

# Baac

Bank for Agriculture and Agricultural Cooperatives

**"To be a secured rural development bank  
with modern managerial technology  
focusing on enhancement of the  
quality of life of farmers and people"**



[www.baac.or.th](http://www.baac.or.th)



Bank for Agriculture and Agricultural Cooperatives (BAAC) is one of the government's specialized financial Institutions (SFI) responsible for providing financial assistance to farmers and rural entrepreneurs. With that assistance, they would increase their productivities as well as their incomes, and as a result people would meet a higher standard of living. Furthermore, BAAC also offers deposit service which is similar to those offered by commercial banks.

## History

In 1947 the Bank for Cooperatives was established to serve as a source of funds for the cooperatives in Thailand at that time. The Bank carried out its lending operations until 1966, and then it was replaced by the Bank for Agriculture and Agricultural Cooperatives (BAAC) under the jurisdiction of the Ministry of Finance in order to provide more effective services and make it more accessible to farmer clients.



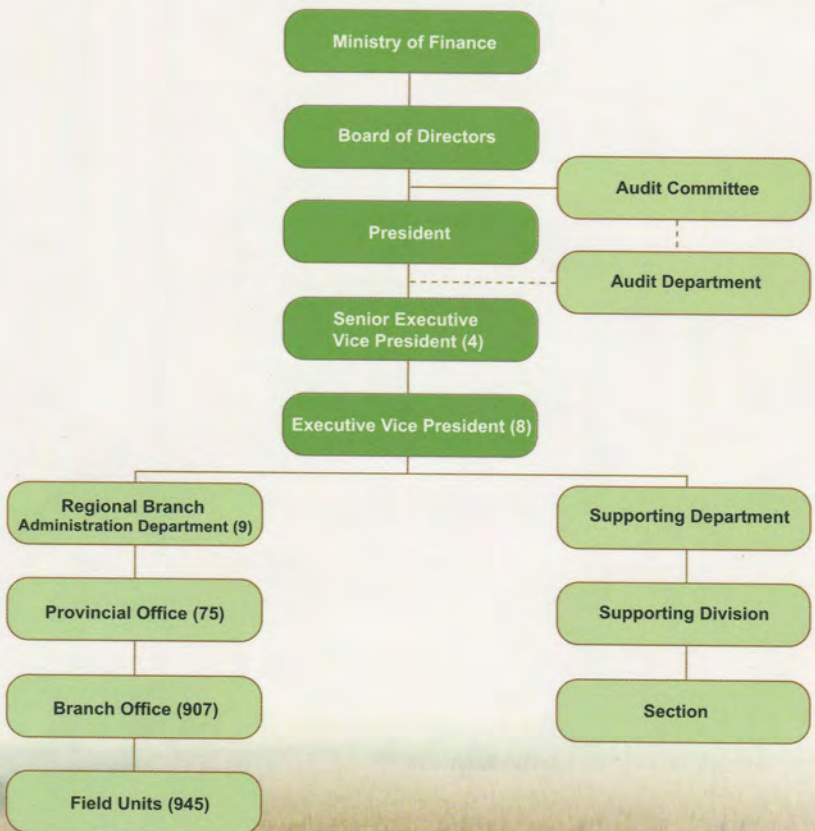
## Objective

BAAC aims to be a strong financial base rural development bank with modern management to enhance of the quality of life of farmers and rural entrepreneurs through the provision of financial assistance in the form of loans for agricultural production, investment and marketing purposes.

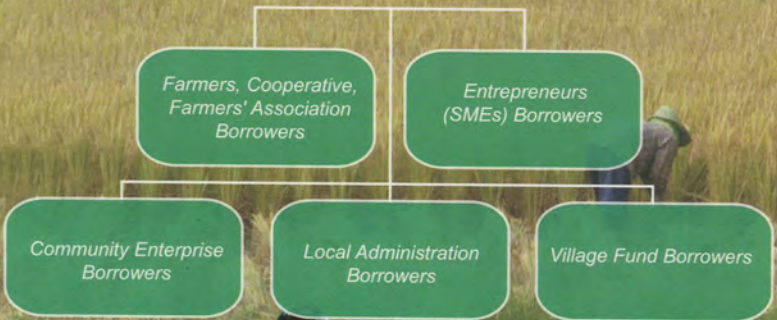
## Structure and Organization

BAAC has a decentralized structure of authority, function and responsibility. It carries out agricultural credit and banking mandate by means of a five-tiered organizational structure comprising Bangkok Head Office, 9 Regional Branch Administration Departments, 75 Provincial Offices, 907 Branch Offices, and 945 Field Units. An organizational chart is as follows:

# Organization Structure



# BAAC Client Base





# BAAC Services

## Lending

### **Credit services for individual farmers**

- ◀ Short term loans for agricultural production (working capital)
- ◀ Loans for postponement of farm produce
- ◀ Medium and long term loans for investment
- ◀ Cash credit lines
- ◀ Long term loans for refinancing old debts
- ◀ Loans for farm-related and non-farm activities
- ◀ Loans for quality of life improvement :
  - ☞ Housing
  - ☞ Education
  - ☞ Medical care
- ◀ Loans for overseas working

### **Credit services for farmer's Institutions**

- ◀ Re-lending to members
- ◀ Procurement of farm inputs and equipment
- ◀ Long term agricultural investments



## Deposit services

**Standard:** savings, fixed - term and current account

**Special:** Om sap taweechoke (lucky draw)  
Om sap taweessin (cash prize draw)

### **Depositor supplementary services :**

- Personal accident insurance
- Health insurance
- Money transfer, remittance and account payment services



## Others

- ◀ Islamic banking window
- ◀ Marketing support: Agricultural Central Market and Agricultural Marketing Co-operatives (AMCs)
- ◀ Social welfare: Funeral Aid Associations (micro insurance)
- ◀ Government policy operation
  - ☞ People's Debt Solving Program



## Project in response to the Government Policies

In order to cope with government policies, BAAC has provided a number of helpful projects to its farmer clients such as

### *Loans for Postponement of Sale of Produce Project*

This project assists farmer clients by providing additional revolving fund while farmers can delay the sale of produce. With this project, customer will pay money back to BAAC when their produce is sold.

## Supervised Loans Project

BAAC offers loans with closed supervision to its customers. With this project BAAC's customers would spend their loan suitably on production process in order to get the highest production.

## Social Support Projects

BAAC has several projects in order to support society such as

### *Tsunami Extension*

BAAC and European Union have provided assistance to 6 coastal provinces along the Andaman Sea in career and income development as well as environment conservation.



### *80th Birthday Anniversary planting tree project*

BAAC in cooperation with Land Development Department and Royal Forest Department devised a campaign to help conserve the environment by planting trees on the large area of 300,000 Rais from the year 2007 to 2009. On the occasion of celebrating His Majesty the King of Thailand's 80th Birthday Anniversary.



### *The Best Performance State-Owned Enterprise*

BAAC has won the State-Owned Enterprise Award (SOE Award) in the best performance category for three consecutive years (2005 - 2007) and in the best social and environmental responsibility category in 2007.





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