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Thailand fuels farm resilience: $820 Mn credit push to tame input costs

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In a decisive move to shield its agricultural backbone from rising input costs, Thailand has unveiled a sweeping 30 billion baht ($820 million) subsidized loan programme aimed at improving farmersâ?? access to fertilizers and other essential inputs. The initiative reflects a broader national strategy to stabilize farm economics while strengthening long-term productivity in the face of volatile global prices.

Implemented through the Bank for Agriculture and Agricultural Cooperatives (BAAC), the scheme allows eligible farmers to borrow up to 100,000 baht (approximately $2,700) at a preferential interest rate of just 3 per cent, significantly lower than the standard 6 per cent. By easing the cost of credit, the programme directly addresses liquidity constraints that often prevent timely input purchases during critical planting seasons.

Beyond financial relief, the initiative integrates capacity-building as a core component. Borrowers are required to complete training in cost management and efficient farming practices, delivered by BAAC, the Ministry of Agriculture and Cooperatives, and partner institutions. This ensures that access to funding is complemented by improved knowledge and better farm-level decision-making.

To maintain focus and accountability, loan funds are restricted to the purchase of fertilizers, certified seeds, and approved planting materials through authorized channels. This targeted approach enhances input quality while reinforcing transparency across the agricultural supply chain.

Running through April 2029, the programme is designed not only as a short-term support mechanism but also as a driver of long-term transformation. By encouraging more precise input use and efficient farming practices, Thailand aims to reduce

farmersâ?? exposure to fluctuations in fertilizer, energy, and transportation costs while advancing a more sustainable and resilient agricultural system.

As global agriculture continues to navigate cost inflation and climate uncertainty, this initiative highlights how strategic financial support, combined with training and targeted input use, can empower farmers, strengthen rural economies, and build a more inclusive and future-ready agricultural landscape.