

(Translation)

-Official Emblem-

Farmer Rehabilitation and Development Fund Act

B.E. 2542

As amended (No. 2) B.E. 2544

And as amended (No. 3) B.E. 2563

Prepared by

Office of Farmer Rehabilitation and Development Fund

Prepared by

Office of the Farmer Rehabilitation and Development Fund

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(Translation)

-Royal Emblem-

Farmer Rehabilitation and Development Fund Act
B.E. 2542

BHUMIBOL ADULYADEJ, REX.,

Given on the 10th day of May B.E. 2542;

Being the 54th Year of the Present Reign.

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Whereas it is deemed appropriate to enact a law on farmer rehabilitation and development, His Majesty the King, by and with the advice and consent of the Parliament, is graciously pleased to enact an Act as follows:

Section 1 This Act is called the “Farmer Rehabilitation and Development Fund Act B.E. 2542 (1999)”.

Section 2¹ This Act shall come into force on the day following the date of its publication in the Government Gazette.

Section 3 In this Act:

“Agriculture” means cultivation, animal husbandry, fishery, usage and maintenance of resources from ground, water and forest in sustainable manner and also includes value adding, processing, distribution which are activities associating with such cultivation, animal husbandry, fishery, usage and maintenance of resources from ground, water and forest in sustainable manner and other activities as announced by the Minister in the Government Gazette.

“Farmer” means an individual principally carrying out agricultural career subject to the regulations prescribed by the Board.

¹ Government Gazette Volume 116/Section 39 Gor/Page 13/18 May 1999

“Farmer Organization” means group or party of farmers gathering for the purpose of collectively carrying out agriculture whether in the form of juristic person or not and has be registered with the Office or the Branch Office.

“Fund” means Farmer Rehabilitation and Development Fund.

“Board” means Board of Farmer Rehabilitation and Development Fund.

“Executive Board” means Executive Board of Farmer Rehabilitation and Development Fund.

“Office” means Office of the Farmer Rehabilitation and Development Fund.

“Secretary General” means Secretary General of the Office of the Farmer Rehabilitation and Development Fund.

“Minister” means the Minister having charge and control of the execution of this Act.

Section 4 The Minister of Agriculture and Cooperatives shall have charge and control of the execution of this Act and shall have the power to issue Ministerial Regulations and Notifications for the execution of this Act.

Such Ministerial Regulations and Notifications shall come into force upon their publication in the Government Gazette.

Chapter 1
Farmer Rehabilitation and Development Fund

Section 5 There shall be a Fund called “Farmer Rehabilitation and Development Fund”.

The Fund shall be established as a juristic person with following objectives:

- (1) To promote and support the association of farmers aiming at improving their quality of life and solving farmers’ problems.
- (2) To promote and support rehabilitation and development of agricultural career for farmer.
- (3) To develop knowledge on agriculture or activities associating with agriculture in order to strengthen farmer organization.
- (4) To develop self-reliance capacity and helpfulness among farmers.

Section 6 The Fund shall have following monies and assets:

- (1) Starting fund allocated by the Government
- (2) Subsidies by the Government or allocated from the annual budget
- (3) Donated money or assets

- (4) Proceeds from disposal of the Fund's assets
- (5) Money or asset becoming the property of the Fund
- (6) Interest or income from the Fund's money or assets

If the Fund has inadequate amount of money for administrative expenses of the office and reasonable costs, the budget should be allocated to the Fund by the government as deemed necessary.

Section The Fund's affairs shall not be subject to the law relating to labour protection, labour relations, social security and labour compensation.

Section The Fund is empowered to carry out any act within the scope of its objectives under Section 5 above and such power shall include:

- (1) To hold the ownership, possessory right and other property rights.
- (2) To constitute the right or conclude any transaction inside and outside the kingdom.
- (3) To lend money to the farmer organization for the purpose of farmer rehabilitation and development
- (4) To borrow money for the purpose of pursuing the Fund's objectives.
- (5) To invest and enjoy benefits from the Fund's assets.
- (6) To carry out other related acts in order to achieve the Fund's objectives.

Section 8/1² No person shall be entitled to claim prescription against the Fund in respect of the Fund's assets used or acquired for the purpose of implementation of the objectives stipulated in this Act.

The Fund's assets are excluded from liability to legal execution.

Section 9 The Fund's administrative expenses and obligations shall be paid out of its fund subject to the regulations prescribed by the Board with approval of the Ministry of Finance.

Section 10 The Fund is not considered a government agency or state-owned enterprise according to the law relating to budget process.

The Fund's revenue shall be added to its fund without the need to be delivered as public revenue.

Section 10/1³ In order to establish its monetary regulating system, the Fund shall maintain farmer's debt management accounts from which the fund may be specifically paid for the purpose of such debt management.

Section 11 Within the period of one hundred and twenty day following the last date of annual accounting period, the Board shall submit to the Cabinet the statement of financial position audited and certified by the State Audit Office and the operation report.

The statement and the report mentioned in the first paragraph shall be presented to the Parliament for acknowledgement by the Minister and further announced in the Government Gazette.

² Section 8/1 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

³ Section 10/1 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

Chapter 2

Board of Farmer Rehabilitation and Development Fund

Section 12 There shall have a board called the “Board of Farmer Rehabilitation and Development Fund” consisting of the Prime Minister or the Deputy Prime Minister entrusted by the Prime Minister as chairman, Minister of Agriculture and Cooperatives as the Vice Chairman, Permanent Secretary of the Ministry of Agriculture and Cooperatives, Permanent Secretary of the Ministry of Finance, Permanent Secretary of the Ministry of Interior, Permanent Secretary of the Ministry of Commerce, Permanent Secretary of the Ministry of Industry, Secretary General of the National Economic and Social Development Board, Director General of Bureau of the Budget, eleven experts appointed by the Cabinet and twenty farmer representatives, as members.

The Secretary General shall be the member and secretary of the Board.

The experts under the first paragraph shall be appointed from those possessing knowledge, skills, achievements and experiences relating to financial or banking administration, local economy rehabilitation and development, community industry, agricultural technologies, water source development and

natural resource and environmental conservation and regeneration; five of which shall be appointed from experts from government sector and the remaining six experts from private sector.

Section 13 Representatives of farmers under Section 12 shall be appointed by the Minister from those elected by the members of farmer organization in four regions of the country; at least two from each region and the remaining number of representatives shall reflect the proportion of farmer members in each region.

Region division and election method shall be as prescribed by ministerial regulation.

Section 14 Experts from private sector and farmer representatives forming the Board shall not possess following prohibited characteristics:

- (1) Not being a political officer, a person holding political position, a member of local council or an executive to a local administration or a committee member, consultant or officer of any political party
- (2) Not being a government officer, employee of any state agency holding position or receiving fixed salary
- (3) Not being a person who has been expelled, dismissed or discharged from duty by the government or state-owned enterprise or any other state agency due to malfeasance.

Section 15 The Board shall have the following powers and duties:

- (1) to counsel the Minister on the issue of policies for solving farmer debt and farmer rehabilitation and development.
- (2) to advise the Minister on the issue of ministerial regulations, rules and notifications under this Act.
- (3) to draw policy and issue regulation, rule and announcement in relation to the Fund management.
- (4) to issue regulations regarding money receipt, disbursement and keeping and benefiting from fund.
- (5) to issue regulations regarding registration and revocation of registration of farmer organization.
- (6) to issue regulations regarding consideration of plan and project for rehabilitation and development of farmer organization, following up and assessment of plan and project implementation.
- (7) to issue regulations regarding disbursement of fund under the plan and project for farmer rehabilitation and development and money refund to the Fund.
- (8) to consider the Fund's balance sheet and statement of revenue and expense and annual operation report by the Office specifically relating to farmer rehabilitation and development.

(9) to regulate, counsel and advise the Executive Board and the Office for their operations under this Act.

(10) to approve defining the Fund's obligation and commitment.

(11) to set forth measures for promoting and supporting farmer organization.

(12) to appoint, repeal the Executive Board and the subcommittee.

(13) to perform any other act falling within the scope of its powers and duties as provided by this Act or any other legislation or as assigned by the Cabinet.

To perform duties under this Act, the Board may assign the Executive Board or the Secretary General to do so or to prepare proposal for its consideration.

Section 16⁴ The expert and the farmer representative shall serve for a term of four years and may be reappointed provided that such member may not serve for longer than two consecutive terms.

Upon expiration of the term under the first paragraph, if the new expert or the farmer representative has not been appointed, the expert or the farmer representative vacated by expiration of the term of office shall continue to serve until the newly appointed expert or farmer representative has taken over the office.

⁴ Section 16 is amended by the Farmer Rehabilitation and Development Fund Act (No. 3) B.E. 2563.

In order to secure the expert and the farmer representative under paragraph two, the Office shall complete the entire process within ninety day from the date of expiration of the term of office.

Section 17 Apart from vacating office at the expiration of their term under Section 16, the expert and the farmer representative shall vacate office upon:

- (1) death
- (2) resignation
- (3) becoming bankrupt
- (4) Being dismissed by the resolution of the Board with three-fourth majority vote by total number of the Board members.
- (5) being adjudged incompetent or quasi-incompetent
- (6) being imprisoned by the final sentence of imprisonment
- (7) possessing prohibited characteristics as stipulated in Section 14.

Section 18 If any expert shall early vacate, the Cabinet may appoint other person to replace such vacated expert and the term for such replacement member, shall be for the unexpired term of the previously appointed member.

If any farmer representative shall early vacate, the Cabinet may appoint the replacement member from the farmers in such region and Section 13 shall be applied *mutatis mutandis*.

Section 19 A quorum for meetings of the Board shall consist of at least one-half of the total number of members.

If the chairman does not attend or is not able to form his/her duty, the vice chairman shall act as the chairman of the meeting and if the vice chairman does not attend or is not able to form his/her duty, the Board members attending the meeting shall elect one of them to act as the chairman for the meeting.

Decisions of the Board shall be by majority vote, each member having one vote. In case of a tied vote, the chairman of the meeting shall have an additional casting vote.

The member of the Board who has personal interest in any matter under consideration shall not attend the meeting and cast vote on that matter.

Chapter 3

Executive Board of Farmer Rehabilitation and Development Fund

Section 20 There shall have the Executive Board of Farmer Rehabilitation and Development Fund consisting of the chairman and members appointed by the Board totaling seven members three of which shall be appointed from members of the Board

which two of them must be farmer representatives and the remaining member appointed from experts possessing knowledge, skills, achievements and experiences in economics, financial or banking administration and agricultural science, one for each field and the Secretary General shall be the member and secretary of this Executive Board.

The Executive Board shall elect its members to serve as chairman and vice chairman of the Executive Board.

The provisions of Section 16, Section 17, Section 18 and Section 19 shall be applied to the Executive Board *mutatis mutandis*⁵

Section 21 The Executive Board shall have the following powers and duties:

- (1) to regulate disposal of the Fund's money or asset to be in accordance with the objectives, policies, regulations, rules, announcements and orders of the Board.
- (2) to present and report the Fund's operation to the Board.
- (3) to approve plan for rehabilitation and development of farmer organization seeking for support from the Fund.
- (4) to approve the project with value exceeding five hundred thousand baht.
- (5) to issue rules relating to the operation of the Secretary General and authorizing other person to act on behalf of the Secretary General.

⁵ Section 20 paragraph three is amended by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

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- (6) to issue regulations or rules relating to personnel management as well as fixing salary or other monies including staff's and employee's aids and welfare.
- (7) to give advice and counsel the Secretary General on the operations under this Act.
- (8) to appoint steering committee to perform task under this Act.
- (9) to carry out any other act falling within the scope of its powers and duties as provided by this Act or any other legislation or as assigned by the Board.

Such regulations or rules under (5) and (6) above shall become applicable upon being approved by the Board.

The Fund management in respect of farmer debt management account shall fall within the powers and duties of the farmer debt management committee.⁶

Section 22 Member of the Board and Executive Board may be paid with meeting allowance, vehicle cost, per diem, accommodation and other expenses in relation to the operation under this Act which shall be paid from the Fund pursuant to the regulation prescribed by the Minister and approved by the Ministry of Finance.

⁶ Section 21 paragraph three is amended by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

Chapter 4

Office of Farmer Rehabilitation and Development Fund

Section 23⁷ The Office of Farmer Rehabilitation and Development Fund shall have its principal office located in Bangkok or its vicinity and may establish branch office elsewhere deemed appropriate by the Board.

Section 24⁸ The Office shall have following powers and duties:

- (1) To be responsible for administrative works for the Board, the Executive Board and farmer's debt management committee and to propose opinion, research and gather information in relation to performance of those Boards and committee.
- (2) To communicate to the farmers of the policies, regulations and requirements for operations under this Act.
- (3) To provide support, consultation and advice to farmer or farmer organization with respect to operation under the plan or project for farmer rehabilitation and development as necessary or requested by farmer or farmer organization.

⁷ Section 23 is amended by the Farmer Rehabilitation and Development Fund Act (No. 3) B.E. 2563.

⁸ Section 24 is amended by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

- (4) To follow up and assess the operations under the plan or project for farmer rehabilitation and development supported by the Fund and report to the Executive Board as the case may be.
- (5) To implement measures for solving farmer's debt problems under this Act.
- (6) To prepare balance sheet and statement of revenue and expenses of the Fund and present the Office's annual operation report to the Board.
- (7) To perform any other act assigned by the Board, the Executive Board or farmer's debt management committee.

Section 25 The Secretary General shall be the supervisor of the Office's staffs and employees and responsible for the Office's affairs to be in accordance with the objectives of the Fund and the laws, regulations, rules and policies set out by the Board and the Executive Board.

The Secretary General has the power to appoint the Office's staff to be a competent officer under this Act.

Section 26 The Board shall select and appoint a person to serve as the Secretary General from those possessing qualification and having none of prohibited characteristics as follows:

- (1) Thai nationality
- (2) Age not older than sixty five years

- (3) Possessing knowledge, skills, achievements and experiences which are of benefit for serving the Fund.
- (4) Having none of prohibited characteristics under Section 14
- (5) Having never been imprisoned by a final sentence of imprisonment unless for an offence of negligence or a petty offence
- (6) Not being or having been adjudged bankrupt
- (7) No being a person having interest in the contract entered into by the Fund or in the business done for the Fund, directly or indirectly.

Section 27 Recruitment, being vacated from the office and determination of conditions for probation, performance as the Secretary General and performance evaluation shall be in accordance with the employment contract determined by the Executive Board and each term of employment shall not exceed four years.

Upon expiration of the term of employment contract under the first paragraph, the Executive Board by approval of the Board may resolve to renew the employment contract with such Secretary General.

The Secretary General shall receive remuneration, compensation and other monies as determined by the Board.

Section 28 Apart from vacating office at the expiration of the term of employment contract, the Secretary General shall vacate office upon:

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- (1) death
- (2) resignation
- (3) Lack of qualifications or having prohibited characteristics under Section 16
- (4) The Board has resolved to terminate employment contract.

Section 29 The Secretary General shall be the Fund's representative for any of its affairs which involve the third party.

Any transaction done in violation of the regulations prescribed by the Board shall not bind the Fund unless ratified by the Board.

Chapter 5

Farmer Rehabilitation and Development

Section 30 The farmers colluding as a group or a party for the purpose of carrying out agricultural activities together, whether in the form of juristic person or not, if such group or party wishes to register as the farmer organization under this Act, is required to submit an application to the Office or the Branch Office according to the regulations prescribed by the Board.

A farmer may subscribe to only one farmer organization at a time.

The process for validating the applicant's qualifications and registering as farmer organization shall be in accordance with the regulations prescribed by the Board.

Section 31 Farmer organization is entitled to request for farmer rehabilitation and development by preparing and submitting the plan or project for farmer rehabilitation and development to the Office or the Branch Office in the area in which such farmer organization is situated.

In the event that the area in which farmer organization is situated has none of the Office or the Branch Office, the plan or project shall be submitted to the nearest Office or Branch Office.

Section 32 The plan or project for farmer rehabilitation and development shall at least state the following:

- (1) Registration number of farmer organization
- (2) List of all farmers of farmer organization
- (3) Rationale for submitting the plan or project for farmer rehabilitation and development
- (4) Details of assets, liabilities and obligations of such farmer organization as a juristic person and of each farmer as a member of such farmer organization as of the date of submitting the plan or project for farmer rehabilitation and development.
- (5) Overview of each project
- (6) Principle, operation method and procedure for farmer rehabilitation and development
- (7) Operation period of the plan or the project for farmer rehabilitation and development
- (8) List of supporters to the plan or project for farmer rehabilitation and development and details of support, if any.

Section 33 The Executive Board shall have the power to determine and approve the plan for farmer rehabilitation and development. If such plan includes the project also falling within the power of the Executive Board, such project shall be considered concurrently and the result of consideration shall be notified to farmer organization within sixty days upon receipt of the plan.

If the plan is not approved, the brief reason thereof shall be accompanied with the notice of decision and such farmer organization shall have the right to file an appeal to the Board within thirty days upon receipt of such notice of decision.

The Board shall complete the review of an appeal within sixty days upon receipt of such appeal and the Board's decision shall be final and conclusive.

Section 34 The Secretary General shall have the power to determine and approve the project for farmer rehabilitation and development with the project value not exceeding five hundred thousand baht.

The Executive Board shall have the power to determine and approve the project for farmer rehabilitation and development with the project value exceeding five hundred thousand baht.

The determination under paragraph one and paragraph two above shall be conducted in accordance with Section 33 *mutatis mutandis*. The farmer organization may appeal against the decision made by the Secretary General under paragraph one to the Executive Board within thirty days from the date of being noticed of such decision and the decision made by the Executive Board shall be final and conclusive.

Section 35 The Executive Board and the Secretary General may approve the plan or project for farmer rehabilitation and development by setting out any conditions to be fulfilled.

Section 36 Farmer organization shall report its operation result under the plan or project for farmer rehabilitation and development to the Office according to conditions and schedule as per the regulations prescribed by the Executive Board.

The Office shall examine and assess such operation results under the plan or project for farmer rehabilitation and development. If the assessment suggests that the operations are not in accordance with the approved plan or project, the Office shall notify farmer organization to modify and improve such operations within specified period and if it deems appropriate, the Office may have an order suspending disbursement of fund for such plan or project during such period and then report to the Executive Board as per the regulations prescribed by the Executive Board.

If it obviously appears that farmer organization is not able to continue its operations to meet such plan or project, the Secretary General shall propose the Executive Board to order canceling such plan or project.

Farmer organization has the right to appeal against the order made the Executive Board under paragraph three to the Board within thirty days upon being notified of such order.

Section 37 To perform duties under this Act, the Board, the Executive Board, the Secretary General and officer shall be the competent officer under the Penal Code.

Chapter 5/1
Solution to Farmer's Debt⁹

Part 1
General

Section 37/1¹⁰ In this Chapter, unless otherwise expressed by the context

“Debt” means debt originated from carrying out agricultural activities by the farmer who is the member of farmer organization.

“Formal Debt” means

- (1) Debt originated from the government's promotion project
- (2) Debt originated from the loan from financial institutions
- (3) Debt originated from the lone from farmer institutions

“Government's Promotion Project” means project initiated by the ministry, department, provincial administration or state-owned enterprise.

“Financial Institution” means

⁹ Chapter 5/1 Solution to Farmer's Debt Section 37/1 to Section 37/10 are inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

¹⁰ Section 37/1 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

- (1) Commercial bank pursuant to the law relating to commercial banking
- (2) Bank for Agriculture and Agricultural Cooperatives pursuant to the law relating to bank for agriculture and agricultural cooperatives.
- (3) Juristic person determined by the Board

“Farmer Institution” means juristic person pursuant to the law relating to cooperatives.

Part 2

Farmer’s Debt Clearing Committee

Section 37/2¹¹ There shall have Farmer’s Debt Clearing Committee consisting of Permanent Secretary of the Ministry of Agriculture and Cooperatives, Permanent Secretary of the Office of the Prime Minister, Director General of the Bureau of the Budget, Director General of the Cooperative Promotion Department, representative of the Ministry of Finance, Manager of the Bank for Agriculture and Agricultural Cooperatives, representative of the Thai Bankers’ Association, nine committee members appointed by the Board from the Board members who are farmer representatives and experts appointed by the Board from those possessing relevant knowledge, skills, achievements and experiences in the field of economics, financial or banking administration and agricultural science; one from each field, as the committee member.

¹¹ Section 37/1 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

The Farmer's Debt Clearing Committee shall elect two of the members to serve as chairman and vice chairman of the Committee.

The Secretary General shall be a member and secretary of the Committee and the director of farmer's debt clearing office shall be a member and assistant secretary of the Committee.

The provisions of Section 16, Section 17, Section 18 and Section 19 shall be applicable to the Farmer's Debt Clearing Committee *mutatis mutandis*.

Section 37/3¹² The Farmer's Debt Clearing Committee shall have powers and duties as follows:

- (1) To implement farmer's debt clearing plan as approved by the Board.
- (2) To regulate disbursement of the Fund's money and assets in the account for farmer's debt clearing to be in accordance with the objectives, policies, regulations, rules, announcements and orders of the Board.
- (3) To present and report to the Board with respect to the Fund's operation in the farmer's debt clearing account.
- (4) To determine requirements of farmer's debt clearing.
- (5) To provide consultation and suggestion to the Secretary General for the operations under this Act.

¹² Section 37/3 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

- (6) To appoint a working group to perform the task under this Act.
- (7) To carry out any other act falling within the scope of powers and duties of the Farmer's Debt Clearing Committee as provided by this Act or other legislation or as assigned by the Board.

Section 37/4¹³ the Farmer's Debt Clearing Committee may be paid with the meeting allowance, travel cost, per diem, accommodation expense and other expenses in connection with performing duties under this Act according to the regulations prescribed by the Board and approved by the Ministry of Finance; all of which shall be paid out of the fund in the farmer's debt clearing account.

Part 3

Farmer's Debt Clearing

Section 37/5¹⁴ There shall be established an office in the Office called the "Farmer's Debt Clearing Office" with an aim to solve farmer's debt as directed by the Board and the Farmer's Debt Clearing Committee.

There shall have a director of the Farmer's Debt Clearing Office who shall supervise the office's affairs and directly report to the Secretary General. The organization structure and the powers and duties of this office shall be as determined by the Farmer's Debt Clearing Committee.

¹³ Section 37/4 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

¹⁴ Section 37/5 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

Section 37/6¹⁵ A farmer who is indebted with formal debt and intending to seek for support from the Fund may file an application for farmer registration to the Farmer's Debt Clearing Office subject to the requirements determined and announced by the Farmer's Debt Clearing Committee.

Upon receipt of the application for registration under paragraph one, the Farmer's Debt Clearing Office shall verify the evidence proving the existence of debt and lawful security as well as categorize such farmer's debt subject to the criteria prescribed by the Farmer's Debt Clearing Committee.

Section 37/7¹⁶ A farmer whose formal debt originated from any promotion project initiated by the government which is considered unsuccessful by the Board without the farmer's fault shall be given assistance by the Fund taking over the liability, in whole or in part, to the creditor of such farmer provided that prior approval has been granted by the Cabinet.

Payment of debt to the creditor of the farmer under paragraph one shall be made in cash, by government bond or bill subject to the criteria, method and conditions prescribed by the Board.

The public budget shall be allocated to the Fund for the operations under paragraph one.

¹⁵ Section 37/6 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

¹⁶ Section 37/7 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

Section 37/8¹⁷ The farmer as mentioned in Section 37/8 whose debt shall be discharged, in whole or in part, by the Board is required to enter the process for farmer rehabilitation and development according to the regulations prescribed by the Board.

Section 37/9¹⁸ In respect of the farmer whose formal debt not originated from promotion project initiated by the government, when the Farmer's Debt Clearing Committee is approved by the Board to have the power to manage any farmer's debt, the Farmer's Debt Clearing Committee shall pay the debt, in whole or in part, to the creditor of such farmer in cash, by government bond or bill subject to the criteria, method and conditions prescribed by the Board.

When the Fund has taken over liability to the creditor of the farmer under paragraph one, the farmer's debt shall be managed in the following manners:

- (1) In case of debt secured by assets, such assets used as security shall become the property of the Fund and such security shall be returned to the farmer from the Fund only by mean of hire-purchase or purchase subject to the criteria, method and condition prescribed by the Board.
- (2) In case of debt guaranteed by an individual, it shall be subject to the criteria, method and condition prescribed by the Board.¹⁹

¹⁷ Section 37/8 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

¹⁸ Section 37/9 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

¹⁹ Section 37/8 paragraph two is amended by the Farmer Rehabilitation and Development Fund Act (No. 3) B.E. 2563.

The Board shall have the power to extend debt payment, discount or discharge the debt to a farmer by a government decree and the government should allocate subsidy for such burden to the Fund.

The management of the real property of the farmer granted with such support under paragraph one shall be in accordance with the regulations prescribed by the Board and such farmer shall enter the process for rehabilitation as per the regulations prescribed by the Board.

Section 37/10²⁰ The Fund and a farmer involving in any business which the law requires that the real property or property right thereof be registered under this Act, the Fund and a farmer shall be exempted from fee and tax for such registration whether as the transferor or transferee.

Tax exemption under paragraph one shall be announced by the government decree pursuant to the Revenue Code and may be included with criteria, method and condition.

Transitory Provision

Section 38 The Board, the Executive Board and the Secretary General under this Act shall be established within one hundred and twenty days from the date this Act has come into force.

²⁰ Section 37/10 is inserted by the Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544.

Section 39 Subject to the provision of Section 38, during the period the farmer representatives have not been appointed as the Board member under Section 13 paragraph one, the Minister shall appoint twenty of those who are the farmers to serve as farmer representatives for the time being.

The Director General of the Comptroller General's Department, the Director General of the Cooperative Promotion Department, the Director General of the Department of Agriculture Extension, Secretary General of the Office of Agricultural Economics, Director of the Office of Industrial Economics, Director of the Fiscal Policy Office, President of the Government Savings Bank, President of the Bank for Agriculture and Agricultural Cooperatives shall be the expert from government sector and the Minister shall appoint five of those who have none of prohibited characteristics under Section 14 to serve as the expert from private sector; to execute this Act for the time being.

The Board members under paragraph one and two shall be entitled to be appointed the Board to serve in the Executive Board in order to execute this Act for the time being.

Section 40 For the initial term of office, the Secretary General of the Office of Agricultural Economics shall serve as the Secretary General under this Act for the time being.

Countersigned by:

Chuan Leekpai

Prime Minister

Remark: The reasons for the enactment of this Act are as follows:

Whereas agricultural development has always been initiated by the government without having allowed the farmer to share their opinion and take part in drawing the policy for developing their own living standard and agricultural activities and the solutions might have not met the actual needs of the farmer. It is therefore necessary to establish specific organization to be in charge of farmer rehabilitation and development in continual and independent manner and be capable of synchronizing cooperation among civil servants at policy making level, operating officers, technical officers and farmers in order to set out policies for the farmer's rehabilitation fund. This will allow the farmers who may be lack of resources for their occupation to form a farmer organization, developing plan and project for support from the Fund while following up and assessment system shall be established to ensure that rehabilitation and development of farmer's living standard is achieved as per the objectives for establishment of the Fund,

Farmer Rehabilitation and Development Fund Act (No. 2) B.E. 2544²¹

Section 2 This Act shall come into force on the day following the date of its publication in the Government Gazette.

Remark: The reasons for the enactment of this Act are as follows:

As the Farmer Rehabilitation and Development Fund Act B.E. 2542 contains no specific provision relating to the objectives and guidelines for solution of farmer's debt originated from the government promotion project which is considered unsuccessful while the farmers are not able to seek for financial support to solve their existing formal debt and thus encounter difficulties in rehabilitating their occupation and improving their living standard

²¹ Government Gazette Volume 118/Section 104 Gor/Page 16/12 November 2001

Farmer Rehabilitation and Development Fund Act (No. 3) B.E. 2563²²

Section 2 This Act shall come into force on the day following the date of its publication in the Government Gazette.

Section 6 The expert members and the farmer representative members of the Fund for Farmer Rehabilitation and Development, the members of the Executive Board of the Fund for Farmer Rehabilitation and Development and the members of the Farmer's Debt Clearing Committee who have held their office before the date this Act has come into force shall continue to hold such office until expiration of the term of office under this Act and be marked as the first term.

Upon expiration of the first term of office and if there have none of the new expert members or farmer representative members being appointed, the expert members or farmer representative members vacated by expiration of the term of office shall continue to serve in their position until the new expert members or farmer representative members have been appointed.

Remark: The reasons for the enactment of this Act are as follows:

Whereas farmer's debt clearing has not adequately covered certain category of farmer's debt and thus some farmers have not be assisted with their debt problem because the Fund for Farmer Rehabilitation and Development is not able to take over the debt owed to the creditor in case of unsecured one while the term of office of the expert members and farmer representative members and the location of principal office

²² Government Gazette Volume 137/Section 75 Gor/Page 1/23 September 2020

and the branch office of the Office of the Fund for Farmer Rehabilitation and Development as fixed in the law are still not adequately flexible resulting in certain obstacle to the operation, it is therefore reasonable to amend the Farmer Rehabilitation and Development Fund Act B.E. 2542 in order to allow the Fund for Farmer Rehabilitation and Development to take over liability to the creditor in case of debt guaranteed with an individual and to fix more appropriate term of office for the expert members and the farmer representative members. Furthermore, the amended Act shall empower the Board to fix the location of the principal office in Bangkok or its vicinity and the branch office elsewhere in the country.

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