

OTOP – Experiences from Northern Thailand : Implications for Research



OTOP – Experiences from Northern Thailand : Implications for Research

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What to be Covered :-

- From Concepts to Practices
- Problems & Success
- What are missing and Research to fill-up
- Discussion

Northern Region : Back-ground for OTOP

● Mountainous with dense rainforests

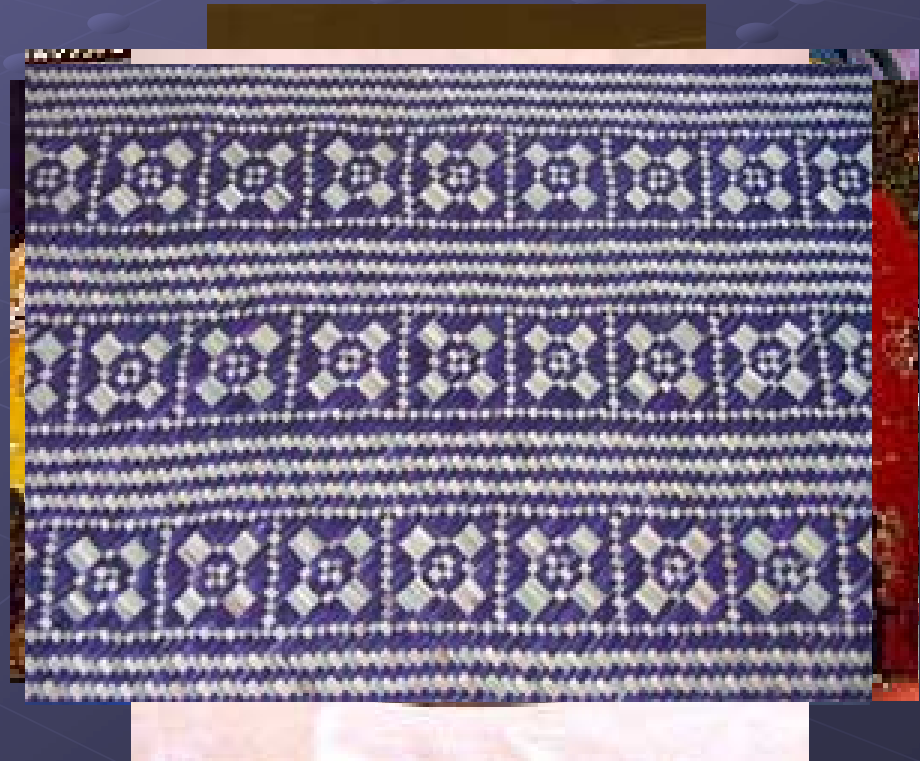
- Populated by colorful hill tribe minorities (have own customs and crafts)



Northern Region : Back-ground for OTOP

● The fertile valleys are rich in history (>700 yrs) with a long tradition for superb handicraft

- Carved wood
- Rich silverware
- Cotton fabrics
- Paper product
- Ceramics
- Bamboo basket



Northern Region : Back-ground for OTOP

● Agriculture is prime livelihood with divers high value horticulture produces

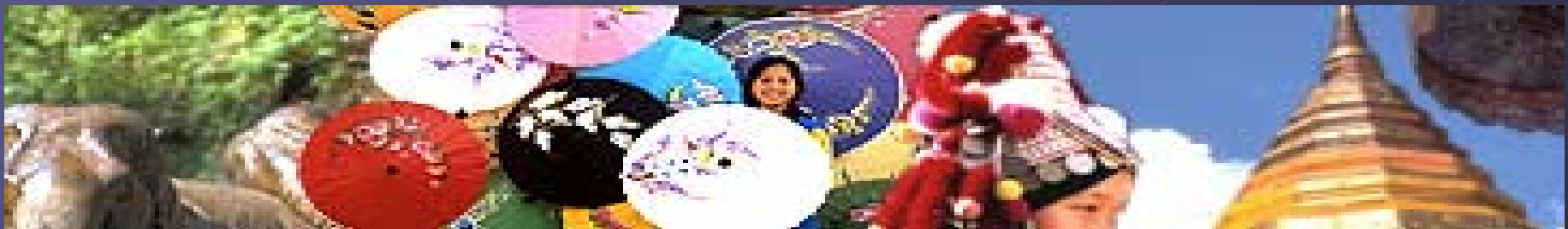
- High quality longan, tangerine
- High quality honey products
- Good quality coffee and
- Temperate vegetable and
- Herb and spices



Northern Region : Back-ground for OTOP

● Tourist attraction

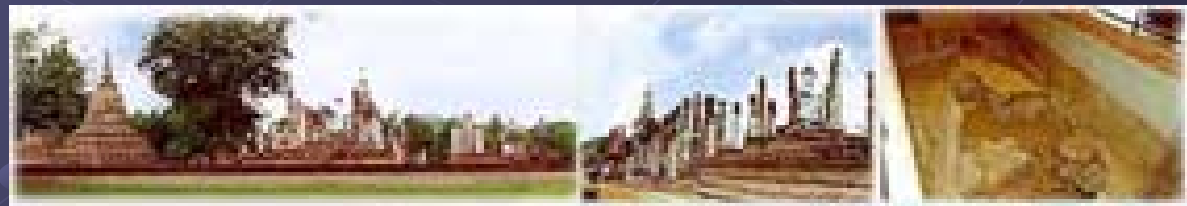
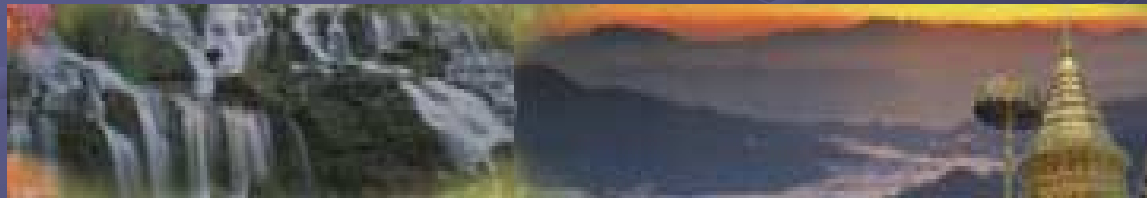
- With long history and rich in culture
- Friendly and warm hospitality
- Favorable climatic condition
- Clean natural environment and beautiful scenery



Northern Region : Back-ground for OTOP

● Example

- Chiang Mai is famous for culture, temple and waterfalls
- Sukhothai is famous for ancient capital city and world heritage



OTOP Products

- OTOP products are defined as unique, wonderful hand-made creations of Thailand's myriads village communities, refined and brought to the market place as the attractive handicrafts and local products that visitors love to buy.

Note: Adapted from OTOP brochure : Dept. of Export Promotion

3 Fundamental concepts of OTOP

Fundamental concepts follow the Oita initiatives :-

- Bring local wisdom to global market place / acceptance
- Self – reliance and creativity via OTOP process
- Capacity building for human-resource via incubating people to meet challenges

3 Key Activities

- Market expansion from local to global markets while reserving local identity and strength
- Participation of local community, gov. officers to improve technology and tools
- Search for experts, and foresightful persons accepted by local community for consultation

Steps of Organization and Responsibility

Step 1 : Local (Sub district)

**Public meeting for
selection of distinguish product**

Step 2 : District level

**Ranking product,
setting integrated plan & budget**

Step 3 : Provincial level

Same as step 2

Step 4 & 5 : National level

**Policy, strategic planning,
Recording nation-wide**

Initial Stage (2001)

- Key outcomes of the first 6 months
- Local officers follow outlined procedure to screen local products for OTOP
- Lack of good understanding and awareness of OTOP principle concepts among officers and communities
- Only well-known products were selected

Comparison of OTOP and Non-OTOP Members' characteristics in the initial stage

| Criteria | OTOP | | Non-OTOP | |
|----------------------------|-----------------|--------|------------|--------|
| | Ban Kaew | points | | points |
| A. Product Criteria | | | | |
| 1. Input | | | | |
| ● Local raw material | 80% | 5 | 80% | 5 |
| ● Local wisdom | dev. From other | 3 | local | 5 |
| 2. Production | | | | |
| ● Product dev. / improve | continuous | 5 | frequently | 4 |
| ● quality | Food cert | 5 | on process | 1 |
| ● Environ. neg. eff. | non | 5 | some | 1 |

Comparison of OTOP and Non-OTOP Members' characteristics in the initial stage

| Criteria | OTOP | | Non-OTOP | |
|---------------------|-----------------|-----------|----------|-----------|
| | Ban Kaew | points | | points |
| 3. Marketing | | | | |
| ● outlets | Domestic + exp. | 5 | domestic | 3 |
| ● no. of outlets | > 3 | 5 | > 3 | 5 |
| ● sales increases | 20% | 3 | 10% | 3 |
| ● Market period | 6-7 mths | 3 | 12 mth | 5 |
| ● packaging | standard | 5 | simple | 3 |
| Total of A | | 44 | | 35 |

Comparison of OTOP and Non-OTOP Members' characteristics in the initial stage

| Criteria | OTOP | | Non-OTOP | |
|---------------------------------------|------------------|--------|------------|--------|
| | Ban Kaew | points | | points |
| B. Community Strength Criteria | | | | |
| 1. Organization | | | | |
| ● no of member | 50 person | 5 | 31 person | 5 |
| ● age of organization | 7 yr | 5 | 4 yr | 4 |
| 2. Production | | | | |
| ● continuity | 12 mth | 5 | 12 mth | 5 |
| ● prod. process | Organized system | 5 | Not system | 1 |

Comparison of OTOP and Non-OTOP Members' characteristics in the initial stage

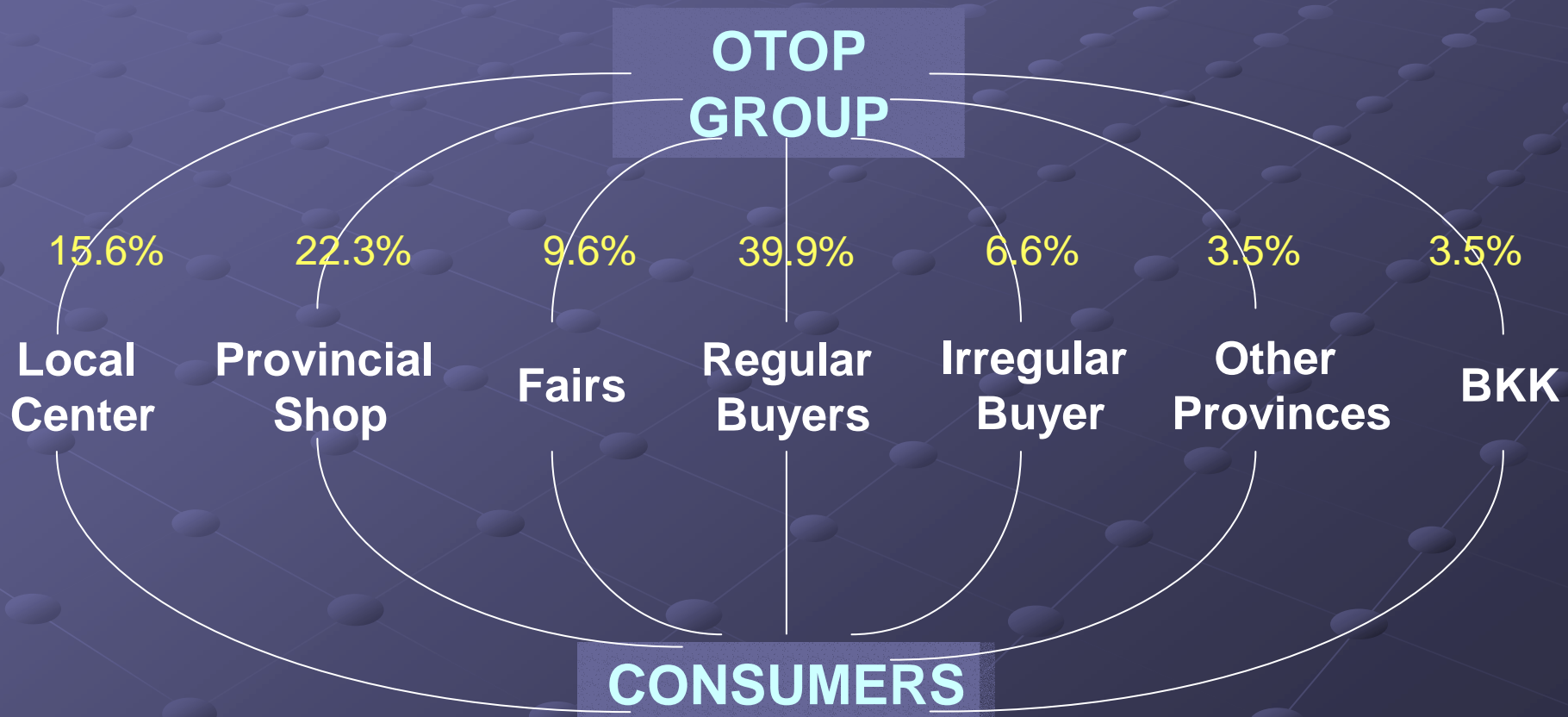
| Criteria | OTOP | | Non-OTOP | |
|------------------------------------|---------------|--------|-------------|--------|
| | Ban Kaew | points | | points |
| 3. Marketing | | | | |
| ● ability to access | 100% | 5 | 100% | 5 |
| 4. Accounting and financing | | | | |
| ● capital fund | 300,000 baht | 5 | 50,000 baht | 5 |
| ● accounting system | Simple system | 5 | non | 1 |
| ● investment ratio | 4% | 1 | 45% | 2 |

Comparison of OTOP and Non-OTOP Members' characteristics in the initial stage

| Criteria | OTOP | | Non-OTOP | |
|---------------------|------------|--------|--------------|--------|
| | Ban Kaew | points | | points |
| 5. Other | | | | |
| ● structure of org. | structured | 5 | unstructured | 1 |
| ● networking | few | 3 | none | 1 |
| Total of B | | 42 | | 30 |
| A + B | | 86 | | 65 |

Examples of OTOP members

**Product distribution of Pickled garlic:
an example of a far most successful case.**



Key Performance Indicators after 3 yrs of OTOP in Northern Thailand

| Province | Tambon | No. of Items | Item/ Tambon | E-commerce |
|---------------|--------|--------------|-----------------|------------|
| Kamphaengphet | 78 | 176 | 2.26 | - |
| Tak | 63 | 127 | 2.02 | - |
| Nakhon Sawan | 130 | 291 | 2.24 | - |
| Nan | 98 | 322 | 3.29 | - |
| Phitsanulok | 89 | 163 | 1.83 | - |
| Phayao | 68 | 183 | 2.69 | - |

Key Performance Indicators after 3 yrs of OTOP in Northern Thailand

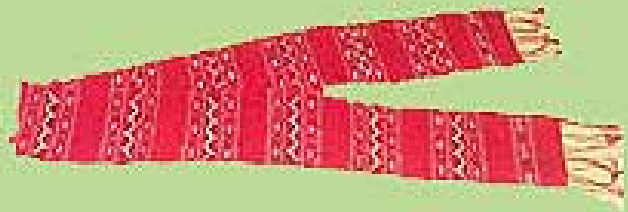
| Province | Tambon | No. of Items | Item/ Tambon | E-commerce |
|--------------|--------|--------------|-----------------|------------|
| Chiang Mai ✓ | 205 | 1,776 ✓ | 8.66 ✓ | 394 |
| Chiang Rai | 124 | 408 | 3.29 | - |
| Petchabun | 117 | 371 | 3.17 | - |
| Phrae | 78 | 197 | 2.53 | - |
| Mae Hong Son | 45 | 154 | 3.42 | - |
| Lampang ✓ | 100 | 430 ✓ | 4.30 ✓ | - |

Key Performance Indicators after 3 yrs of OTOP in Northern Thailand

| Province | Tambon | No. of Items | Item/ Tambon | E-commerce |
|------------|--------|--------------|-----------------|------------|
| Lamphun ✓ | 51 | 613 ✓ | 12.02 ✓ | 143 |
| Sukhothai | 86 | 206 | 2.40 | - |
| Uttaradit | 67 | 229 | 3.42 | - |
| Uthaithani | 70 | 205 | 2.93 | - |

1. Each province should have 400 items
2. Average product per Tambon ≥ 4.00
3. The ✓ indicating acceptable performance

Examples of OTOP products of Chiang Rai



ThaiTambon



ThaiTambon



ThaiTambon



ThaiTambon

Examples of OTOP products of Chiang Mai



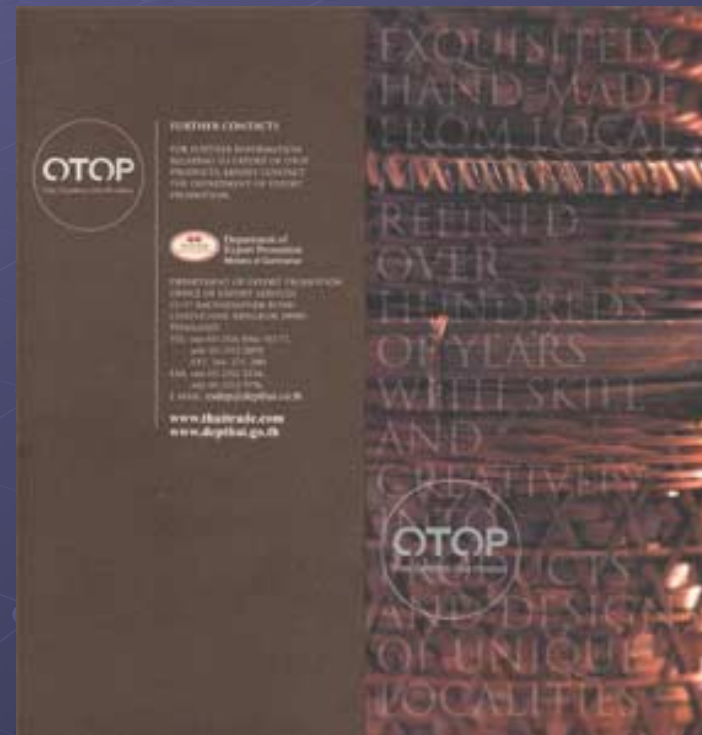
Examples of OTOP products of Chiang Mai



The Present Policy and Activities

- Move from product emphasis to market emphasis in 2002 as characterized by:-
 - Concentration on post-production
 - Exhibition Center in various places in Bangkok
- Large number of events / Fairs set up in major provinces
- More concentration on export in 2003
 - Dept. of Export Promotion take action
 - Logo of OTOP product, E-commerce invented
 - Product Champion invented
 - APEC meetings as high end audience
- Overall approach geared from Production orientation to Market orientation but still so much on the former

OTOP Logo



OTOP Product Champion



Pickled Garlic Papai Group



Longan Tea Co – op Ban Kaew Women Group



Honey Product Group



Saw Dust Product Group



Chiang mai Winery Co - operative



Lanna Pottery Artisan Group



What are Missing for sustainable Development? : Implications for research

- ! Local officers' lack of in depth information on groups' potentials for local planning
- ! National authorities' lack of aggregate information to balance demand and Supply

In depth information Deficiency on groups' potentials

● Production capacity and continuity

- Existing capacity
- Availability and source of inputs

● Management ability

- Flexibility / adjustability
- Quality control
- Raw material problem handling
- Financial management ability
- Marketing : networking and access

In depth information Deficiency on groups' potentials

● Competitive advantage

- Cost / return
- Production technology
- Product differentiation

● Organization strength

- Type of organization
- Contribution of members
- Contribution to community
- Social capital

● etc.

Information Required for Regional and National Planning

● Demand side

- Preference, attitudes and behavior of consumers
- Responses to promotion and PR.

● Supply of goods and raw material

- No link between sources of inputs and OTOP goods bring to surplus/deficit supply
- No integrated information especially in time & spatial dimensions

Previous and Future Efforts

- Expected Cases studies conducted by graduate students
- One report by Office of Agricultural Economics.
(June and July, 2003)
- 85 cases studied by Chiang Mai University
(CMU) (1996; 2000 and 2003)

Previous and Future Efforts

- Ministry of Education (University Affair) nationwide GIS program
- Thailand Research Fund and Dept. of Rural Development Collaboration to support training the trainers of cases-study research
 - coverage - 2003 to 2004 <- Upper North
 - 2004 to 2006 <- all other regions

CMU Project on Case Study

- Apply PAR for sustainable learning
- Train research assistants and groups' leaders on all aspects of business management
- Provide technical assistance and network
- Stimulate group's concern of community benefit
- Transmit needs for technology from groups to researchers and funding agencies

CMU project on case study

- Stimulate and strengthen groups' ability on self assessment (SWOT analysis)
- Provide information on consumers' behavior, preference and attitudes
- Provide in depth information for policy makers
- Provide strategies for strengthening individual group's business improvement
- Provide recommendations for development of each product category category
- Develop website for all cases

CMU project on case study

Example of A Case Study

The Case of Pickled Garlic (Pa Pai)

The Case of Pickled Garlic (Pa Pai)

1. Organization

- Housewives Group established in 1981
- Members : 38 -> 149 person (2000)
- Share = 6,400 shares, 640,000 Baht
- Aim also for social/community strength – family relationship

The Case of Pickled Garlic (Pa Pai)

2. Administration

- Group steered by elected committee
- Committee members came from 3 families
-> supportive and coordinative

The Case of Pickled Garlic (Pa Pai)

3. Production

- Under production and quality control committees
 - Production process
 - In – bound logistics
 - Quality inspection
- Secondary products have potentials for export
- Storage of garlic and containers need better management to reduce cost
- Production process needed some improvement for export purpose

The Case of Pickled Garlic (Pa Pai)

4. Employment

- Both members and non-members were employed during peak period (Feb-Mar)
- Normally, work was done by committee members
- Wage for member 80-90 baht < market wage (140 baht)
- Some social welfare available
- Wage for male committee = 160 baht, female = 100 baht
- O/T also available for all

The Case of Pickled Garlic (Pa Pai)

5. Financial Management

- Many sources provided credit for the group with low interest rate 5-7% (MLR = 15%)
- Loan amounted to 2 million baht for working capital
- Loan payment well planned and practiced
- Group had poor **sale-credit** management causing cash flow problem

The Case of Pickled Garlic (Pa Pai)

6. Performances

- Overall highly successful but could be improved in many aspects
- Became OTOP member in 2001
- Products awarded OTOP-Product Champion in July 2003

The Case of Pickled Garlic (Pa Pai)


7. Benefit Gained from OTOP Program:-

- In 2001, 6 mths after the OTOP initiative, positive effects in the following aspects
 - More gov. agencies support (15 -> 17 agencies)
 - More visit for and monitoring (1 -> 10 visits/mth)
 - More free support (100,000 baht)

The Case of Pickled Garlic (Pa Pai)

7. Benefit Gained from OTOP Program:-

- In 2001, 6 mths after the OTOP initiative, positive effects in the following aspects (cont.)
 - More trainings on management
 - Improved food standard
 - Better PR.
 - Self stimulated to air transportation
 - Sale value increased by 6%
- No negative effect reported



More Cases Showing Improvement and Expansion Community Products and Services

Co – op Ban Kaew Women Group

1999



2003



Longan Product Co – op Ban Kaew Women Group



Wiengkalong Ceramic Foundation

2001



2003



Dong Pa Sang: Sa Paper Group



San-pa-yang: Soy-sauce Group



Tambon U-mong Agriculture Tourism and Wine



Analysis of Cottage Food Industry in the Upper North

แนวทางยกระดับอุตสาหกรรมอาหารแปรรูปพื้นบ้าน

ทำไมต้องยกระดับอุตสาหกรรมอาหารแปรรูปพื้นบ้าน

- ช่วยลดการสูญเสียในห่วงโซ่อุปทานอาหารแปรรูปพื้นบ้าน
- ช่วยเพิ่มขีดความสามารถในการแข่งขันของผลิตภัณฑ์อาหารแปรรูปพื้นบ้านในตลาด
- ช่วยเพิ่มมูลค่าของผลิตภัณฑ์อาหารแปรรูปพื้นบ้าน
- ช่วยเพิ่มรายได้ให้กับเกษตรกรผู้ผลิตอาหารแปรรูปพื้นบ้าน
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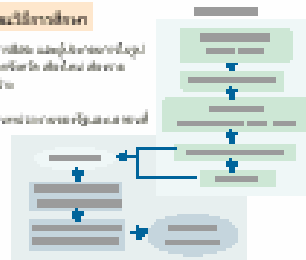


จุดมุ่งหมายของการยกระดับ

- ช่วยเพิ่มขีดความสามารถในการแข่งขันของผลิตภัณฑ์อาหารแปรรูปพื้นบ้านในตลาด
- ช่วยเพิ่มมูลค่าของผลิตภัณฑ์อาหารแปรรูปพื้นบ้าน
- ช่วยเพิ่มรายได้ให้กับเกษตรกรผู้ผลิตอาหารแปรรูปพื้นบ้าน
- ช่วยเพิ่มขีดความสามารถในการแข่งขันของผลิตภัณฑ์อาหารแปรรูปพื้นบ้านในตลาด

วิธีการดำเนินการยกระดับ

- ศึกษาและวิเคราะห์ข้อมูลเกี่ยวกับผลิตภัณฑ์อาหารแปรรูปพื้นบ้าน
- ศึกษาและวิเคราะห์ข้อมูลเกี่ยวกับตลาดเป้าหมาย
- ศึกษาและวิเคราะห์ข้อมูลเกี่ยวกับคู่แข่ง
- ศึกษาและวิเคราะห์ข้อมูลเกี่ยวกับโอกาสทางการตลาด

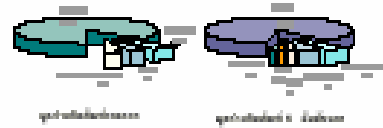


อุตสาหกรรมอาหารแปรรูปพื้นบ้านของประเทศไทย

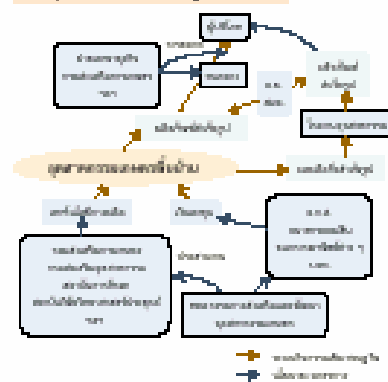
- อุตสาหกรรมอาหารแปรรูปพื้นบ้านมีมูลค่าสูง
- อุตสาหกรรมอาหารแปรรูปพื้นบ้านมีศักยภาพสูง
- อุตสาหกรรมอาหารแปรรูปพื้นบ้านมีแนวโน้มเติบโต
- อุตสาหกรรมอาหารแปรรูปพื้นบ้านมีคู่แข่งน้อย
- อุตสาหกรรมอาหารแปรรูปพื้นบ้านมีโอกาสทางการตลาดสูง



มูลค่าเพิ่มจากการยกระดับอุตสาหกรรมอาหารแปรรูปพื้นบ้านของประเทศไทย ปี 2565

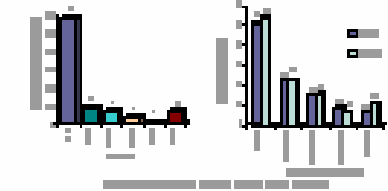


แนวทางการยกระดับอุตสาหกรรมอาหารแปรรูปพื้นบ้าน

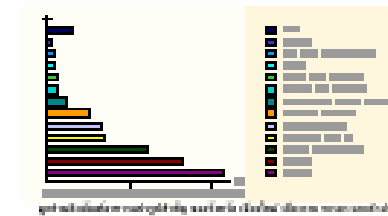


การวิเคราะห์ตลาดเป้าหมาย

- ตลาดเป้าหมาย: ตลาดในประเทศและตลาดต่างประเทศ
- ตลาดเป้าหมาย: ตลาดเมืองและตลาดชนบท
- ตลาดเป้าหมาย: ตลาดวัยหนุ่มสาวและตลาดวัยผู้ใหญ่

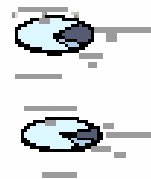


การวิเคราะห์คู่แข่ง

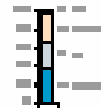


การวิเคราะห์คู่แข่งเป็นสิ่งสำคัญในการวางแผนการตลาดและกลยุทธ์การดำเนินงาน

- **NT:** Top management/upper management
- **Intermediate:** divisional level
- **operational:** lower level, individual level, individual



- www.courts.mt.gov/courts/courts.htm
 District courts in Montana
- www.mt.gov/courts/courts.htm
- www.mt.gov/courts/courts.htm 7
 are the state courts



| QUESTION | ANSWER |
|---|---|
| 1. What is the main purpose of the study? | To investigate the effect of the intervention on the outcome. |
| 2. What is the research design? | Randomized controlled trial. |
| 3. What is the sample size? | 100 participants. |
| 4. What is the intervention? | The intervention group received the treatment. |
| 5. What is the control group? | The control group received the placebo. |

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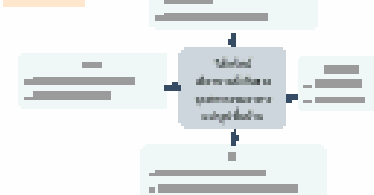
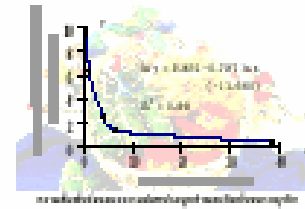
- *depression* is a *state* of feeling or being sad or depressed
- *depressive* is an *adjective* describing the state

- [Introduction](#)
- [Architecture](#)
- [Getting started](#)



| operation | customer benefits | customer benefits |
|--|---|-----------------------------|
| • improve customer service by offering a range of services | • deliver 24/7 service by using a range of channels | • offer a range of services |
| • improve customer service by offering a range of services | • deliver 24/7 service by using a range of channels | • offer a range of services |
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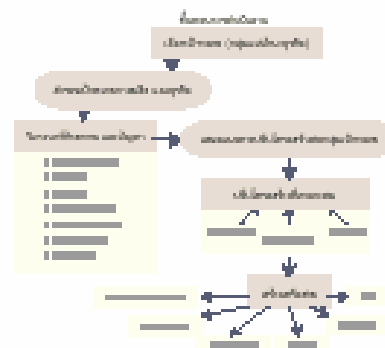
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various authors have reported that the maximum number of cells in the cell cycle is 1000 cells.



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