doi: 10.14456/jms.2019.18

## The Transformation from Farmer to Entrepreneur in Khon Kaen Province, Thailand<sup>1</sup>

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Received: August 14, 2019 Revised: October 24, 2019 Accepted: November 21, 2019

#### Abstract

This article aims to illustrate the process of becoming a farmer-entrepreneur in Khon Kaen, Thailand. The study employed qualitative research methodology, using both participant and non-participant observation and in-depth interviews with six farmer-entrepreneurs, one knowledgeable person from the community, and one local official. The selection of farmers was based on their knowledge and skills in agricultural production, business management, marketing, and their goals in profit-making for their business. The researchers employed the content analysis method in analyzing the data. The findings show that most farmer-entrepreneurs in Khon Kaen had work experience in fields outside of agriculture. However, they were agricultural enthusiasts who were discontented with their previous jobs or were retired. They either saw opportunities in agricultural business or wanted to improve the social acceptance of farming as an occupation. There were five phases of becoming farmer-entrepreneurs: 1) formation, which included finding information and collecting knowledge; 2) struggle, which covered trying out planting and selling the products; 3) setting goals, which included learning new techniques, understanding meanings and

<sup>&</sup>lt;sup>1</sup> This article is a part of a master's thesis entitled "Becoming Farming Entrepreneurs: Farmers in Khon Kaen," which is funded by the Graduate School, Khon Kaen University, the Thailand Science Research and Innovation (TSRI), and the Center for Research on Plurality in the Mekong Region (CERP).

strategies of becoming farmer-entrepreneurs, and improving production methods; 4) establishing networks to exchange knowledge of production and marketing techniques; and 5) becoming full farmer-entrepreneurs, which is defined as having many distribution channels and enough quality products for sale. The five phases illustrate clearly the profit-calculated characteristics of business procedures.

Keywords: transformation, process, farmer-entrepreneur, becoming

#### Introduction

Farmers in Thailand are often viewed as belonging to a low social class because of having to work hard outside in the sun and because of their poverty. They and their relatives are dependent on each other. They are the main focus of the government's support. However, in the past few years, after facing a crisis in agricultural commodity prices, many farmers attempted to become independent by reducing the amount of support they received from the government. Some farmers had to work as laborers outside the agricultural industry, while others had to adapt to commercial farming (Laoaun, 2010). They calculated the advantages and disadvantages of these options and also sought other opportunities to increase their income. They chose the way that could make the greatest benefit for their families even if it caused some conflicts with the public. In other words, despite the crisis, the farmers were ready to seize any opportunity to better their quality of life. They willingly struggled to achieve what they wanted although it might be risky or they might come into conflict with the village's social welfare (Popkin, 1979). This choice eventually changed the image of the farmers because they were no longer viewed as a group of people who wait for government support. With eagerness and the ability to access markets, some of the farmer groups shifted their role from that of ordinary farmers to farmer-entrepreneurs (Sattayanurak, 2016).

The farmers' adaptation occurred along with the stream of the country's development policy, both for the industry and the evolution of farmers into "modern farmers" who employ new technology to help increase efficiency of production and marketing. Their adaptation also

helped them to establish cooperative networks at various levels and become farmer-entrepreneurs (Department of Agriculture Extension, 2016). A number of government policies were aimed at improving the farmers' careers, establishing more sustainable economic opportunities, and solving production problems caused by old methods in which they were unable to negotiate for prices while costs increased continually.

Despite the fact that modern farmers as farmer-entrepreneurs seem to have more power in marketing negotiation, there is an ultimate risk in the uncertainty over product prices, consumers, and more competitive rivals. These factors play a significant role in determining the existence of farmer-entrepreneurs.

The objective of this study is to examine the transformation to entrepreneurs of farmers in Khon Kaen province by using the sociological concept of entrepreneurship to analyze the phenomenon that occurred in Khon Kaen's agricultural sector under changes in the economy and society. The concept includes the social values and ideology of modern farmers that play an important role in their becoming farmer-entrepreneurs. In the Khon Kaen context, it was found that the relevant organizations, including the local government organizations and central government agencies, such as the Department of Agricultural Extension and the Provincial Agricultural Extension Office, have a policy of promoting farmers continually and intensely in terms of agricultural production, marketing, and self-sufficiency. At the same time, farmer-entrepreneurs in Khon Kaen no longer wait for government support but have the potential to manage their own farms. With background knowledge of farming and the opportunity to seek more information and gain more experience from their previous jobs outside of agriculture, they are able to plan production and seek markets to maximize profit. They have the ability to negotiate for the market, and invest with government sectors using different methods in the process of becoming farmer-entrepreneurs. The farmers grow a variety of plants and are able to set reasonable prices for their products, which is opposite to the situation in the past when all product prices were based on market mechanisms. Moreover, there are now networks that enable the farmers

to exchange knowledge about the farming business. These different groups allow farmers to rely more on themselves and reduce their reliance on the government.

#### Literature Review

The word "entrepreneur" is derived from French *entrepredre*, which means "to undertake" or "to volunteer" (Girard, 1962). The word has been defined by many scholars as a person who is able to create and use new innovations in economic activities which stimulate the growth of the economy (Schumpeter, 1934). An entrepreneur can bear uncertainty or make a subcontract, or be a subcontractor in an economic activity. He or she can handle risks that can happen in a future contract (Cantillon, 1959). An entrepreneur makes profits not only from arbitrage of a single market, but from a variety of markets (Kirzner, 1979). Because this article focuses on the concept of farmer-entrepreneur through the lens of sociology of entrepreneurship, the definitions of entrepreneur under the concept of sociology are presented.

The study of entrepreneurship in the field of sociology has been developing for several decades. The concept was first introduced by Weber (1930 cited by Thornton, 1999; Ruef and Lounsbury, 2007). Weber's works had a profound influence on the development of entrepreneurial studies. In his book, "The Protestant Ethic and the Spirit of Capitalism," he asserted that entrepreneurship attained by accumulating wealth lead to the establishment of capitalism in Europe and North America. Later, Durkheim (1984 cited by Ruef and Lounsbury, 2007) described an entrepreneur through the evolution of the division of labor, which explained the collapse of jobs and the extension of entrepreneurs who are more skillful and independent. Similarly, Simmel (1990 cited by Ruef and Lounsbury, 2007), in his essay, "The Stranger," described the relationship between the outsiders and the middle entrepreneurs that do business in society. This explanation became the basis of entrepreneurial studies for the next generation of scholars.

In sociology, the word "entrepreneur" can be interpreted differently. Here are several examples: 1) a person who owns and runs a business – but not necessarily a new, small, growing, or successful business; 2) a person who risks capital and other resources in the hope of substantial financial gain, or someone who specializes in making decisions about the use and coordination of scarce resources; 3) a creative innovator in the business sphere, in contrast to the conventional business owner, capitalist, or professional manager, who conforms more often to established procedures and objectives; 4) the owner or creator of a new, small, growing, and successful business, or even any person who sets up a small business, or changes from working as an employee to being self-employed (Marshall, 1998). These definitions can be used to explain the characteristics of farmers who shift from being general agricultural producers to entrepreneurs with the ability to manage and sell their products.

The study of entrepreneurship in terms of sociology is different from that in other fields. It analyzes not only economic dimensions, but also social-cultural dimensions through social context (Landstrom, 1999). Related are four dimensions of entrepreneurial opportunities discussed by Ruef and Lounsbury (2007): 1) the context of the social network that places importance on building social relationships and trust while avoiding profiteering; 2) the context of life course stage as a situational analysis that influences the thoughts and actions of people; therefore, experiences may push someone to become an entrepreneur; 3) the context of ethnic identification is a social background which "forces" a person to become an entrepreneur; 4) the context of population ecology, which regards the actors contributing to the survival of businesses and entrepreneurs such as policy, law, clients, employees, and competition (Reynolds, 1991). From the two lists above, it is important to consider social context, as well as dimensions and analysis of process, including the effects of the activities resulting from entrepreneurship. These can be the factors that propel someone to become an entrepreneur.

The term "farmer as entrepreneur" is defined as a farmer who is creative and has the drive, force, and potential to utilize opportunities. These farmers always look for new opportunities and realize that the opportunities can be found in a "market." Thus, farmer-entrepreneurs usually view their own farms as business capital. Income and calculation of risk are taken into consideration to attain more profits and business growth. The following skills are required: 1) managerial skills for starting a business and making profits for their farming business; and 2) an entrepreneurial spirit (Kahan, 2012).

McElwee (2008) separated "farmer as entrepreneur" from other types of farmers as a group of people that are experts in entrepreneurship. They have advantages of geographical region, such as soil quality for plantation and easy-access location which allows convenient product delivery to markets and customers. In addition, farms with impressive landscapes can also be developed for agricultural tourism. These strong points allow them to seek opportunities outside of agriculture, in areas such as tourism, cultural and entertainment activities, and product processing for sale. Moreover, they also have family farms that help circulate their resources flexibly. These farmer-entrepreneurs are usually stimulated by pull factors that make them want to be independent of government price and cost supports, eventually leading to the establishment of networks and alliances to create new innovations for their products.

Thus, farmer-entrepreneurs are the farmers with entrepreneurial behavior. They are the people who seek business benefits from their agriproducts and view their farms as products from which they can gain benefits. Moreover, farmer-entrepreneurs are business owners who are able to manage the risks that could occur. Thus, the difference between ordinary farmers and farmer-entrepreneurs can be clearly distinguished and it reflects the dynamic of farmers that has changed through changes in development policies and the economy.

Karnchanapan (2011) pointed out the turning point in the process of becoming a farmer-entrepreneur from pre-productivist to

productivist, and on to a post-productivist<sup>2</sup> who considers the meaning or the value gained from production while adding more values to his or her products. The change is non-linear because the villagers still try to join three types of producers creatively. It means that the farmers still maintain their farming-for-consumption lifestyle, while trying to produce for sale. Moreover, they might also seek job opportunities outside the agricultural sector to create more life options.

The idea is similar to the work of Laoaun (2010), who found that farmers adapted to monoculture farming in order to put their products on the market while maintaining pre-production. Agricultural machinery was used and there was a stratification of farmers who comprised the group that left the agricultural sector and those who adapted to become entrepreneurs, both inside and outside of agricultural sectors. This situation eventually led to the collapse of farmer communities. Similarly, Krisnachuta (2011) claimed that modernization and commercialization are two key components that enable the farmers to adjust their living strategies to the context that has changed whether they accept it or not.

Changes in farmer communities reflect the different images in which farmers are portrayed. Manorom (2016) gave an example of the "modern farmers" of the Rasi Salai basin, Sisaket province as well-rounded farmers who are sophisticated in their connections with markets, investments, and the government. A political movement to negotiate resources with the government and investment is described in the study of Popkin (1979), according to which the production process of the farmers has moved from being a farmer who produces for a living to the farmer who knows how to make a better living socially and economically similar to other groups of people. That is, some farmers are able to accumulate their economic capital and are willing to take a risk to insure their better lives. Keyes (1983) argued that the economic

<sup>&</sup>lt;sup>2</sup> The process of production of farmers in the past started from a pre-productivist, a person who produces for consumption, to a productivist, a person who produces for sale, and on to a post-productivist, a person who produces for sale while trying to create meaning or increase value of his or her products (Karnchanapan, 2011).

behavior of the farmer depends on the benefits of the economy, and involves religious beliefs. Many farmers believe that wealth and poverty are decided by the law of karma. The farmers' behavior is often influenced by ethics, which lead them to become decent farmers. Some of the ethics are being frugal, hard-working, modest, and not causing any trouble to anyone. The farmers also know what and how to invest under different opportunities and conditions, which can be a contributing factor to their economic stability. Moreover, they know how to adapt to changes in society and, thus, their role in politics increases (Greenwood, 1973; Walker, 2012). The move from being a poor farmer to an entrepreneur results in a more stable income (Sattayanurak, 2016; Ngamwasinon, 2016). Multifunctional agriculture seems to be a better alternative in which entrepreneurship is at the center (Tohidyan Far and Rezaei-Moghaddam, 2019).

From this literature review, it can be seen that the sociological study of farmer-entrepreneurs is based on social contexts which are diverse and complex. The analysis was conducted to see the association between the farmers as the people who want to change and the social structure that forces them to adapt. Therefore, concepts of the sociology of entrepreneurship were employed to study the "Farmer as Entrepreneur" in order to answer the question of who the farmer-entrepreneurs are and what makes them become entrepreneurs. Relations with society are also analyzed to understand and explain the factors that contribute to becoming a farmer-entrepreneur in Khon Kaen province.

## Research Methodology

This phenomenological study employed the qualitative approach to help understand the dynamic of change that occurs under the idea that each part or situation has a meaningful relationship with each other and cannot be separated. From fundamental beliefs, social truth is built upon ideas and is subjective. Thus, this study emphasized collecting the experiences and ideas of the farmers in a descriptive, in-depth, and concise way. The focus was on understanding the farmer-entrepreneurs' own experiences, especially their agricultural backgrounds, production

processes, economic activities and expectations (Phothisita, 2004). Semi-structured interview guidelines for in-depth interviews, participatory observation, and non-participatory observation were applied to collect primary data from eight key informants, who included the following: one knowledgeable person from the community; one local official who could provide information about development policy, social context, and farmer-entrepreneurs; and six farmer-entrepreneurs.

The farmers were selected to participate in this study based on their knowledge and skills in agricultural production, business management, marketing, and their goals in profit-making for their business. Content analysis and the descriptive analysis were used for this study.

## **Findings**

The findings can be explained and categorized into two parts: 1) the Khon Kaen province context and 2) the process of becoming a "farmer-entrepreneur" in Khon Kaen province. Details of the findings are described below.

#### Khon Kaen Province Context

Khon Kaen province is located in the center of the northeast region of Thailand, also known as Isan, where economic and infrastructure development have grown rapidly since 1961. After the first national economic and social development plan (1961-1966) was launched, Khon Kaen was affected by several projects approved by Field Marshal Sarit Thanarat. Infrastructure building included roads, irrigation systems, high voltage electrical installations and setups, dam construction, and agricultural research institutes in order to support economic growth. Khon Kaen province has become the center of the region's development in terms of industries, commerce, and service industries. Because of its location, Khon Kaen can connect the northeast to the central part of the country, thus facilitating industrial development. Eventually, the local

farmers turned their interest to commercial farming of rice, jute and cotton. The rapid expansion of agricultural land for commercial farming was done by forest clearance and, similar to the study by Pinthong (1991) and Phongsiri (2019), led to a great decrease in forest land, ecological imbalance, and farming problems.

In Khon Kaen, there are different types of rice fields, for example, lowland and upland farming. Thus, farming is both seasonal, which requires rainfall, and off-season; different crops are grown at different times. Over the years there have been attempts to grow a variety of plants, including jute and cotton. In 1977, a crisis resulted from the decreasing price of these two crops and the farmers shifted to cassava planting as a cash crop. However, the boom in cassava planting in Thailand, especially in the northeast, combined with import limits set by the European Union, the biggest importer of Thai cassava, led to a decrease in the price of cassava. In 1989, the farmers shifted to sugarcane planting but soon faced a quite similar crisis. Parliament passed an act relating to sugarcane control in 1984, which became an obstruction for the market channels of the farmers. Some had to shift to rubber around 1992. One farmer reflected on this situation as follows.

Before now we planted rice for our households and we would sell the surplus. Mostly we did rubber planting, as can be seen in that the area of rubber trees was bigger (23 rai). It was the era of Greening Isan that time, so we were encouraged to do rubber planting until now. (Phakkat [pseudonym], 2019)

However, the price of agricultural products fluctuated as did support from the government for doing multiple plantings. In 2002, the farmers also experimented with planting palm oil trees, but the markets were limited. The farmers turned to rubber and cassava planting again along with rice farming. A variety of bananas known as Gros Michel was promoted in 2009, and sugarcane in 2014, when the farmers faced the problem of rice overproduction. At that time the government sector in Khon Kaen province introduced a project to solve the problem conforming to the government policy and the national economic and

social development plan.<sup>3</sup> The farmers shifted from monoculture to integrated farming, for instance, doing rice farming along with growing bananas, guava, corn, mulberries, strawberries, as well as different kinds of vegetables. The development of agricultural production in Khon Kaen province is shown in Figure 1.

# The Process of Becoming a Farmer-Entrepreneur in Khon Kaen Province

The study found that the meaning of farmer-entrepreneurs, from the perspectives of the farmer-entrepreneurs themselves, varies somewhat. It overlaps with the meaning of being a typical farmer in terms of agricultural production, and an entrepreneur who aims at profits. From the interviews, it can be concluded that farmer-entrepreneurs have defined themselves as those who start a business using their own assets to produce and sell a variety of their products. Moreover, they are modern farmers who constantly seek improvement so that they can manage and plan their production and sales. They also need to be creative and keep up to date on any critical changes in current markets. Farmer-entrepreneurs are also described as those who make use of various production methods to meet the demands of markets and consumers and establish a network to help them become farmer-entrepreneurs at different levels. Kinship networks, for example, play a vital role in providing land, labor, and investments. Farmer-entrepreneur networks allow the exchange of useful information. The information could be about production processes, which include soil preparation, seed selection, plant nourishment to enhance production quality, and mutual market support. There are also networks between farmer-entrepreneurs and merchants in the market, governmental, and private sectors. These networks have contributed greatly to the success of farmer-entrepreneurs. The farmer-entrepreneurs also realize the importance of modern technology to save time and effort in production, which can be seen in Table 1 below.

<sup>&</sup>lt;sup>3</sup> For example, the Smart Farmer Project encouraged farmers to form groups and do the farming in the same, large area. It promoted efficient farmers and local enterprises, and developed a new era of farmers known as young smart farmers (YSF).

| Farming for Infrastructure commercial rubber are higher commercial promoted consumption development planting than cassava plantings  Before 1962 1962 1977 1987 2002 2009 rice and rice, jute, land field was sugarcane and vegetable cotton farming allocated for rubber farming planting palm oil sugarcane planting farming farming farming farming palm oil sugarcane | Foo much rice, New policy sugarcane was supported the promoted new farmer | 2016-2019 rice farming, monoculture and integrated farming |
|---|---|--|
| Start the sugarcane and Infrastructure commercial rubber are higher development planting than cassava   | Too much ric<br>sugarcane wa<br>promoted                                  | 2009<br>Banana and<br>sugarcane<br>farming                 |
| Start the Infrastructure commercial development planting  | Increase in<br>commercial<br>plantings                                    | 2002<br>mango and<br>palm oil<br>planting                  |
| Infrastructure development  | The prices of sugarcane and rubber are higher than cassava                |  |
| T 9   | Start the commercial planting   |  |
| Farming for consumption  Before 1962  rice and vegetable planting   |   | 1962<br>rice, jute,<br>cotton farming                      |
|   | Farming for consumption   | <br>Before 1962<br>rice and<br>vegetable<br>planting       |

Figure 1 Timeline of agricultural production in Khon Kaen province from 1962 to 2019 Source: Author

Table 1 Basic information about the farmer-entrepreneurs in the study

| Basic<br>Information                 | Daorueng<br>(pseudonym)  | Khaopod<br>(pseudonym)  | Phakkat<br>(pseudonym)   | Kluay<br>(pseudonym)   | Khao (pseudonym)   | Khana<br>(pseudonym)  |
|--------------------------------------|--|---|--|--|--|---|
| Back-<br>ground/<br>Experience       | - 62 years old<br>- worked as a teacher<br>- started farming in<br>2016  | - 47 years old - worked as a nurse assistant - started farming in 2009                    | - 46 years old - used to work in a private company - Started farming with spouse in 2002 | - 43 years old - Worked at a Japanese company - Resigned to do farming in 2015             | - 38 years old - Worked in a sales department at the company - Started farming with spouse in 2014   | - 32 years old - used to be a teacher but resigned for medical treatment - Started farming in 2016                |
| Old<br>production<br>pattern         | - Grow rice and sugarcane  | - Grow rice and sugarcane   | - Grow rice,<br>sugarcane, and<br>rubber plants  | - Grow rice and sugarcane  | - Grow rice  | - Grow rice and<br>vegetables   |
| New<br>production<br>pattern         | - Plant flowers - Grow safe vegetables - Raise egg-laying chickens - Raise earthworms - Establish an agricultural learning | - Grow safe fruits<br>and vegetables<br>- Raise egg-laying<br>chickens, cows<br>and ducks | - Grow safe fruits<br>and vegetables<br>- Raise egg-laying<br>chickens and<br>ducks      | - Grow a variety of safe plants and vegetables - Establish an agricultural learning center | - Start an agricultural tourism business - Grow various plants such as strawberries, rice and mangoes - Raise sheep - Process strawberries and mangoes | - Grow different vegetables such as Chinese kale, tomatoes, and morning glory - Propagate Japanese sweet potatoes |
| Marketing<br>and public<br>relations | - Farm name, product<br>sticker labels and<br>name cards   | - Farm name,<br>product sticker<br>labels, and<br>Facebook page to<br>publicize products  | - Farm name  | - Farm name  | - Farm name, product<br>sticker labels, and<br>Facebook page to<br>publicize products  | - Farm name   |

Table 1 Basic information about the farmer-entrepreneurs in the study (cont.)

|                               |  |  | _   |   |   |  |
|-------------------------------|--|--|---|---|---|--|
| Basic<br>Information          | Daorueng<br>(pseudonym)  | Khaopod<br>(pseudonym)   | Phakkat<br>(pseudonym)  | Kluay<br>(pseudonym)  | Khao<br>(pseudonym)   | Khana<br>(pseudonym)   |
| Networks (with)               | - Farmer-entrepreneurs - Merchants in markets - Officers of Agricultural Department - Local people - Private sector (market owner) - Stores outside the community - University | - Kin - Farmer-entrepreneurs - Community store - Officers of Agricultural department - Local people - Private sector (market owner) - University | - Farmer-entrepreneurs - Merchants in markets - Officers of Agricultural department - Local people - Private sector (market owner) - University | - Kin - Farmer-entrepreneurs - Merchants in markets - Officers of Agricultural Department - Local people - Private sector (market owner) - University | - Kin network - Farmer-entrepreneurs - Restaurants outside the community - Fertilizer and seed dealers - Officers of Agricultural Department - Local people | - Farmer-entrepreneurs - Merchants in markets - Officers of Agricultural department - Local people |
| Grouping                      | - Official group<br>- Unofficial group<br>- Line group   | - Official group - Unofficial group - Line and Facebook groups   | - Official group<br>- Unofficial group<br>- Line and<br>Facebook groups   | - Official group<br>- Unofficial group<br>- Line and Facebook<br>groups   | - Unofficial group<br>- Line and Facebook<br>groups   | - Official group<br>- Unofficial group<br>- Line and Facebook<br>groups                            |
| Technologies<br>and resources | - Dig a farm pond - Build a plant nursery to propagate seeds - Use water sprinkler system  | - Dig a farm pond - Build indoor-farming house for growing vegetables - Use water dripping system and sprinkler system                           | - Use water<br>sprinkler system   | - Dig a farm pond - Use water dripping system and sprinkler system  | - Use water sprinkler<br>system   | - Dig a farm pond<br>- Use water<br>sprinkler system   |

Source: Author

The processes and steps of becoming a farmer-entrepreneur are described below.

## **Phase 1 Farmer-entrepreneur Formation**

The study showed that in the formation phase, the farmers started seeking information on farming. They had an accumulation of assets, which were both financial capital and knowledge of agricultural production. The farmers needed to have financial capital in order to invest in seeds or agricultural equipment and employ technology to facilitate their production process. In one example, a soaker hose system was replaced by a water sprinkler system. The majority of the farmer-entrepreneurs had their own financial capital, which was acquired through savings while working outside the agricultural field, and through annual product sales. It was also found that some farmer-entrepreneurs took out loans from various sources, such as relatives and the Bank for Agriculture and Agricultural Cooperatives (BAAC).

For knowledge, which refers to human capital in agricultural production, the study found that the farmer-entrepreneurs learned how to grow plants, prepare the soil, plan irrigation, and participate in experimental planting. The latter included growing marigolds, Japanese sweet potatoes, and salad vegetables such as red and green oak lettuce. The plants were grown as a selling experiment in the markets. For example, the farmers sold the products to the local vendors and customers, or let family members sell for them. They also asked the local vendors to sell the products in community markets. While these farmers usually had good relationships in their community, we observed that the farmer-entrepreneurs maintained them by doing activities together with the community, serving as leaders to ask for financial support from the government for drilling the community's groundwater, or being a volunteer or soil doctor in the community. Moreover, it was found that some farmer-entrepreneurs focused on seeking agricultural knowledge from different sources and had access to services and knowledge necessary for farming from related organizations, especially the government's local sectors such as the agriculture extension department of district and sub-district. They also gained agricultural knowledge by asking people and searching on websites to apply the production process in their farming areas. As one farmer said:

First of all, we need to acquire knowledge before we start doing something. We must prepare ourselves before taking serious action. The knowledge can be obtained from taking part in training programs by a number of organizations, or we can visit some model farms. (Phakkat [pseudonym], 2019)

On the other hand, the farmer-entrepreneurs faced a number of problems at this phase, for example, a land problem resulting from chemical usage in agriculture. Because of the poor quality of the land, it is impossible to produce quality plants there. The uncertainty of the weather is also a critical factor. As this phase involves experimental production, there was no certain market, thereby contributing to income uncertainty. It can be said that the formation phase was different for each person because of differences, including land for agricultural production, suitable environments for farming, and the markets to serve their agriproducts.

## Phase 2 The Struggle Phase

In this phase, the farmer-entrepreneurs expanded production capacity and sought selling channels intensely. There was experimental planting of various plants using different methods, for example, an experiment in planting salad vegetables in a raised platform building instead of normal planting. This experiment also included improvement of fertilizer formula to make the vegetables more delicious than normal salad vegetables. Moreover, there was also an experiment in selling the vegetables, both in the physical market and the online market. "Physical market" includes selling products directly in the community market, asking relatives or acquaintances to sell products for them in external markets, and direct sales to middlemen. Online sales are made via Facebook, Line, and other websites.

Product innovations were used, for instance, installing a dripping irrigation system, covering a plant house with a net for pest prevention, and using organic fertilizers to reduce costs and add more nutrients to vegetables. There was also an investment in various types of seeds in order to meet customers' demands and create more selling opportunities. An example is the case of Daorueng (pseudonym). While the majority of the farmers in the area chose to plant guavas, he decided to try bananas, marigolds, or jasmine.

The study also pointed out that the farmer-entrepreneurs began to put some individuality into their agriproducts, for example, improving the taste of salad vegetables or, the case of Daorueng, who invented and figured out how to produce larger marigolds in order to meet market demands. He also made his products known through branding and name cards. He said:

My farm mainly sells marigolds. I have to be a specialist in what I sell, whatever it takes to make them bigger. I also need to make myself known to the public by giving them my name cards so they know how to contact us if they want more products. (Daorueng [pseudonym], 2019)

The statement above reflects the use of various methods among the farmer-entrepreneurs to create their uniqueness for their business. Daorueng's was an attempt to access a more diverse market by focusing on self-reliance and kin networks, including the distribution of risks from market competition and market shares between the farmers. Moreover, more technological innovations have been introduced and production support requested in seeds, organic fertilizers, and budget allowances for water sources to promote agricultural activities from local government authorities. Thus, the struggle phase requires more diverse markets and more unique products responding to the demands of consumers and markets with the support of related organizations.

## **Phase 3 Goal Setting**

This phase involved understanding how to become a fulltime farmer-entrepreneur. Production in terms of quality and quantity were practiced seriously. The people could access more central and niche markets than before. One of the farmer-entrepreneurs stated,

We need to be like a scientist by gaining knowledge, being curious, and doing experiments to answer our own questions. After the result review, the important step is to do it. (Khao [pseudonym], 2019).

Each farmer-entrepreneur had different goals based on his or her interests, background, work experience, and consideration of opportunities for success. The goals could be, for example, making a plan to develop their land for agricultural tourism, establishing an agricultural learning center, or processing their agriproducts such as dehydrated strawberries, strawberry jam, dried mango paste, or worm castings for sale to increase product value. Moreover, the farmer-entrepreneurs plan their market by surveying the demands of consumers before gearing up production. They also find opportunities in diverse places to sell, such as community, wholesale, and online markets. Moreover, opportunities exist in specific markets, such as growing pesticide-free vegetables for people with healthy lifestyles, or developing a farm tour for customers interested in agricultural tourism.

These example reflect the eagerness of the farmer-entrepreneurs to participate in the planning process and run their business with a clear agricultural ideology, especially the farmers who have the ability to produce, access markets, and sell their agriproducts by themselves. In this way they are free from relying heavily on the government's cost and price support.

Learning how to become a farmer-entrepreneur is an intensive activity. Farmer-entrepreneurs also have to plan and set the direction for farm management, which can be time consuming. Many of them choose to visit other farms to learn directly from the other farmers. They also participate in training programs arranged by the government, such

as Young Smart Farmer training and the agricultural entrepreneurship training.

## Phase 4 Network Establishment and Merging

The phase of establishing and merging the networks of farmer-entrepreneurs takes place after the goals are clearly set. In this phase, the farmer-entrepreneurs prioritize forming a group and establishing networks with others sharing the same agricultural ideology, both officially and unofficially (see Table 1). It can be either a group established by itself or one established and supported by the government, such as Mega Farm Enterprise, Smart Farmer, or Young Smart Farmer or local enterprises. Being part of a group helps the farmer-entrepreneurs to have connections so that they are able to create extensive market opportunities as well as exchange knowledge and share information about production, marketing enhancement, and land field management. Such connections make it easier for the farmers to become farmer-entrepreneurs. Moreover, the formation of farmer groups helps them bargain with market, government, and investment sectors and thereby prevent the risk of middlemen lowering the price. As one farmer-entrepreneur commented,

I think the group really helps us grow faster as there are consultants and counselors who are there to give us practical suggestions, and most importantly, we, as a group, can ask for support from the government. Once our products are qualified, the sales will increase. The price of organic vegetables is higher than that of the regular ones in the markets. (Kluay [pseudonym], 2019)

Farmer grouping and network building can be done with different sectors, such as local government organizations, the Department of Agricultural Extension, the Provincial Agricultural Extension Office, and the private sector. An example of the latter is a modern trade store in Khon Kaen's allowing local farmers to sell their products under the farmers' market project "Sincere Market." Another

is a hypermarket chain's buying agriproducts from the farmers. Such programs promote the marketing efforts of the farmer-entrepreneurs, which are a key factor in becoming a full farmer-entrepreneur. However, while being part of a group has some advantages, different viewpoints among the members and sometimes cause conflicts. Moreover, the groups that maintain close relationships with the government have to cooperate in doing activities to bargain for some production factors, a factor that prevents many farmers from becoming completely free from the government.

## Phase 5 Becoming a Full Farmer-entrepreneur

The phase of becoming a full farmer-entrepreneur, from the farmer-entrepreneur's point of view, is having the potential and the ability to provide agriproducts to the market continually, thereby meeting all the goals that have been set. Also, there must be a sufficient quantity of products for the demands of diverse markets, both physical markets and online markets. Innovations are used to make the products qualified in terms of time and quality, and may include the processing of agriproducts.

In this phase, the farmer-entrepreneurs are fully independent although they still keep contact with the government sector by providing assistance or supporting government activities instead of asking for help. For example, they can become a leader of the farmers, a representative of the farmers' competition, a speaker giving advice to other farmers, etc. It is clear that the role of the government vis-à-vis farmer-entrepreneurs differs from that during the group formation phase when the government still encourages group formation among the farmer-entrepreneurs and they can also create a market by cooperating with the government. As one farmer-entrepreneur pointed out,

When we did it (succeeded), some organizations came to us, mostly asking for cooperation. For instance, they asked us to be a role model or a guest speaker, or to give a lecture to other farmers who want to be like us. (Khao [pseudonym], 2019)

In short, to be a farmer-entrepreneur, one has to produce higher-quality agricultural products and have sufficient markets and customers in order to obtain a stable income, which is one of the main goals of the farmer entrepreneur. One farmer-entrepreneur commented,

In addition to the market, what we have to take into consideration is how to produce quality products that meet the standards, and the concepts of time, quality and commitment, which means to remain committed to the standards we have, deliver quality products, and assure they reach the customers on time. (Daorueng [pseudonym], 2019)

However, the farmer-entrepreneurs, especially those who run an agritourism business and agricultural learning center, often faced customer uncertainty. It is difficult for tourists to visit the places easily, especially in the rainy season. As a result, the farmer-entrepreneurs have to initiate a plan to solve this problem. For example, some farmers take purchasing orders online and deliver products to customers. The delivery can be made by the customers themselves if they live near the farms. If not, the farmers will use delivery services under a delivery fee agreed on before distributing the products.

From the findings above, it can be concluded that there are five phases of becoming a farmer-entrepreneur. Considering the case studies, farmers have different paces at which they become farmer-entrepreneurs depending on production factors, limited resources, diverse markets, quality guarantee, cooperation and network building at different levels, ability to access innovations, stability of income, and clarity of goals. These conditions require knowledge, skills, experience, and the ability to handle risks and manage their farms successfully.

This idea was also supported by Vesala and Peura (2002, cited by McElwee, 2006). They proposed that farmers who are willing to take risks, are innovative, and have faith in their enterprise's success tended to be more successful. Kahan (2012) pointed out that farmer-entrepreneurs need to have the desire to be self-employed, the

motivation to undertake something new, the willingness to take calculated risks, and the mind-set of always looking for opportunities. Furthermore, McElwee (2006) stated that high specialization is a key strategy contributing to successful business and it helps the business survive. At the same time, Naminse and Zhuang (2018) pointed out that socio-cultural capability has the greatest influence on the growth of farmer entrepreneurship. It can contribute to social interactions, networking abilities, improved culture, and available opportunities for farmers.

#### **Conclusion and Recommendation**

The formation of farmer-entrepreneurs in Khon Kaen province is a phenomenon that reflects changes in the agricultural sector. It demonstrates that many farmers nowadays have changed from those who produced according to the trends or their ability without considering the needs of markets. Some farmer-entrepreneurs have gone beyond the old viewpoint of being only a pre-productivist to become an intense productivist and they are moving to being a post-productivist that considers meanings or value gained from productions while trying to add more value to them (Karnchanapan, 2011). They have become modern farmers that maintain close relationships with markets, investments, and the government with different abilities and steps of becoming a farmer-entrepreneur.

The study concluded that the five phases of becoming a farmer-entrepreneur are formation, struggle, goal setting, network establishment, and finally, being a full farmer-entrepreneur. There are some factors obstructing each phase, especially in the goal-setting phase, that is to say, if the goal and business direction have not been well set, it is impossible to step to success.

The phenomenon above conforms to the findings of the study by Sattayanurak (2016), which reflected changes in the production process and adaptation of farmers who do not rely solely on policy initiatives or assistance from the government. They develop themselves and create a more diverse economic opportunity. The image of the farmer-entrepreneur differs from the concept of peasant society proposed by Scott (1976). In his study, farmers or peasants were viewed as groups of people who would not risk their lives for "the right to become wealthy" under the principle of safety first. Farmer-entrepreneurs, by contrast, are those willing to take risks in investment for their family's long-term benefits. They also have a role in stimulating the society's economy, especially in production, agricultural investment, and agriproduct consumption values as well as promoting self-sufficient food in the society. The study of Darmadji (2016) also confirms that an increase in farmer entrepreneurship brings out more agriproducts, thereby leading to food self-sufficiency.

Thus, understanding farmer-entrepreneurs as modern farmers with complex characteristics will help in understanding and seeing the problems of Thai farmers. Such understanding includes the opportunity and possibility to advance their careers and attain stable economic status. Advancement can be a solid ground and can offer suggestions for the government sector such as agricultural extension offices at the national, provincial, and local levels, and for the private sector such as modern trade stores, department stores and hypermarkets to deal with policy making, development projects, and promotion of entrepreneurship training programs to create a more stable income or solve problems of farmers' poverty sustainably according to bottom-up development.

## Acknowledgements

This paper is a part of a master's thesis entitled, "Becoming Farming Entrepreneurs: Farmers in Khon Kaen," which was supported by scholarships from the Graduate School and Center for Research on Plurality in the Mekong Region (CERP), Khon Kaen University and Thailand Science Research and Innovation (TSRI). The researchers would like to thank all of the key informants for providing research data, which were highly beneficial to the research paper development.

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