



Marketing and Logistic Development

Anchan Chompupoung

- *Assistant Director of Royal Project Foundation Chiang Mai Office*
 - *Chief of Research and Development Division*

The International Conference On Rising to the Challenge of Sustainable Development Goals (SDGs) through Sustainable Highland Development:

*The Royal Project Model
Royal Park Rajapruek, Chiang Mai*

22-24 December 2019

Out line

1

Royal Project Alternative Development Model

2

***Marketing under Royal Project
Sustainable Alternative Development Model***

3

***Achievement from Marketing under
Alternative Development***

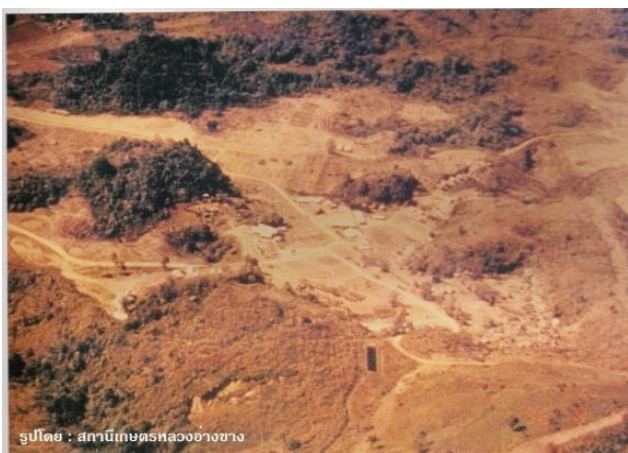
4

Way Forward

Statement of Thai Highland Problems in 1960s



- Hill tribe communities had settled in remoted mountainous areas in 20 provinces
- Forest land clearance by slash and burn farming
- Limited access to basic needs and infrastructure
- Extreme poverty



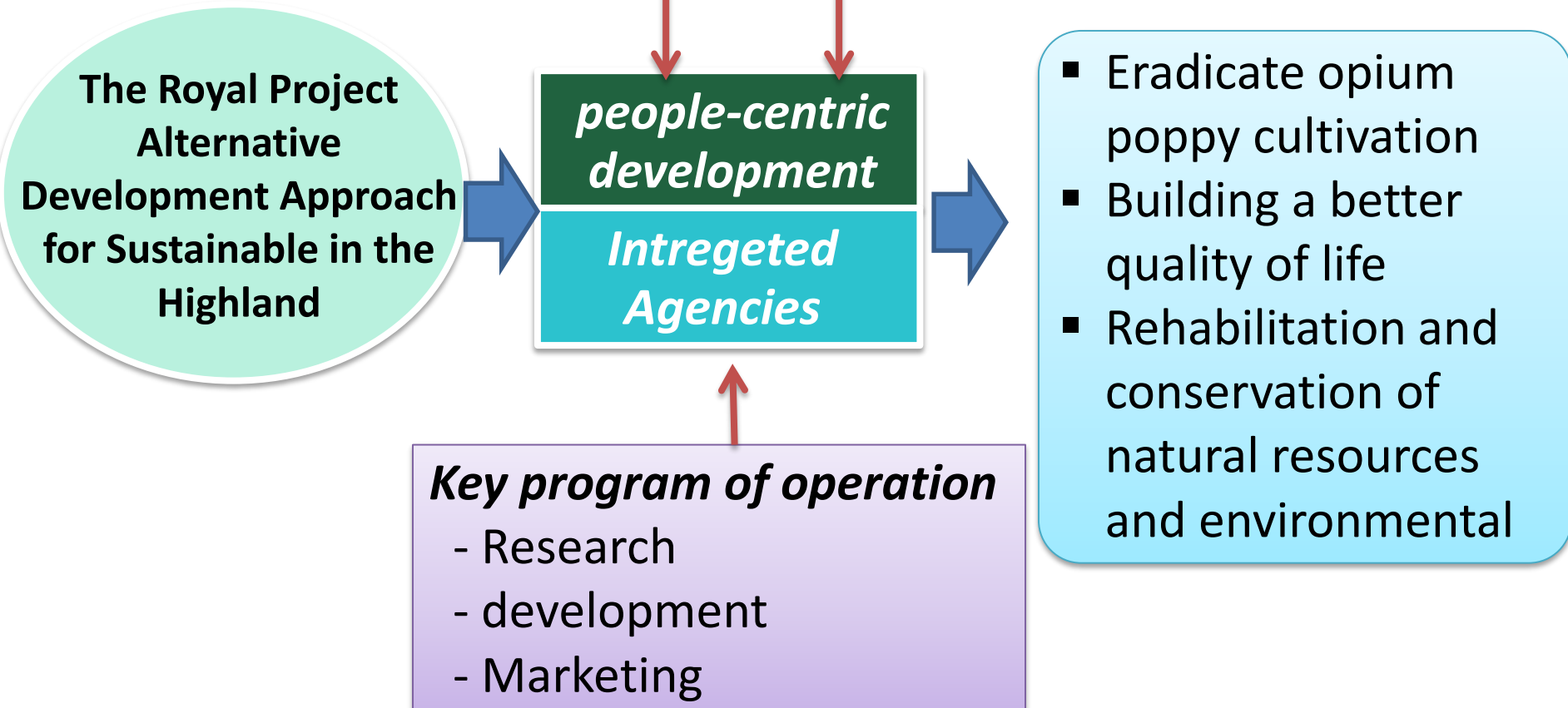
The Royal Project Alternative Development Approach for Sustainable Development in the Highland

King's Philosophy

Sufficiency Economy Philosophy

Work Principle

Area approach
Understand.. Access... Develop



Key Programs for Sustainable Development

The Royal Project's alternative development approach comprises of three interlinked programs intervention.

"Knowledge transferring"

Temperate crops with cultivation technology and livestock have been introduced to hill tribe farmers as sources of income generation.



"Research is imperative on what are not known"

Research on suitable crops with suitable cultivation and livestock have been conducted continuously.

"Marketing" key part of sustainable development success

Marketing is an important part of success for crops replacement of opium poppy cultivation.



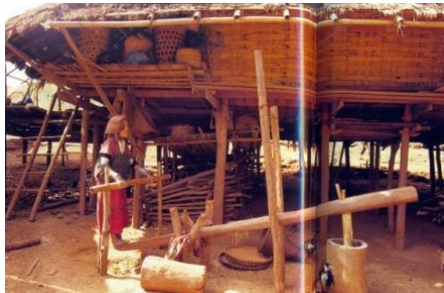
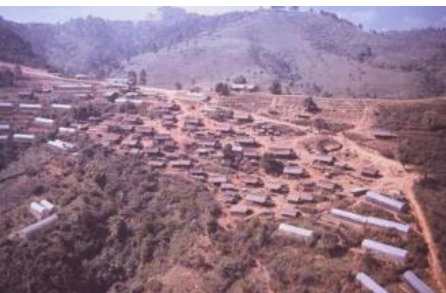
Marketing Establishment

*Hill tribe need
income for
household's
expense*

Hill tribe people were unable to sell the produce by themselves due to

- Most communities were far from city.
- Transportation was in poor condition.
- Temperate crops were not known to the market.
- The marketing managed by private company was not properly functioned.

★ while “opium can be traded in the highland area.”



Marketing Unit Establishment

**Establishing Marketing to support
the sale of agricultural product
for cash income**



Marketing unit cooperated with 2 universities.

- 1981 Chiang Mai office in Chiang Mai university
- 1983 Bangkok office in Kasetsart University

***Royal Project
comprehensive
marketing is a social
and non-profit
enterprise aiming
at helping
the farmers***



Marketing Strategy of Highland Development Product



Building Customer Awareness

Branding



At the inception phase

Having “Doi Kham” as the product brand that means fertility mountain and being as valuable as gold



Modification range

Doi Kham brand was replaced with the new brand called “Royal Project” that conveys the organization image and trust in high quality produce – freshness, hygiene and food safety.



At present

The Royal Project produce is certified by domestic and international food safety standard.

Building Customer Awareness

Promotion

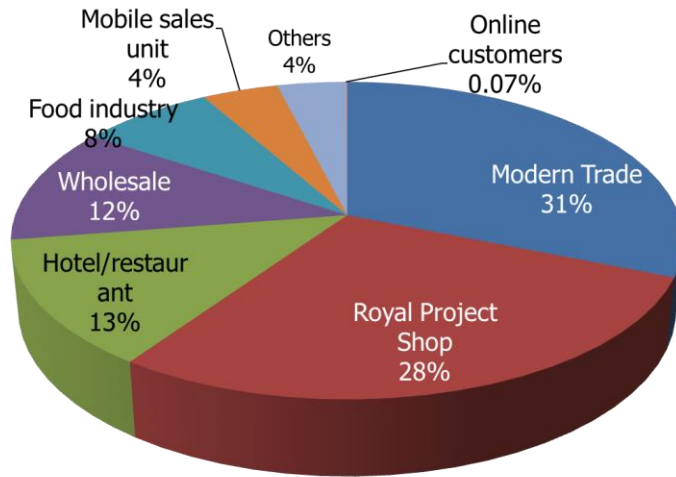
***“The Royal Agriculture Fair”
was organized firstly
in Bangkok in 1980***

***At present, Royal Project Fair
has been annually organized
in Bangkok and Chiang Mai
since 1989.***

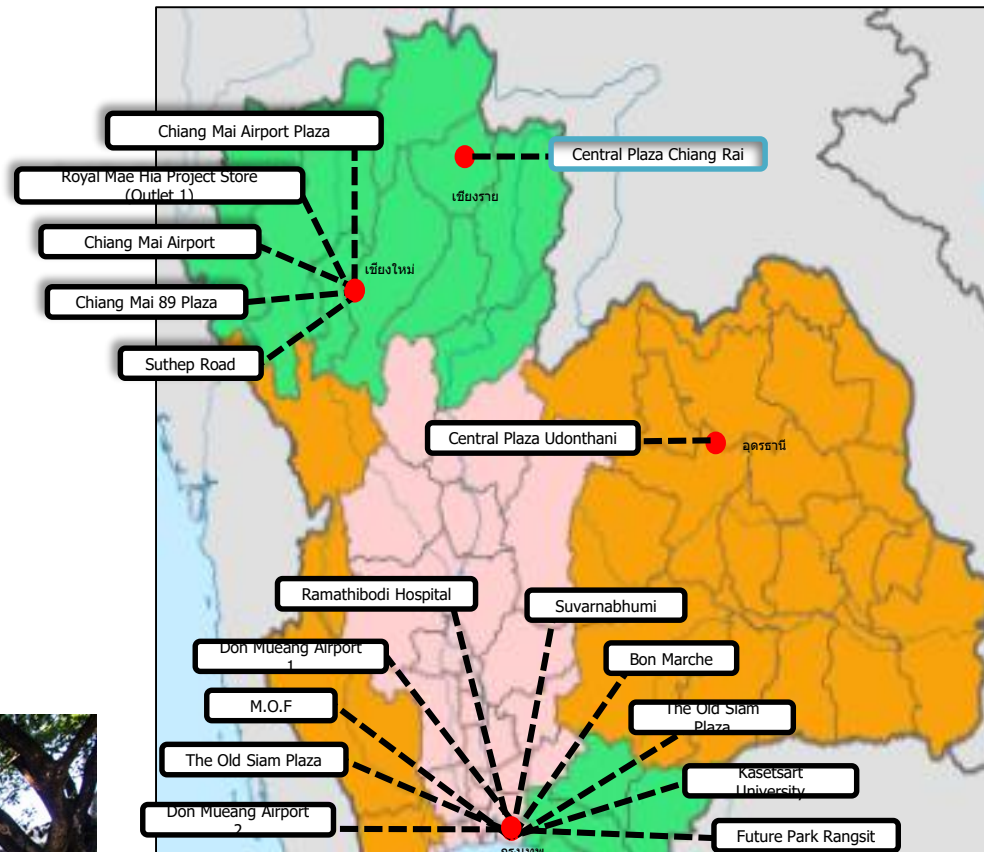


Marketing Channels

Marketing channel of highland produces



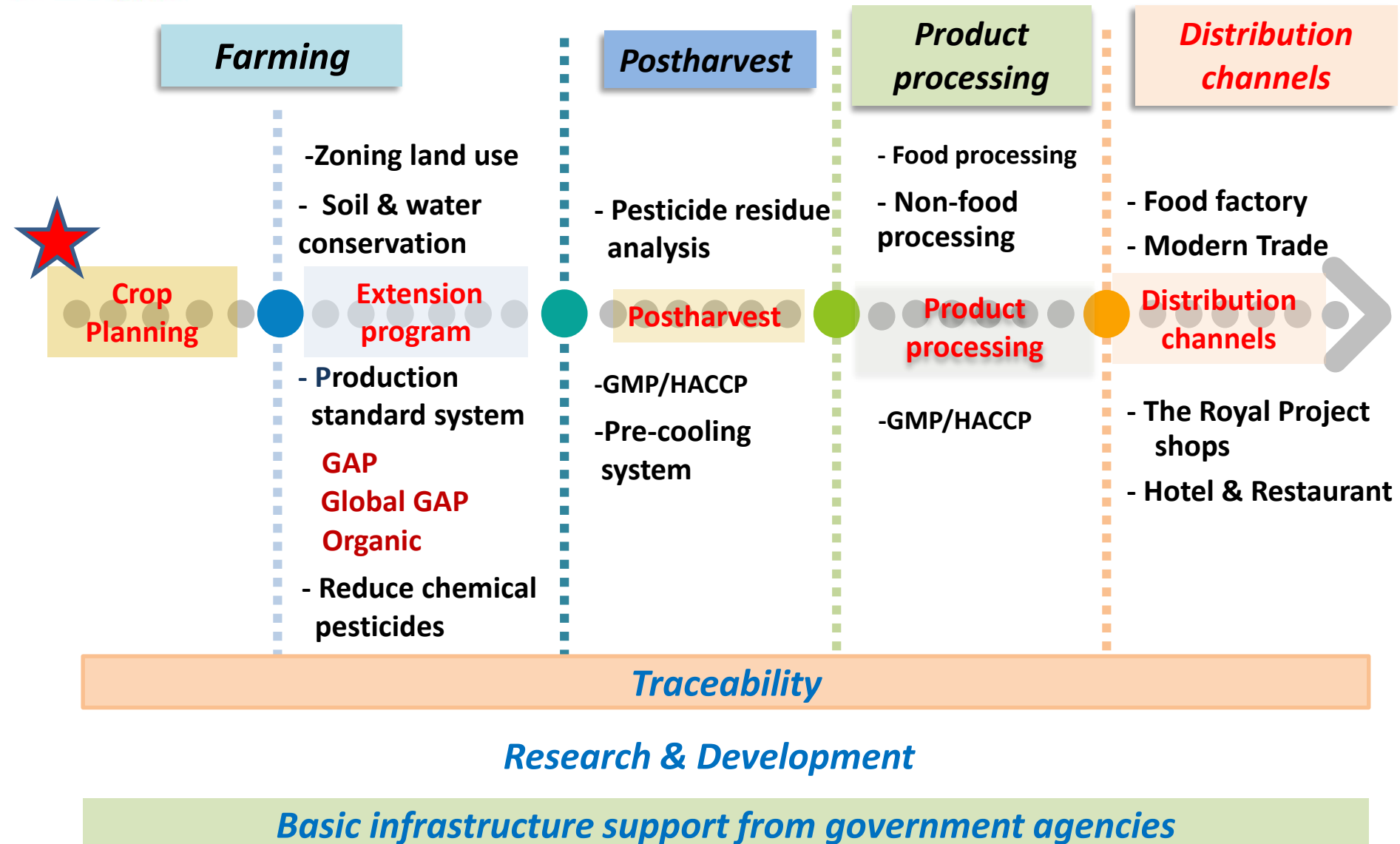
Royal Project Shop



There are 17 Royal Project shops, in total
10 in Bangkok, 5 in Chiang Mai,
1 in Chiang Rai and 1 in Udon



Royal Project comprehensive marketing



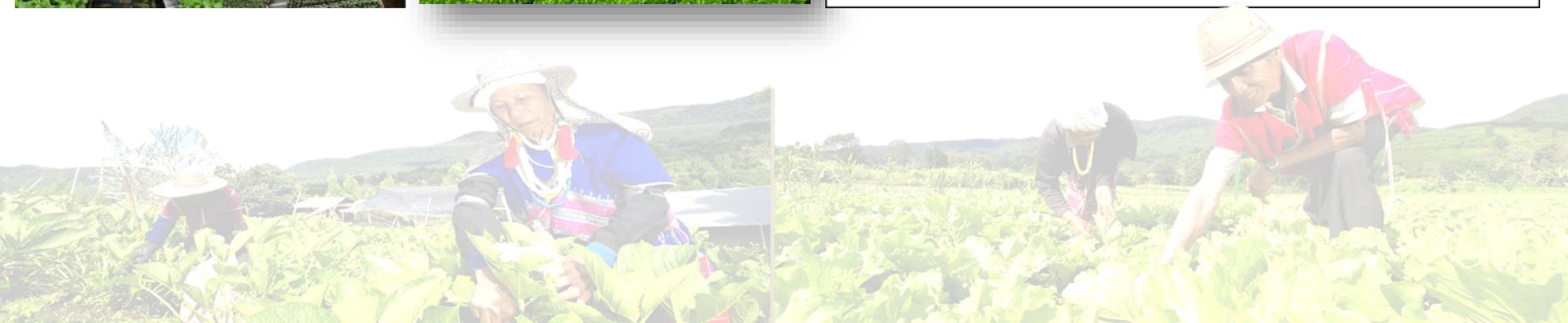
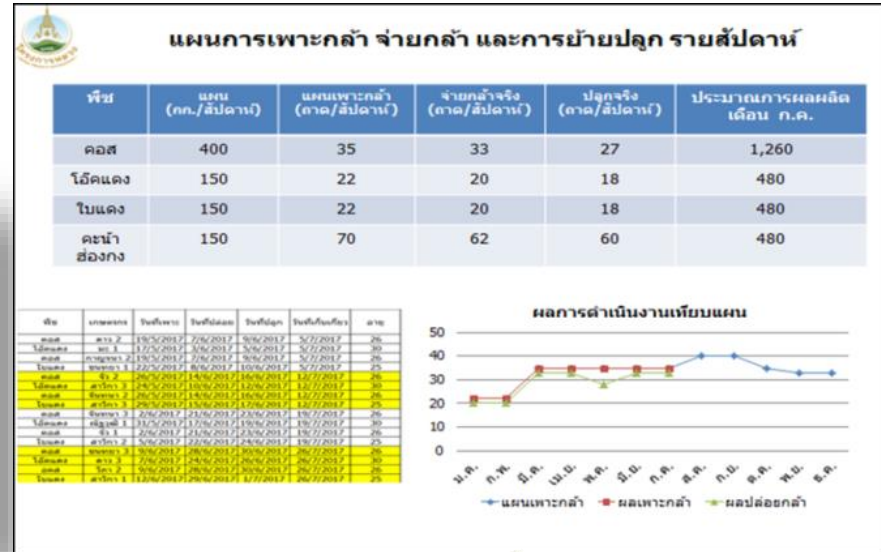
Quality Management System – food safety and environmental-friendly production

Crop planning

- For reducing the marketable risk, crop planning follows marketing demand.



Weekly plan seeding preparation, seeding distribution, transplanting

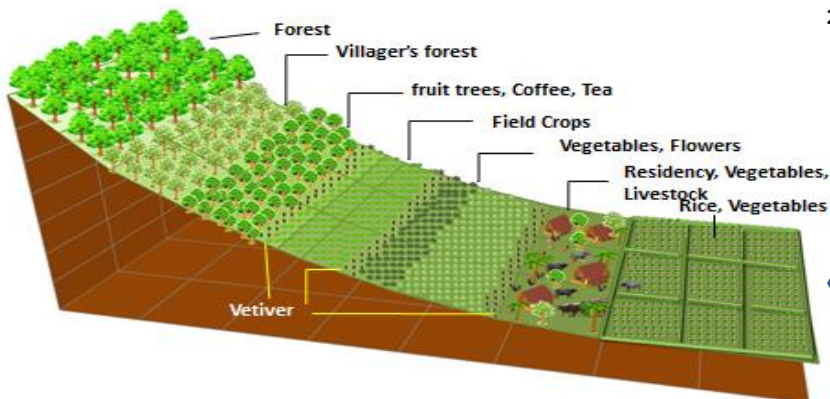
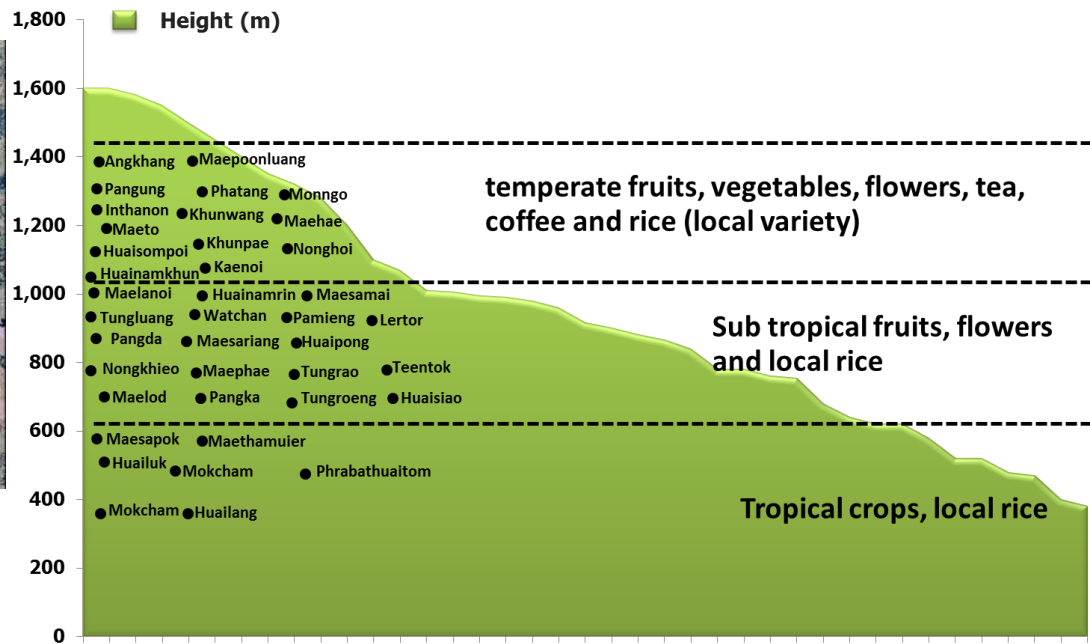


Quality Management System – food safety and environmental-friendly production

Zoning and Controlling farmer land use



Setting up the appropriate crop type to the area height

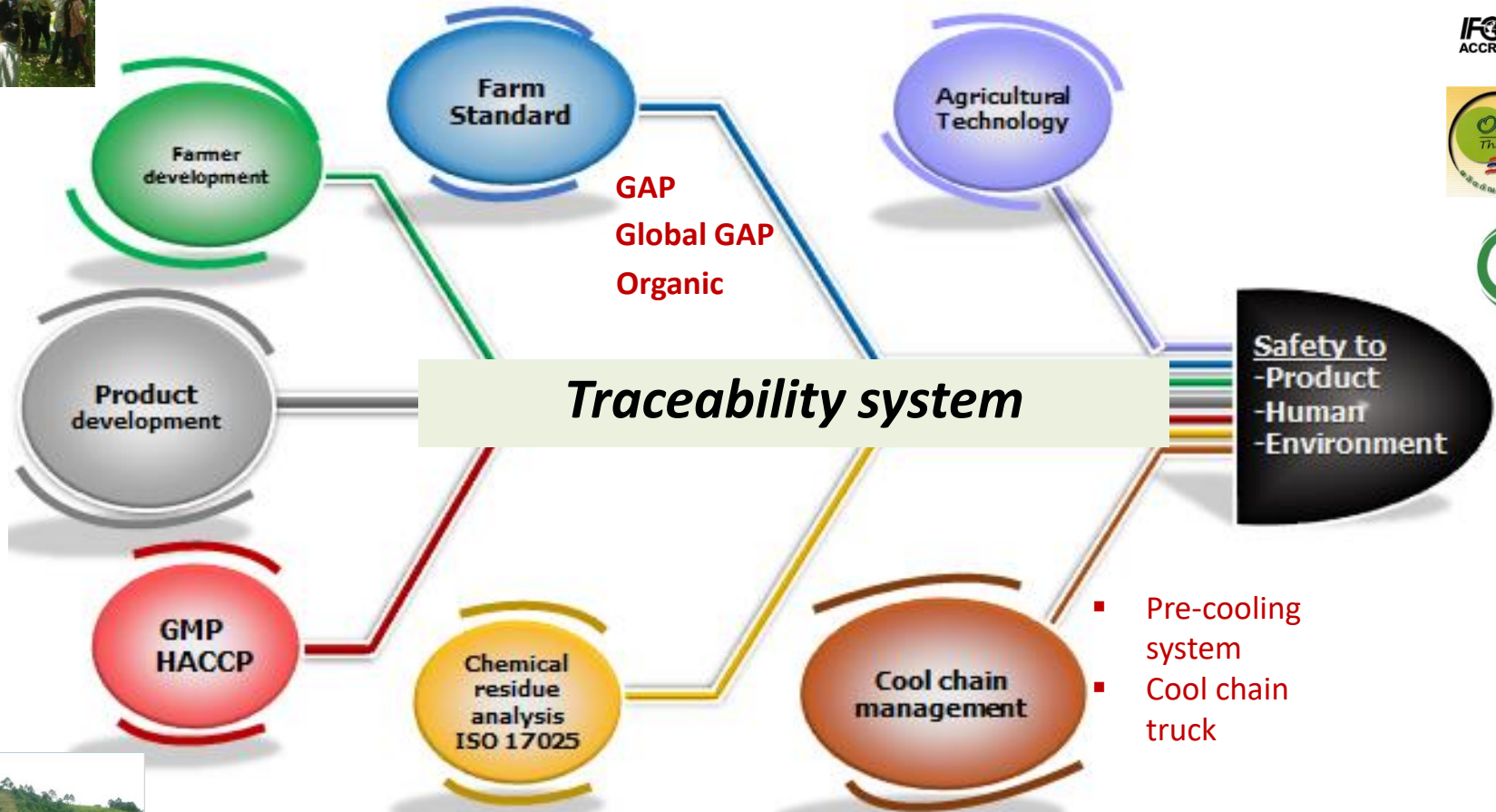


Promote hill tribe to cultivate crops with the concept of soil and water conservation system

Quality Management System – food safety and environmental-friendly production



Farm management



Postharvest



Quality Management System – food safety and environmental-friendly production



Farm visit to give advice to the farmer



- Setting up pesticide residue central analytical lab and small lab at each Development Center



- The production house was build to expand bio- control agents production to serve the farmer requirement

- Established Plant Protection Centre, setting up plant clinic and local plant doctor staffs.



- Research on IPM with bio-pesticide, botanical pesticide and chemical pesticides for controlling plant pests.

- Giving advice on how to use chemical pesticides correctly and safely



- Using IPM management for reduction of pesticides use



Postharvest Development

To meet the Food Safety Standard, the packing house both in Chiang Mai and Bangkok as well as at farm level have been developed.

Total of 47 packing house are certified;

- 11 stations are certified GMP/HACCP
- 36 stations are certified GMP by Ministry of Health



Quality Management System – food safety and environmental-friendly production

- Pre-cooling system**

maintain highland product quality, prolong product shelf life and reduce loss,



- Postharvest training**



- Research and development of Postharvest**

- Traceability system**



Value added of processed product

Past

In 1972 His Majesty the King suggested to have Food Processing Plant at Chiang Mai university.

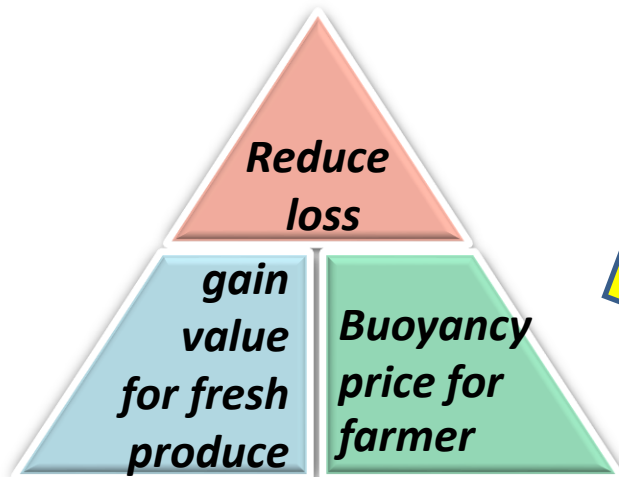


Present

- There are **more than kinds** of processing products produced by Royal Project Factory.



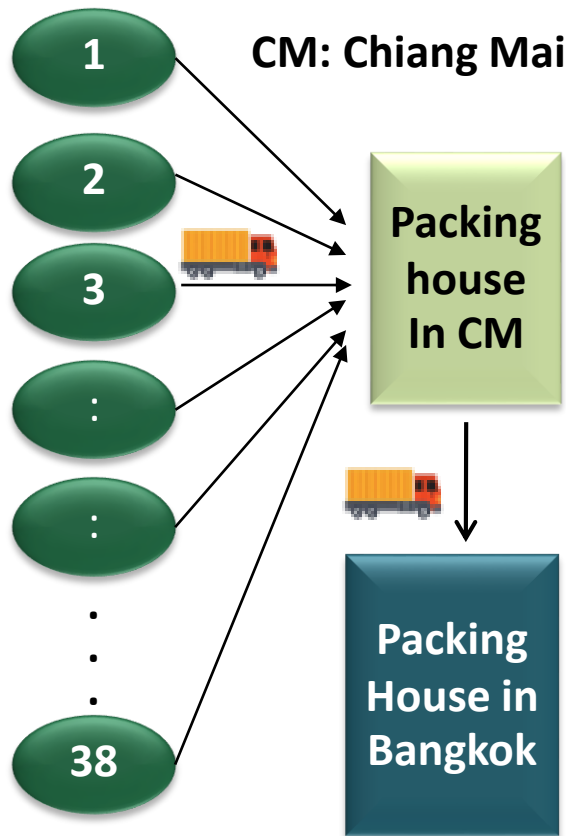
- Royal Project Foundation Herbal care



Doi Kham
Food Products Co., Ltd.

Logistic development stage

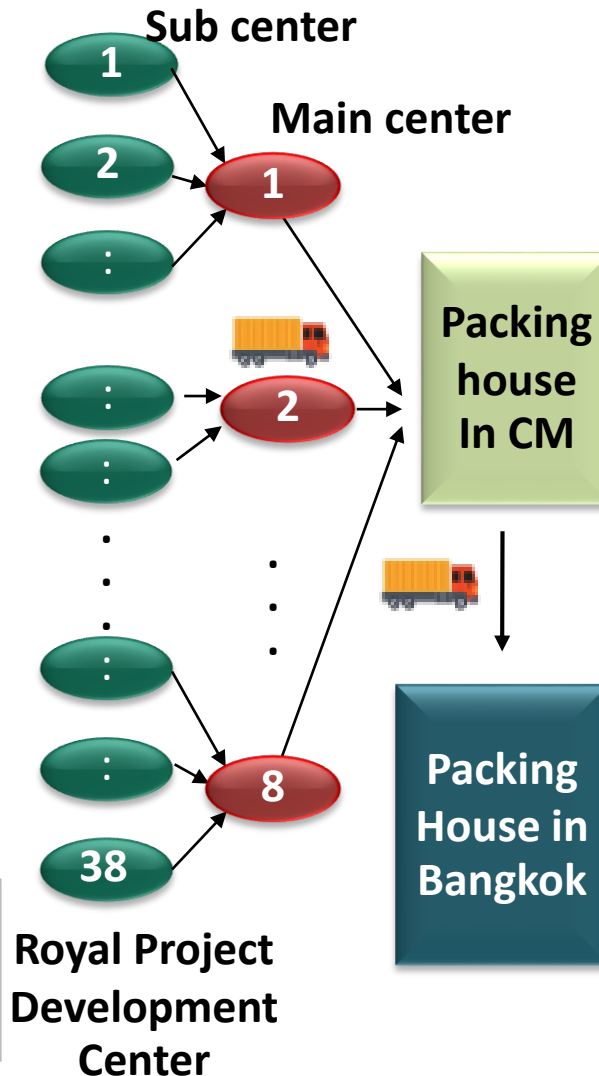
Separated transportation



Royal Project
Development
Center

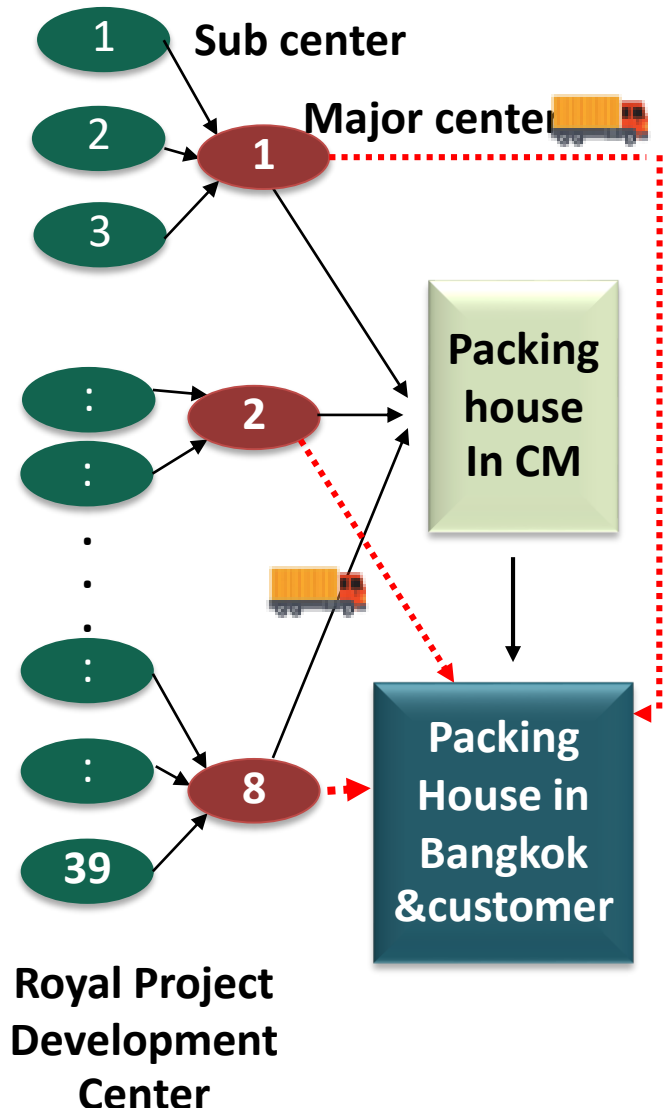


Grouping transportation



Royal Project
Development
Center

Directly from farm to customer

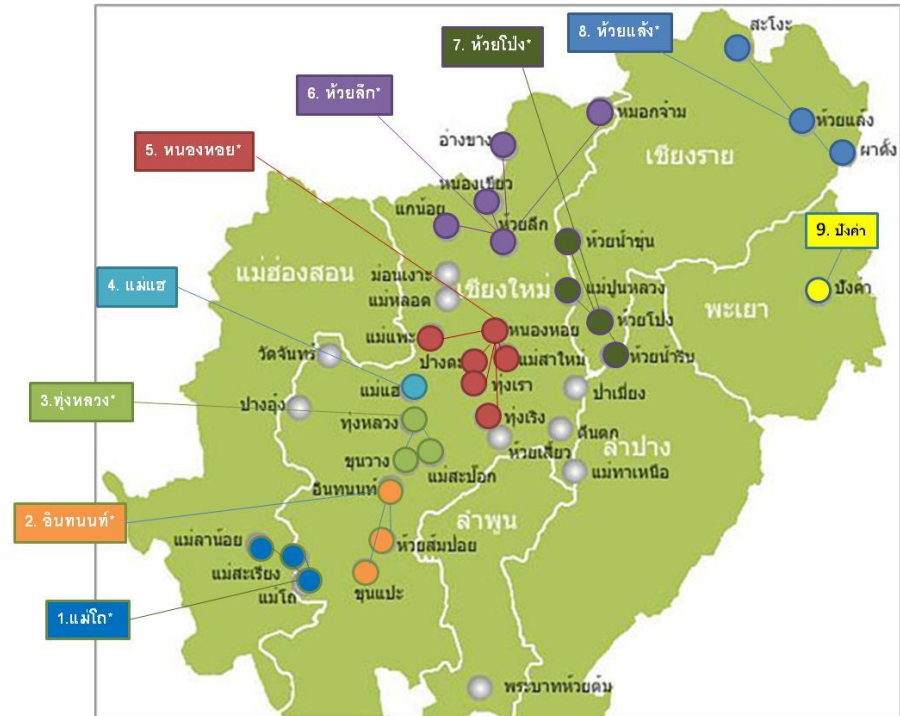


Royal Project
Development
Center

Cluster system of Royal Project Development Center

Cluster system purpose

- RPF Center grouping is made to strengthen the supply chain management for the highlands.
- Promote efficient use facilities.
- Provide knowledge exchange and sharing among communities .



Marketing Development Stage

Phase 1 (1969-1978)

- Focused on infrastructure development for transportation
- Research on market opportunity of agricultural produce

Phase 2 (1979-1988)

- The Marketing Unit facilitated marketing for farmer, regular promotion of agricultural produce

Phase 3 (1989-1998)

- Registered to be Foundation, more effective execution and refined marketing programs

Phase 4 (1999-2008)

- Launched production standard system including promotion in international markets

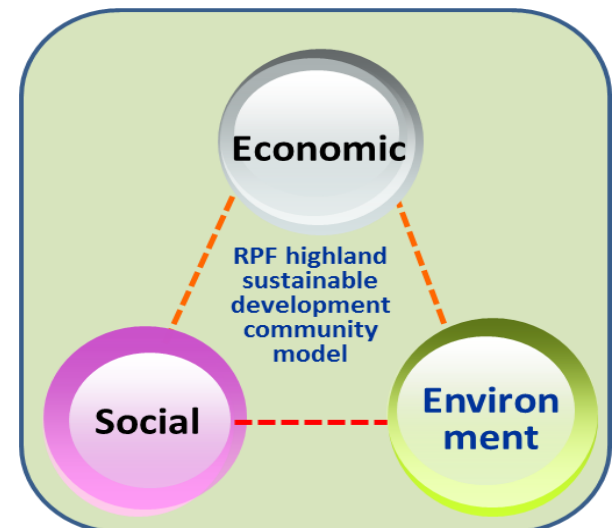
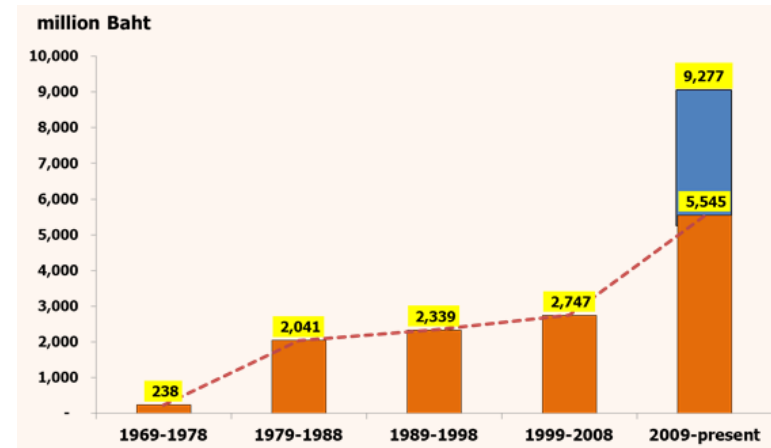
Phase 5 (2009-present)

- Production cost efficiency is enable to improve its competitiveness.
- High end market and niche market are the most favorable ones.



Achievement of Royal Project Marketing under Alternative Development Approach

- Marketing supported the success of elimination of opium poppy cultivation.
- Marketing create a stable and endure career either the Royal Project's hill tribe farmers and other highland farmers.
- Model of comprehensive and complete agriculture in the highlands is focused on food safety and environmental-friendly.
- Causing the highland economic circulation based on fair price.
- Alternative crops to opium become economic crop of Thailand and can be substituted imported products.



Role of Marketing in Alternative Development approach on the success of holistic development in the Royal Project areas

Research for appropriate crops/livestock and cultivation method

Research knowledge extend to the hill tribe famers

Creating market channel for the opium replacing crops for income generation



Opium poppy elimination

Improve livelihood

Restore and conserve natural resource

Safety produce

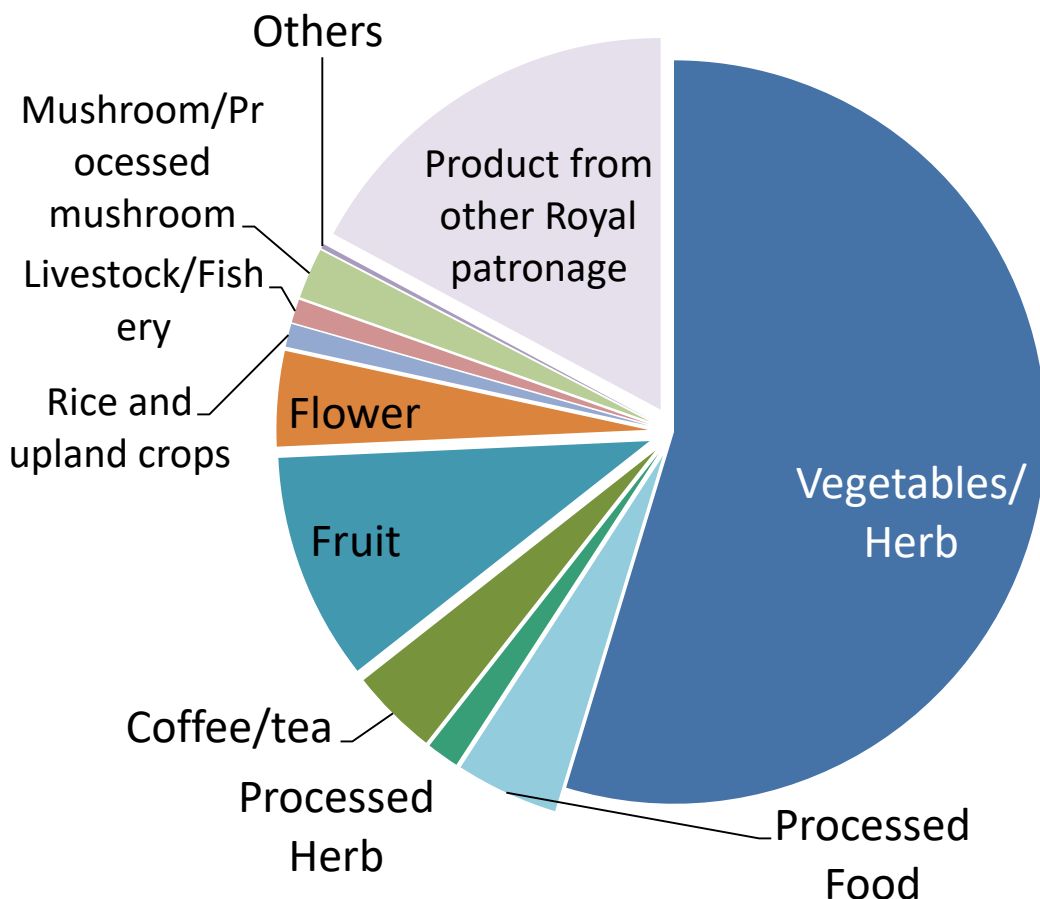
▪ **Generating income from opium substitute crops**

- Control land use
- Reforestation
- Soil & water conservation

- Reduce chemical pesticide use
- Using GAP/Organic production
- Testing pesticide residue

Farmer Income

	Categories	Income (Baht)
1	Vegetables/Herb	524.36
2	Processed Food	42.98
3	Processed Herb	13.6
4	Coffee/tea	36.48
5	Fruit	94.77
6	Flower	39.64
7	Rice and upland crops	9.62
8	Livestock/Fishery	9.76
9	Mushroom/Processed mushroom	21.12
10	Others	1.96
	Total (Royal Project)	794.28
	Product from other	
11	Royal patronage	164.53
	Grand Total	958.81





Royal Project Marketing

Continue

The Royal Project Marketing Goal

Helping hill tribe farmers to earn steady income based on correct farming and conservation of environment

Maintain

Maintain Production standard

Maintain the produce at marketing standard quality, sustainable development and efficiently supply chain

Extend

Build upon Sustainable Marketing

Enhance the competitiveness of highland agricultural produce to be resilient for economic, social and climatic change and disruptive technology

Way Forward



Conclusion

- Opium poppy disappeared from Thai highland areas due to income generation from alternative crops.
- Marketing is an important basis of alternative development success.
- However, income generation from agricultural production must be balanced to natural resource and environment conservation and social community.
- The Royal Project Model is the best process for balancing in all dimension.



Thank you

