

## Past Seminar Analysis

### **Why Thai Smes in the agricultural sector cannot reach higher efficiency.**

Agriculture and SMEs are crucial driving forces for Thai's economy ; Improving agricultural SMEs will promote the welfare of non-agri in rural areas as well as Thai's economy as a whole. Agricultural SMEs face three internal problems, one being inefficiency in management, lack of investment and lack of organisation competitiveness. External problems may include innovation, customer needs alteration, supplier capacity and government support. Governments usually support larger firms than smaller ones. Moreover, agricultural SMEs also faces water inefficiency and pesticide.

### **Methodology**

Primarily secondary analysis was used in order to provide the suggested answers. By using primarily data analysis could have shed some light on actual problems agricultural SMEs are facing today. Then they review interesting policies through interesting policies implemented in Japan in their very own agricultural SMEs.

### **The discussion/ argument**

Stated previously why Thailand agricultural SMEs are not as efficient as it should, Thai's agricultural SMEs facing access to **financial credit, performance of entrepreneurs, applying tech in the agri sector**. They give solutions by referring to successful policies in many developed countries.

#### **- Financial Access**

High cost for this industry. Farmers are indebted. Farmers don't make much money and are already indebted, so banks aren't willing to give out loans. Japan institutionalised Japan's Finance Corp to support agri smes. By providing credits needed for agri SMEs like collateral and closely observing and guiding farmers' performance, allowing the financial institutions to easily manage and reduce debts.

#### **- Entrepreneur**

With existing unskilled workers, value added agricultural products in Thailand seems improbable. Lack of knowledge in terms of marketing and management as well as inadequate government support hinder the performance of Thai's agri SMEs.

Japan launches the sixth industrial revolution where agri entrepreneurs need to have adequate knowledge in order to compete in the world market. I.e abnormal shaped fruits sell at a higher price. So, granted low quantity produce can have higher added value. Thai government has promoted Smart Farmers where new generations can get support from the government when competing in agri SMEs, but not work very much. Government should give more comprehensive training like Japan.

## **Technology**

Lack of technology causes high cost of production, low standard, not efficiency of using resources. Applying tech in thai agri is difficult. Because of the high cost of abroad technology, lacking skills, and fear of change. Governments already invested heavily on Thaiagri tech, giving better tech, better production and better competitiveness; With concrete evidence yet to come.

## **Conclusion**

There are many areas in which the government can intervene and provide better improvement towards uplifting Thai's agricultural SMEs. Whether be it, internal or external issues which yet to be resolved.