

# Executive Summary

## The Farmer Shop Project phase II

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The Farmer Shop Project is a participatory action research which utilizes the Value Network, the Integrated Supply Chain Management and Fair Trade Idea into the new business model. The Project was done in coordination with cooperatives, community enterprises, SMEs and OTOP. Its ultimate goal is to develop a value chain management system strengthening the fair trade and sustainable practices among participated partners, from both producing and consuming sides. The Farmer Shop Project is divided into three phases : 1) “Preparing phase” during one year (15 August 2010–14 August 2011) 2) “The Incubation of Prototype Shop” during two years (15 August 2011 – 14 August 2013) and 3) “Extention into Community”

The result of the preparing phase lead to registration of “Farmer Shop” brand with the Department of Intellectual Property by Kasetsart University. The vision of the Farmer Shop is “The Retail Store that Producers and Consumers are Mutual Owner”. The mission of the Farmer Shop is to bring supply chain management through the farmer shop’s business system in order to achieve the target goal of fair trade and make Farmer Shop to be a reliable brand for customers.

The main objective of the second phase is to incubate the management system of “the community retail shop” at Kasetsart University, in order to scale-up and extend to various community shop across the country in the future.

The research results show the two years of business performance of the prototype shop ; gross sale 2,245,316.50 baht with the cost of goods sold at 1,788,657.16 which gives 456,659.34 gross profit and 581,902.35 net income. There have been altogether 1,453 consumers who are members, 236 co-operatives community enterprises, SMEs and OTOP who are members and 647 items of various products which are selected to participate the project. There are 10 selected products which have been developed and 119 entrepreneurs participated in the capability building’s learning forums.

The analysis of farmer shop’s context, showed that the farmer shop business model has rearranged the relation of supply chain into the alternative solution for small and medium producers to access the new market and consumer groups within their community and beyond. On

the other hand, consumers can access the quality goods at the fair price and able to help supporting the small farmers through their consume.

Eventually, the farmer shop business model will be scale-up and extended to various community shop across the country in order to support local community's sustainable economy.

One of the research outputs is the learning guideline which will be used as farmer shop extending into local communities. It is composed of Community Shop Management Guide, Product's Monitoring Manual for food safety standard, Farmer Shop's entrepreneurs directory, Farmer Shop's product directory. There are also two extension community shops and one outlet: Thai PBS Service Co-operative Ltd. and Prasart Agricultural Co-operatives Ltd. and outlet of farmer shop at Raisuwan Shop, Nakhonratchasima province.

The findings indicate the farmer shop business model will lead to the system of value and fair trade society. This new business model will establish social movement that inspires individuals and society to aware the value of fair trade and open up the opportunity for farmers and agricultural institutes as well as SMEs, consumer groups.

Practitioners and researchers to coordinately create alternative business model for their local community. This opportunity will also has an ultimate goal to achieve the country's development goal in the direction of "New Growth Model".

In conclusion, there are five policy recommendations : 1) establish the Farmer Shop Association to support and promote the fair trade idea to public 2) establish the Smart Entrepreneurs Training Center for small-sized entrepreneurs 3) promote extending Farmer Shop Model to develop community's economic strength 4) establish of Farmer Shop Outlet as the marketing learning center in various location 5) provide the information linkage through communities and public in order to stimulate the participation in Farmer Shop.

The future research opportunities are: How can Farmer Shop contribute increasing the agriculturist's income and community economy? What are the core values of Farmer Shop that can support the success of fair trade idea in community? How Farmer Shop's method helps people recognizing the importance of food safety, ecological-friendly production and fair trade idea? Will Farmer Shop's method helps recognizing the fair trade idea and efficiency in business competition based on self-reliability for entrepreneurs and consumers in responding to product's global standard and consumer's support needs? And, What are the supporting policies for small-sized entrepreneur's efficiency?