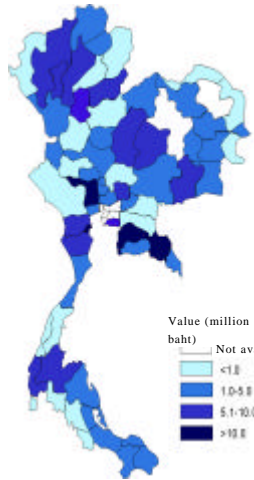


# The Structural Reform of the Cottage Processed Food Business: The Key to Unfold the Economic Crisis

## Why Must there be a Cottage Processed Foods Industry ?

- Even though 58% of Thais are employed in the Agricultural sector, they contribute only 30% of the gross domestic product. Thus labor mobility (from agriculture to service industry, construction, etc.) collapsed the family institute.
- The Cottage processed food business is capable of easing economic problems in rural society.



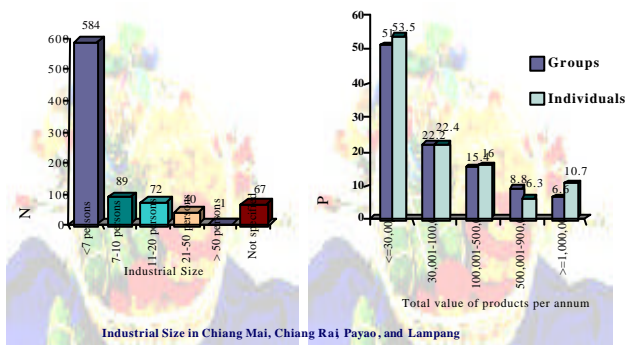
- Housewives are able to preserve raw materials available in local areas
- Processed food is a value added product
- Stimulate the local employment rate
- Government applied this idea as a key to strengthen the family institute

## Thai Local Processed Food Industry

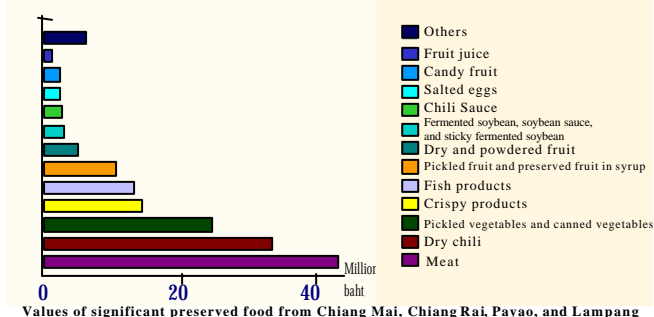
- More than 60% of agricultural households were financed by off-farm income.
- Processed food industry provided earnings to each household averaged at 105 baht/year or 0.4% of the household income.
- Processed food products are spread in every region, most of them were produced by housewife groups and some small entrepreneurs. These products valued more than 940 million baht (registered only).
- In 1993, central region was the most important source of processed food production, particularly coconut products which yielded the highest income.

## Processed Food Business in 4 Provinces in Northern Region (1993)

- From the family registrations in the 4 Provinces, there were 317 groups of processed food producers and 535 individual individuals producing processed foods
- More than 60% of businesses were small sized small with numbers of laborers were less than 7
- More than 50% of entrepreneurs produced products valued not above 30,000 baht per annum



## Major Processed Food Products from 4 Northern Provinces:



**Chiang Mai:** pickled fruit and vegetables and meat products (i.e. sour sausage and bologna)

**Chiang Rai:** meat products, pickled vegetables and crisp products

**Payao:** sour fish and dry chili

**Lampang:** meat products and pickled vegetables



## The Research Project of Processed Food Industry: The Structural Development

- According to the economic crisis, The Thai government approved various projects to probe the incidence of poverty by launching some programs via the Ministries. Those programs, such as handicraft and processed food (projects) made by housewife groups and others, were well supported.
- This research work was aided by the Miyasawa Project via the National Center for Genetic Engineering and Biotechnology. This project is for:



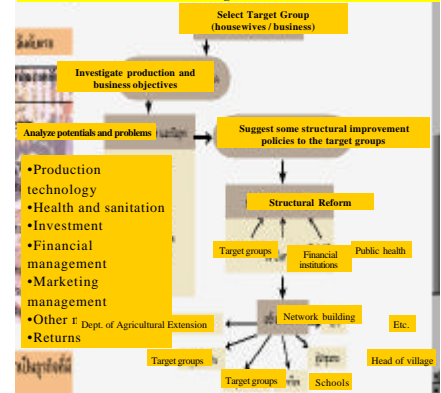
- Improving business enterprise structure
- Pointing the issue of biotechnology to develop the products
- Creating networks for the local businesses
- Creating jobs for local people

## Researched Products

Sour fish  
Bacon chip  
Local sausage  
Bologna  
Chili sauce  
Pickled garlic  
Pickled mango  
Pickled  
soyabean  
Rice cracker and Herbs



## Working Process



## Examples of Finished Works



## Important Issues for Further Improvement: In Conclusion

- Place** : Safe from domestic animals such as dogs and chickens  
: Safe from flies during packaging process
- Health and sanitation** : Strictly follow the suggestions of Food and Drugs Organization, especially the amount of preservatives used and terminate using saccharin and whitening chemicals
- Technology** : Ways for further development include:
  - Stop applying saccharin
  - Naturally beautify color of fermented soybean
  - Protect the raw materials to be safe from fungus and aflatoxin (from chili, garlic, soybean, etc.)
  - Modify packaging based on appropriate cost
- Business management** : Entrepreneurs should be trained on financial management, investment, and marketing.

