

Creating International Supply Chains for Farmer Enterprise: A Study of Herbal Products

Abstract

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The three main objectives of this research are ๑) To seek prototype and the approaches that lead Thai farmer enterprises of herbal products to create international supply chains ๒) To identify barriers and challenges that impedes the farmer enterprises to develop collaboration with trading partners so as to enter international market and ๓) to find supportive conditions and business environment provided by societal partners in order to facilitate the construction of international supply chains for farmer enterprises. To address these objectives, we mainly obtain the data through the survey of documents and the interviews with all stakeholders; including farmer groups, SMEs enterprenuers, government officials, and academia.

The findings show that the existence of the international supply chains is rare. The case study results showed that four preconditions are required prior to the creation of international supply chains for farmer enterprises; strategic vision and leadership, networking and collaboration with societal partners and research institute, ability to absorb new idea and create new design and spcial identity for their products and service, and the existence of intermediary trader who generate demand pull and draw supports from societal partners to cultivate relationship with trading partners in foreign partners.

With respect to the barriers impeding potential farmer enterprises to construct their international supply chains, the study found two main challenges; the lack of innovation/niche development and need to strengthen collaboration between farmer enterprises and intermediate trading partners who have influence and access to markets.

According to the analysis of data obtained from discusstion with various stakeholders, the key recommendation is that the government provides supports on partnering farmer enterprises with intermediate trader as well as with academia and other societal partners. The readiness of business environment will assist the farmer enterprises to effectively respond to customers' preference, standards, and requirement.

Meanwhile, farmer enterprises should be enabled to generate creativity, identity, and niche products. A key factor that enables farmer enterprises to adopt the concept and develop international supply chain is the utilization of interlectual property rights. All in all, the study highlighted that demand pull and supply push are critical factors that facilitate the creation of international supply chains in the farmer enterprises.