiveness in the digital market.
- **ESG (Environment, Social and Governance):** Farmers who work as a group should have good governance to help with implementing strategy, boost operational efficiency and mitigate risk. They should also keep up with social

trends and be aware of climate change to attract consumers and cope with trade regulations, such as demand for plant-based foods among semi-vegetarians and the European Union Deforestation Regulation aiming to reduce production and consumption of products obtained by cutting down trees.

"At the very least, the department officials should be aware of these skills, so they can attract young farmers to learn," he said, adding that some people need to hone

their skills over time to become smart farmers.

Smart agriculture against climate change

Peeraphan said DOAE is working on the development of smart farming to observe its efficiency in boosting maximum crop yield, along with a reduction in the use of water, and chemicals and of greenhouse gas emissions. "The new farming method is being conducted on 10 crops such as maize, cassava, longan and durian," he said.

He said the department plans to launch an application that gathers a variety of agriculture services in the next fiscal year, such as tractors, harvesters, drones and workers. This move also aims to create big data on agriculture service providers and allow farmers to access such services, he added.

He affirmed that the number of farmers registering with the department had increased over the past 10 years. He said registered farmers are able to access data on weather forecasts, crop diseases and agriculture pests, as well as government subsidies.

The department would encourage new farmers to register for agriculture via the Farmbook smartphone application instead of visiting local agencies like District Agricultural Extension Offices, so they could be ready for digital transformation, he said.

High-value agriculture

Peeraphan noted that Thai agriculture should be transformed into high-value agriculture to boost the country's GDP. He said cassava can be processed into flour for consumers who are allergic to gluten in baked goods, while oil palm can be used in chemical and cosmetic industries.

"We will not just grow rice but make it a food supplement, and as in ingredient in cosmetics, medicines and/or biomaterials," he said.

He also confirmed that integrated farming is a solution to sustainably boost farmers' income. Adopting integrated farming allows farmers to generate income throughout the year compared to focusing on one crop, he added.

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