



I. INTRODUCTION

This preliminary report has been prepared jointly by the University of Wisconsin Northeast Rainfed Agricultural Development Team and the designated staff of the Royal Thai Government. The Team consisted of Drs. William Bateson, John H. Ellis, Ved Prakash (Leader) and Thomas Trout and Mr. Edward Fallon in behalf of Regional Planning and Area Development, University of Wisconsin, Madison under USAID Contract No. AID/DSAN-C-0060. The members of the RTC staff who collaborated in this effort included: Miss Pansri Pooprakorn, Dr. Plodprasop Suraswaki, Mr. Pramuan Setarat, Dr. Prasoot Sittisoung, Mr. Thana Thongton (Coordinator), Dr. Vijai Noparomornbodi, Dr. Vises Prasert, and Dr. Wanee Samphantharak all of the Ministry of

Agriculture and Cooperatives and Mr. Sombhong Fattamavichaijorn of the Department of Technical and Economic Corporation.

Messrs. Robert Queener, Wayne Sloten, and Det Trishad all of the USAID Mission closely participated towards the preparation of this report and provided logistic support and invaluable assistance.

The Mission was carried out during the period June 24 through July 27, 1979. Meetings were held with various officials of the Royal Thai Government and others (Annex I). The period July 3-6 was spent in Northeast Thailand (for details, see Annex II).

The team was charged with the preparation of a prefeasibility study for Northeast Rainfed Agricultural Development.

The problems and the related constraints and issues for development of the Northeast are well documented and need not to be recounted in detail here.

At the present time, less than three per cent of farmlands are serviced by irrigation system. Long range programming for irrigated agriculture envisions that a maximum of about 10 per cent of the Northeast farmers may benefit from irrigation compared to 20 per cent nationwide. Thus, even in the long run, 90 per cent of farmlands will be cultivated under rainfed conditions, implying very limited opportunities for double cropping.

Thailand has maintained rapid economic growth over the past two decades, averaging between seven and eight per cent per annum in real terms. It appears that the benefits of rapid growth have been enjoyed by large segments of the population. The Northeast has also experienced significant growth although the rate of growth of its regional product (and per capita regional product) has been below the national average.

A large proportion of the gains in the Northeast can be attributed to expansion of the areas under cultivation and increasingly important role of cash crops, and their relative prices. Over the past decades, substantial public resources have been transferred and significant measures have been undertaken to address the problems of the Northeast as a lagging region. The per capita level of infrastructural facilities and other services have improved. However, these facilities and services have been spatially concentrated.

Incomes in the urban areas of the Northeast are comparable with each other and with other urban areas of Thailand. However, the per capita product in the Northeast is considerably below that of any other region of Thailand. Further, the growth of the Gross Regional Product per capita in the Northeast is less than any other region except the North (see Annex III). Within the Northeast region itself, there are very significant spatial differences in both the per capita income levels and in their rates of growth in recent years.

1. See for example, The World Bank, Thailand: Toward A Development Strategy of Full Participation. (Report No. 2059-TH, September 1, 1978.)

The major challenge for Northeast rainfed agricultural and rural development lies in increasing productivity, reducing risks which farmers (especially the small and poor) face due to unpredictability of rainfall, and ensuring more equitable distribution of benefits and income gains.

The next Chapter outlines major strategies for agricultural and rural development in the Northeast. Chapter 3 outlines the crucial elements for project approach. Institutional, organizational, and financial issues are discussed in Chapter 4. The final chapter includes recommendations and next steps towards development of the Project Paper.

