



## Branch Offices

BAAC's 75 Provincial Offices are located within each of the Bank's nine operation regions, as follows:-

|                        |    |                    |
|------------------------|----|--------------------|
| Upper Northern Region: | 8  | Provincial Offices |
| Lower Northern Region: | 9  | Provincial Offices |
| Upper Northern Region: | 11 | Provincial Offices |
| Lower Northern Region: | 8  | Provincial Offices |
| Central Region:        | 9  | Provincial Offices |
| Eastern Region:        | 9  | Provincial Offices |
| Western Region:        | 8  | Provincial Offices |
| Upper Southern Region: | 5  | Provincial Offices |
| Lower Southern Region: | 8  | Provincial Offices |

## FOR FUTHER INFORMATION PLEASE CONTACT

Public Relations Division

Bank for Agriculture and Agricultural Cooperatives,  
469 Nakornsawan Road, Bangkok 10300, Thailand

Tel. 280-0180

Fax. No. 02-2814823

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

*(Produced by P.R. Division, 16 May 2005)*

# Introducing BAAC



Bank for Agriculture and  
Agricultural Cooperatives





## Historical Background

The Bank for Agriculture and Agricultural Cooperatives or BAAC was founded in 1966, as the funding source for farmers and farmers' institutions as investments in their agricultural practices or other supplementary occupations related to agriculture.



## Primary Objective

BAAC's main objectives are to promote the improved social and economic well-being of Thailand's farming population through the provision of financial assistance in the form of loans for agricultural production, investment and marketing purposes. From the past to the future, as an accomplished Bank for Rural Development, BAAC is now a funding source for comprehensive development, with more future plans, aimed at enabling farmers and strengthening farm communities and the rural areas of Thailand, true to its ideal of BAAC standing by the people and understanding their values.



## Structure and Organization

BAAC carries out its agricultural credit and banking mandate by means of a five-tiered organizational structure comprising Head Office, Regional Branch Administration Departments, Province Offices, Branch Offices and Field Offices.

### Head Office

BAAC Head Office is located in Bangkok. The Head Office is responsible for the Bank's central accounting system, planning, procurement, personnel administration, internal auditing and inspection and overall credit administration. Approximately 1,563 of the Bank's total of 13,247 staffs work at the Head Office.

### Regional Branch Administration Departments

There are 9 Regional Branch Administration Departments located in different regions to administrate work of Provincial Offices down to Field Offices under their authority.



### Provincial Offices and Branch Offices

BAAC's network of 75 Provincial Offices with 593 district branches encompasses all regions of the country. Branches are located in provincial centers and district towns in reasonably close proximity to their farming clientele. Each branch is supervised by a Branch Manager.

### Field Offices

BAAC's 899 Field Offices are located in district towns and are the Bank's front line of contact with farming communities in districts, sub-districts, and villagers. Field Office staffs are instated at the rate of one officer to around 450 client farmers and each Field Office has an average of five staffs. Field officers are responsible for investigating and screening farmer applicants, processing loan applications and supervision loan utilizing by client borrowers.



## BAAC customers

BAAC has presently more than 5 million farm families as customers, both directly and through farmers' institutions, making up 90 percent of farm families in Thailand.

## Lending Operations

Under its regular lending program BAAC makes various types of loans available to both individual client farmers' institutions viz agricultural cooperatives and farmers' associations. In addition, provision of technical assistance and marketing support are forthcoming from relevant public and private sector agencies, BAAC makes credit provisions to special integrated agricultural development projects and agribusiness schemes.



## Credit Services

### 1) Credit Services for Farmers (Including credits for community enterprises and special projects)

BAAC has provided credit services to individual farmers with various lending facilities including loans to assist the farmers to defray his annual seasonal production expenses, such as the costs of fertilizer, hired labor, chemicals, fuel, seeds, rentals and necessary household expenses. The lending facility for these purposes is the cash credit lines, which is made available to client farmers with good credit history with the Bank. By means of the cash credit line procedure, whereby loanable amounts are fixed for each year over a contract period of up to five years, the Bank is able to give a timely and more efficient credit service to farmer borrowers.



Moreover, BAAC also provides loans for investment in agricultural assets whose usefulness normally exceeds a single production season, such as purchasing farm machinery, or investing in breeding animals and loans provided to enable farmer borrowers to purchase or develop agricultural resources, or invest in agricultural assets requiring a lengthy periods of time before the farmer starts to receive a return on his investment. The proceeds of most investment loans are utilized to purchase, develop, or consolidate land for agriculture or to purchase, construct, or upgrade fixed assets such as farm buildings or development of farm-land.

### 2) Credit Services for Farmers' Institutions

Loans are made available to agricultural cooperatives and farmers' associations comprise loans for subsequent on lending to farmer members, loans as working capital for input procurement and marketing assistance and long term loans for investment in fixed assets.

### 3) Credit Services for Government Secured Loan Projects

The government secured loan projects are set up by the government in response to cabinet resolutions or policy that calls for the extension of credits for occupational promotion and development and a better standard of living for farmers as well as to assist farmers facing occupational problems. Examples are damages from disasters or natural calamities which affect the output or quality of a farmer's products or falling prices. Government assistance may include a provision of loans through BAAC with eased conditions including a low rate of interest or some other forms of interest compensation. Most of these credits have been for production or marketing. Two examples are the Loans for Postponement of the Sale of Farm Produce Project.



## Debt Restructuring Program

BAAC has provided assistance by way of debt restructuring program for the people to solve debt problems both those owed to conventional and non-conventional sources, including the rehabilitation of occupations to solve poverty problems and to improve the quality of life of the people.



## Asset Capitalization Program

Asset capitalization program is the program that BAAC undertakes to create opportunities for the people through the access to capital sources, an aim of the Government in building strong economic foundation of the country.

## Mortgaging of Agricultural Produce

Mortgaging of agricultural produce, such as rice, maize, coffee and tapioca is a project implemented by BAAC to ease problems of price fluctuation and marketing of farm produce.



## Future with New Projects

BAAC looks into the future with new projects, such as Green BAAC, a new dimension of a financial institution with new technologies, to support all types of financial businesses on a full-cycle basis.

A - Cash is a new step in loan extension by BAAC as quick cash service for emergencies offered to customers.

Moreover, BAAC has a customer service, by offering a one-stop pay point for utilities, goods and services, as the Thawimit Service under the slogan "At once, everywhere, and all over Thailand."

## Core Banking System (CBS)

BAAC's future of is the introduction of the Core Banking System or CBS, a system for banking transactions, linked up in the nationwide network of BAAC. Thus, customers can use the service wherever and whenever they want.



## Learning Organization

BAAC has adjusted itself to take up the challenges of the future, with the aim to develop the organization and personnel into a learning organization, under the concept of "Modern, country-minded, and looking towards the rural area"



## **Agribusiness Promotion**

BAAC's agribusiness promotion activities aim to assist the Bank's client farmers to increase incomes by upgrading the quality of their agricultural products by promotion various integrated production-processing-marketing models and by liaising with marketing agencies and companies in the public and private sectors on behalf of the Bank's farmer clientele. In response to government directives BAAC also implements special marketing support schemes such as Paddy Pledging cheme, in order to strengthening the bargaining position of farmers producers and thereby improve their income-generation capacity.

## **Banking Operations**

In addition to its various credit provisions, BAAC offers banking services to the general public. The Bank makes various types of deposit available for both the urban and rural areas, such as savings deposit, time deposit, Thawisin savings lottery, and the Thawichok savings. Interest rates on deposits are supervised by the Bank of Thailand and are on a par with interest rates offered by commercial banks.

## **BAAC financial status**

At present, BAAC has over 400,000 million baht as operating capital. More than 300,000 million baht are from deposits, accounting for more than 80 percent of the total operating capital.



## **Agricultural Marketing Cooperatives (AMC)**

Agricultural cooperatives for marketing and Thai Agro-Business Company Limited make up another important tool to add value to farm products, by means of collecting products to be distributed to markets both in and outside the country, such as the promotion of the production of clean tapioca strips, and other seasonal produce collection programs.

## **Loans for Development Concept**

BAAC has been operating under the principle of Development-led Loans by entrusting the Chamnian Saranak Institute for the Development of Agriculture and Rural Communities to undertake systematic development of farmers' occupation in knowledge and skills.



## **Village and Urban Community Revolving Fund Scheme**

Project of the Government that BAAC has been involved is the Village and Urban Community Revolving Fund Scheme. BAAC has assisted in building funding capacity for farmers, with more than 15,000 funds in the custody and under the management of BAAC, aimed to be developed into Village Bank that is self-sustained and stable.