

## BAAC Loan (X)



Interview with Orchard Farmers in Surat Thani District

### Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥5,000 million / ¥5,000 million
Loan Agreement	February 1990
Terms and Conditions	Interest rate: 2.7%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	July 1993

### Project Profile

The project was to provide farmers with funding through the Bank for Agriculture and Agricultural Cooperatives (BAAC) to contribute to raise farming incomes promoted by the Thai government, and to promote recovery from the damage inflicted by the 1988 southern floods.

### Results and Evaluation

The 935.6 million baht extended for the project was provided to individual farmers in 15,693 sub-projects over two and a half years. The BAAC evaluation report states that the average recorded household income of end user farmers rose by 40% in Chiang Rai between 1990 (before the loans) and 1993 (afterwards), by 30% in Kamphaeng Phet, and by 120% in Kon Khaen. It can be inferred that the funds provided by the project contributed to these income increases. In addition, a marketing survey was conducted with the aim of modernizing agriculture, and the BAAC built a support system for the marketing of agricultural products by encouraging the foundation of agricultural product sales cooperatives and their cooperation with BAAC branches.

After 1997, the number of non-performing loans under the project, which financed to lower income farmers and flood damage relief, has been increasing due to the impact of the economic crisis. The BAAC is working attentively with farmers who are in arrears on payments, discussing repayment methods with them individually.