Inclusive Business Models in Agriculture:
The Doi Tung Model

Presented at the ESCAP Workshop "Promoting Inclusive Business in Agriculture and Food Systems"

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The Mae Fah Luang Foundation (MFLF)

is a not-for-profit organisation dedicated to promotes community, social, environmental and cultural development in accordance with the principles of the Princess Mother for people's happiness, sustainability and security.






"Help people to help themselves"

- Her Royal Highness Princess Srinagarindra -

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The Doi Tung Development Project

is the first and foremost holistic development project of the MFLF implementing Sustainable Alternative Livelihood Development (SALD), and developing into a social enterprise



Doi Tung Development Project

Mae Fah Luang District,
Chiang Rai province, Thailand

Area: 150,000 hectares covers 29 villagers

Population: 11,000 (6 ethnic groups)

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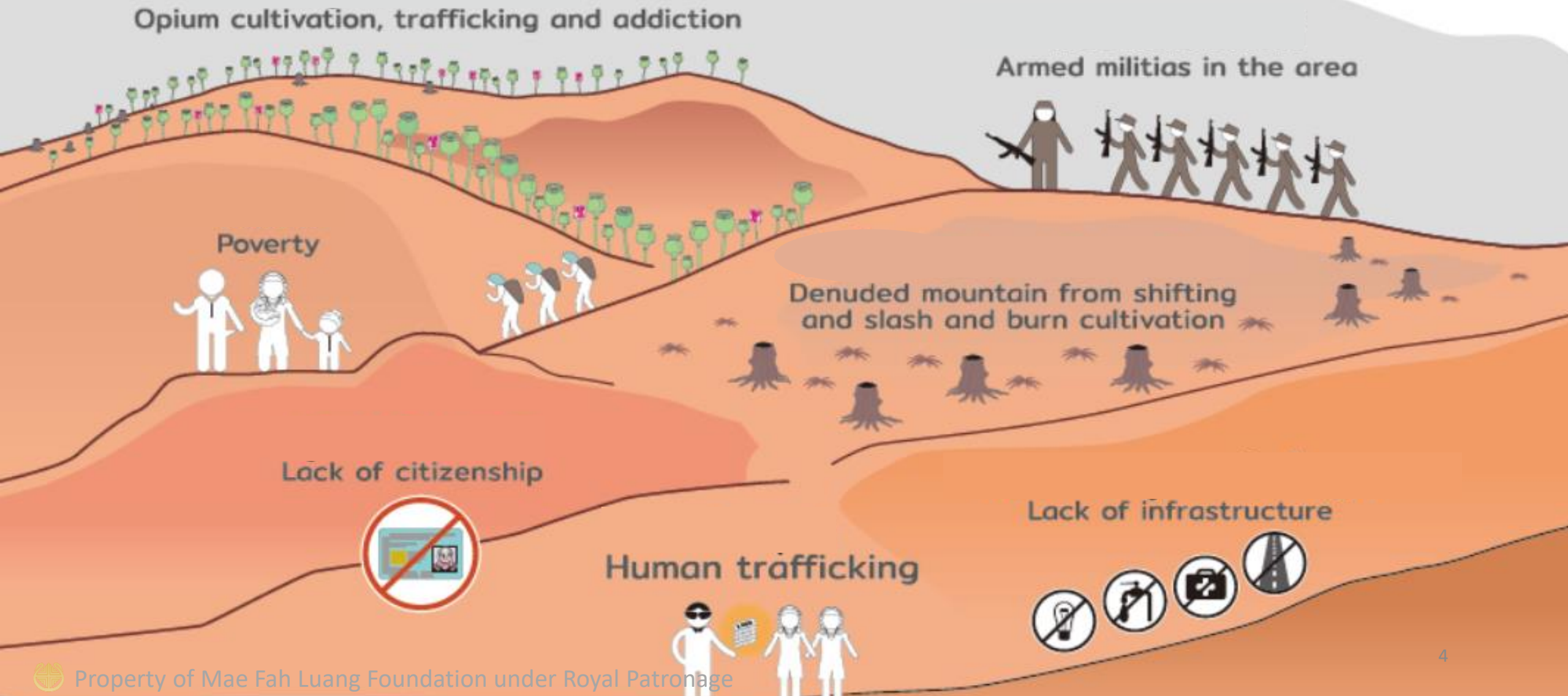
Doi Tung 3 decades ago



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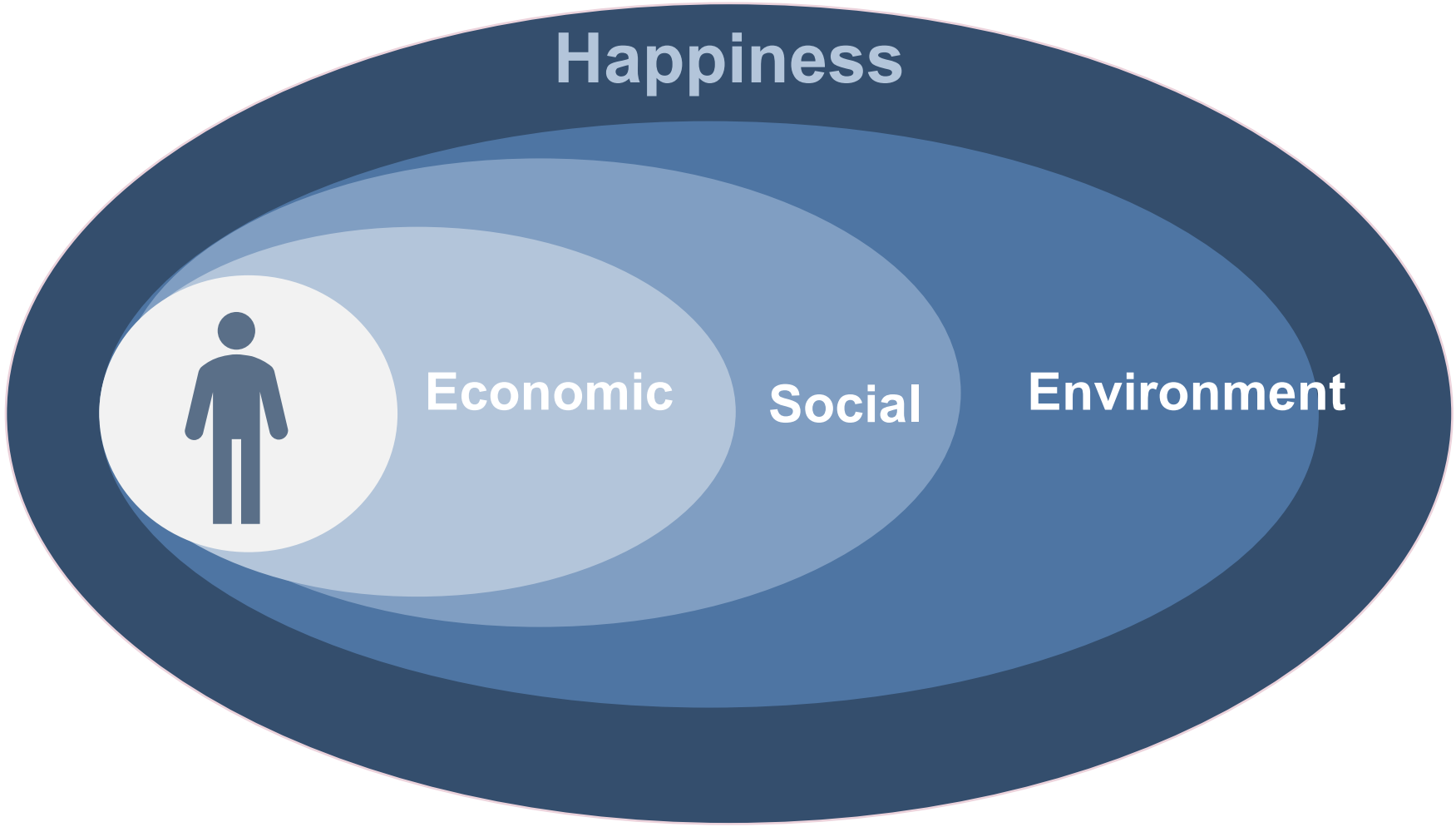
BELIEVING IN HUMAN CAPABILITY
TO CHANGE

People Centered Approach



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3S MODEL: DEVELOPMENT MODEL TOWARDS SUSTAINABILITY

Survival

- access to basic healthcare
- access to basic infrastructure
- sufficient food supply
- expense reduction
- no additional debt

Sufficiency

- basic value add processing facilities
- opportunities for employment
- stable income
- access to education
- start repaying debt
- revival of natural resources

Sustainability

- socially and environmentally responsible jobs
- begin savings
- self-develop
- resilience

OUR 5 SOCIAL BUSINESSES











Food	Café	Handicraft	Horticulture	Tourism

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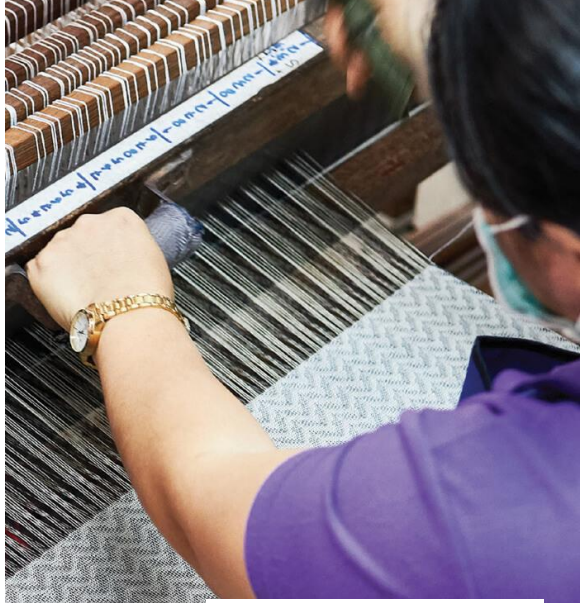
Economic forest





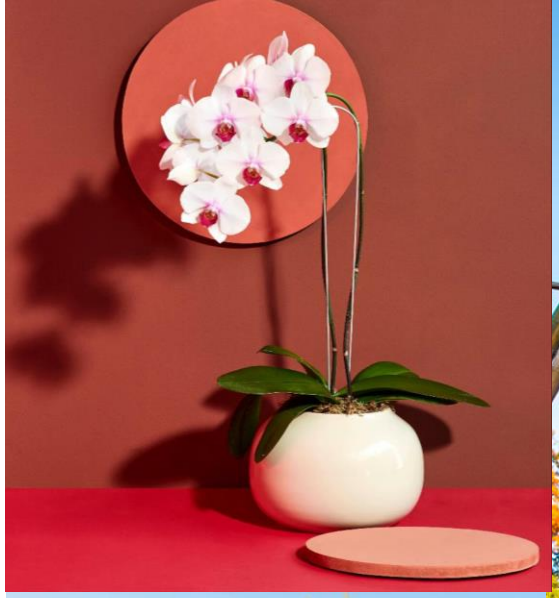






Other livelihood options











Horticulture & Tourism

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Fostering entrepreneur mindset







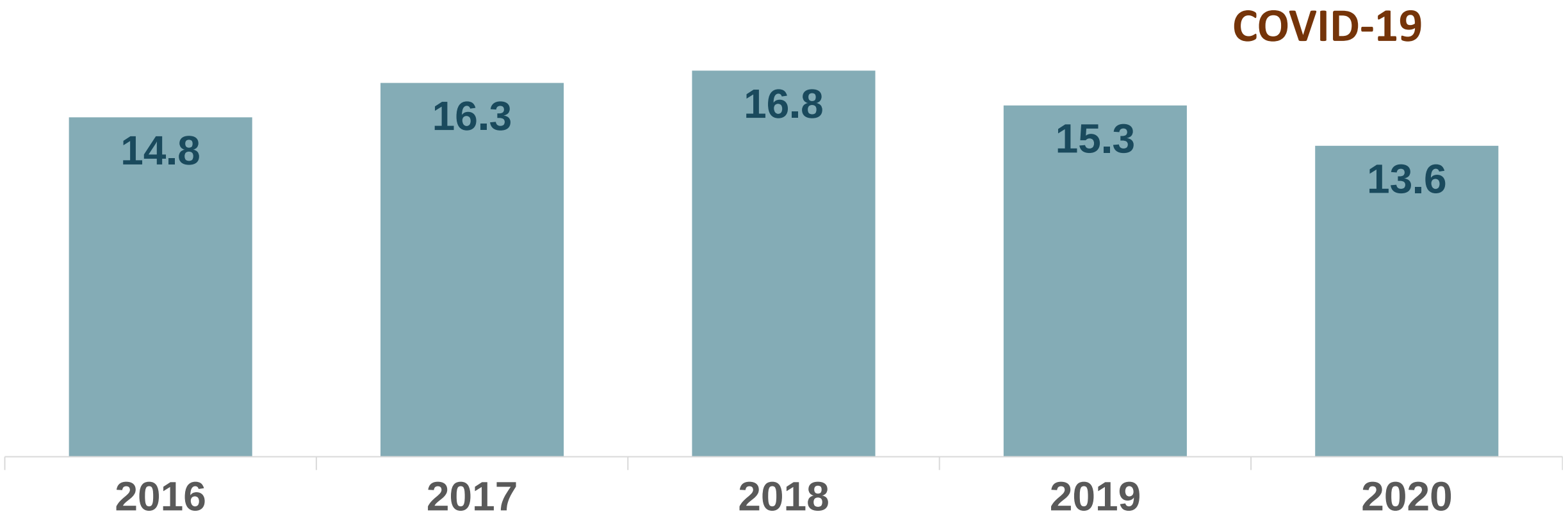






FINANCIAL PERFORMANCE 2016 – 2020

(Unit: Million US Dollars*)



*Exchange Rate at 32.73 Thai Baht/ 1US Dollars per, September 10th, 2020, BOT Thailand

WHAT DO THE PEOPLE GET ?









Economic

Social

Environmental



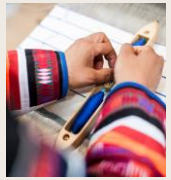
ECONOMIC IMPACT

Average income/household rises 20 fold from 1988

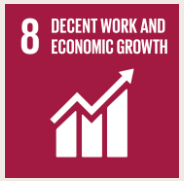
60% of total expenditure directly employ 1,300 local people in 2020

Profit goes back to the community development activities









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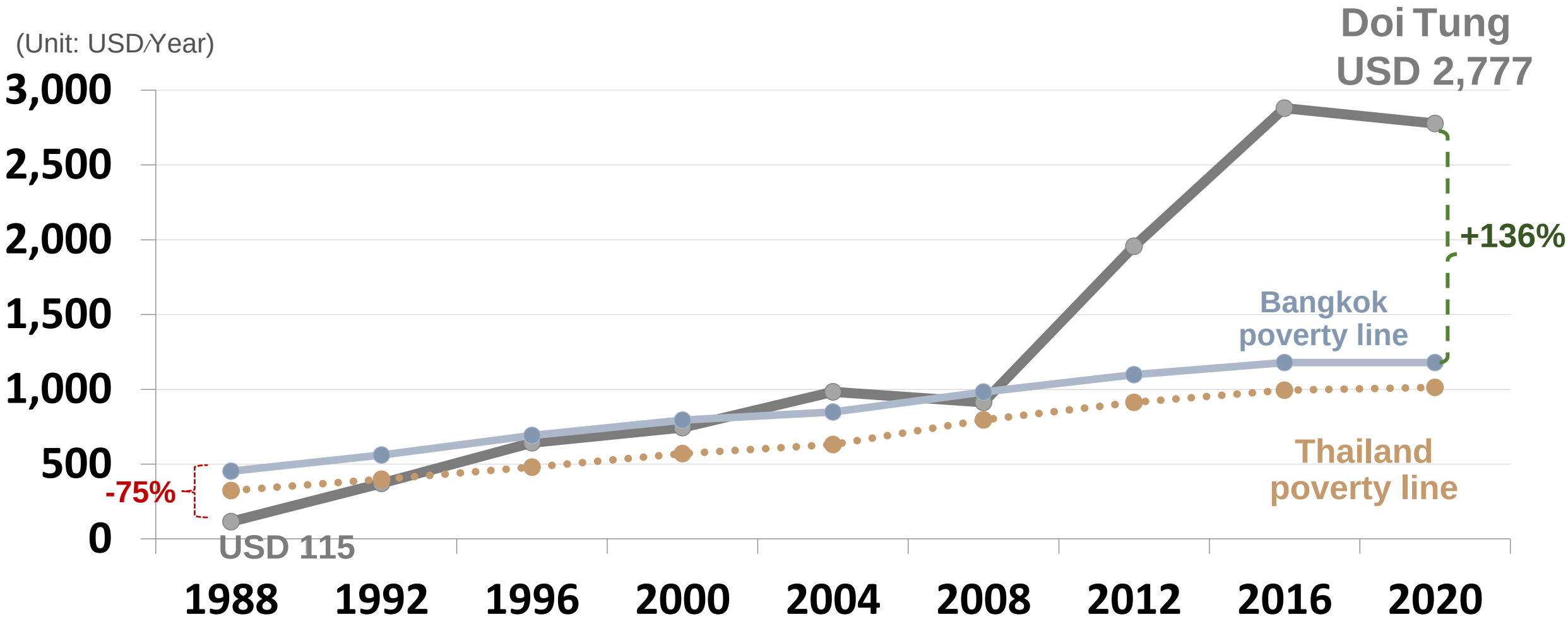
ECONOMIC IMPACT

PER CAPITA INCOME (USD / PERSON / YEAR)



Exchange rate 32.73 Thai Baht/ 1US Dollars per, September 10th, 2020, BOT Thailand



SOCIAL IMPACT

Healthcare for all.

From a largely illiterate population, 99% of 7-15 years old now enrolled in schools

Job opportunities for all - elders, women, young adults and the disabled.

The 6 ethnic groups carry on their traditions while adapting to the globalized context.

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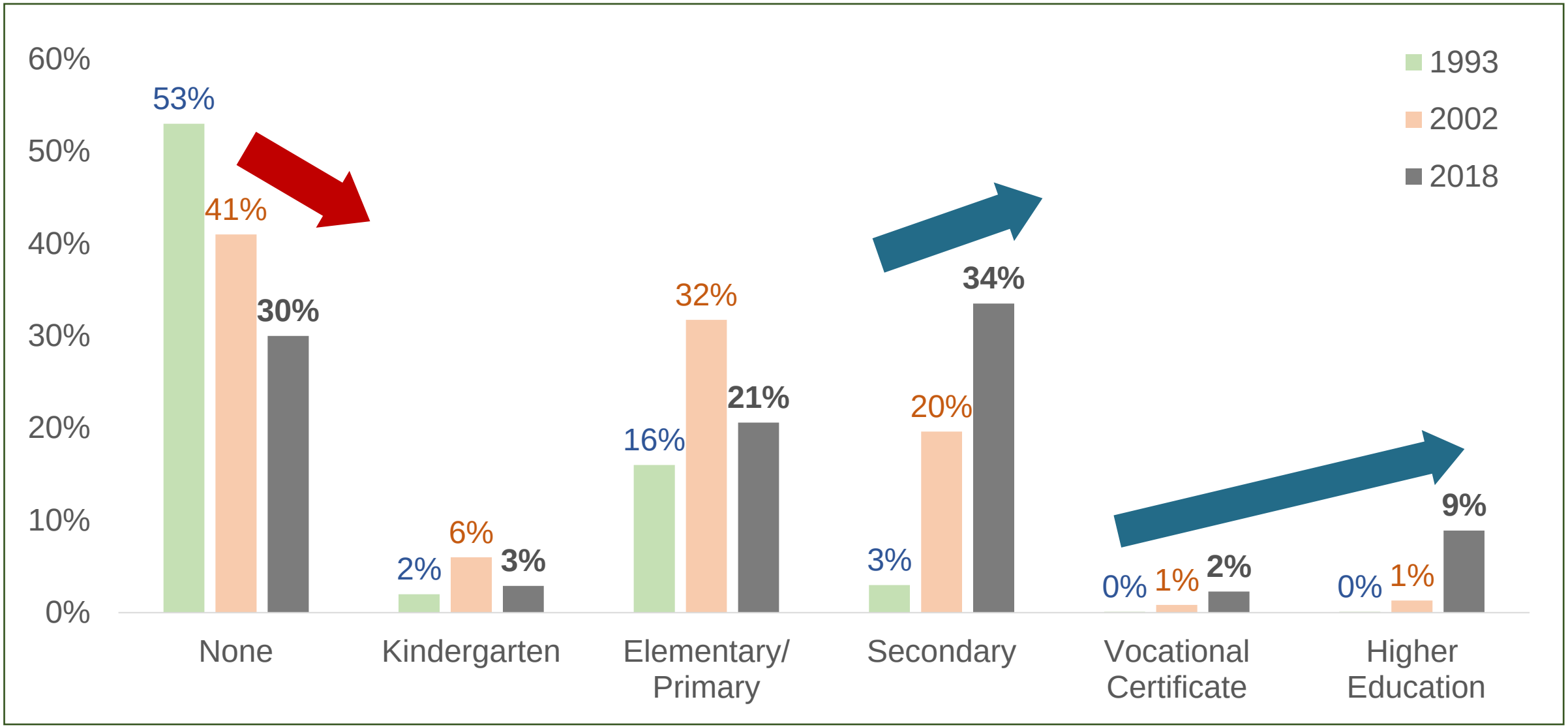
SOCIAL IMPACT

LEARNING OPPORTUNITY

(Unit: % of Accessible Population)



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ENVIRONMENTAL IMPACT

End illicit crop cultivation

The forest was revived, from 28% to 86%

Stop environmental degradation

Reduce wildfire cases











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Land usage



Agricultural area



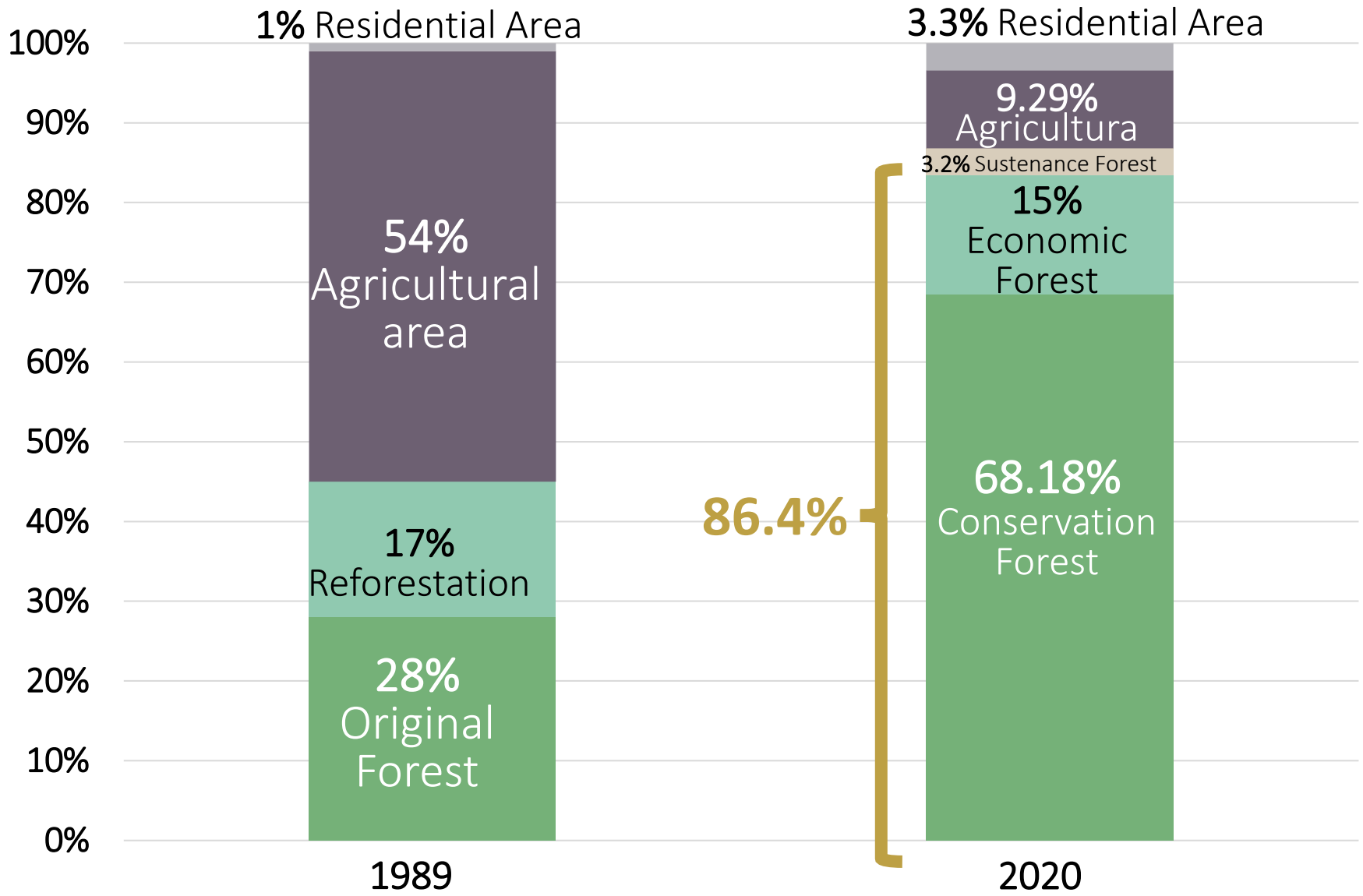
Economic Forest



Sustenance forest



Conservation Forest



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Development Projects



Afghanistan

2006 – 2012



Myanmar

2002 – current



Indonesia

2006 – 2010



Seizing **NEW** opportunities

Carbon credit

T-VER

Verified Carbon Standard
A VERRA STANDARD

Gold Standard for the Global Goals



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Thailand Voluntary Emission Reduction Programme (T-VER)

encourages domestic GHG emission reduction with co-benefit projects through certifying carbon credits for the voluntary carbon market in Thailand

10,880 hectare of **Doi Tung forest area** → **106,788** tCO2e **carbon credit per year** = **1,001,138** **USD /year***

* 9.39 USD / tCO2e

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Supply vs Demand

of carbon credit



One report



Cap and trade



Energy efficiency



Alternative energy



Waste management



Transportation management



Agriculture



Others



Forest sector
*** our focus; many benefits; premium carbon credit*

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A new business model







Incentivizing
people
to take care of
forest



Community Forest Project













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Community participation







Community empowerment

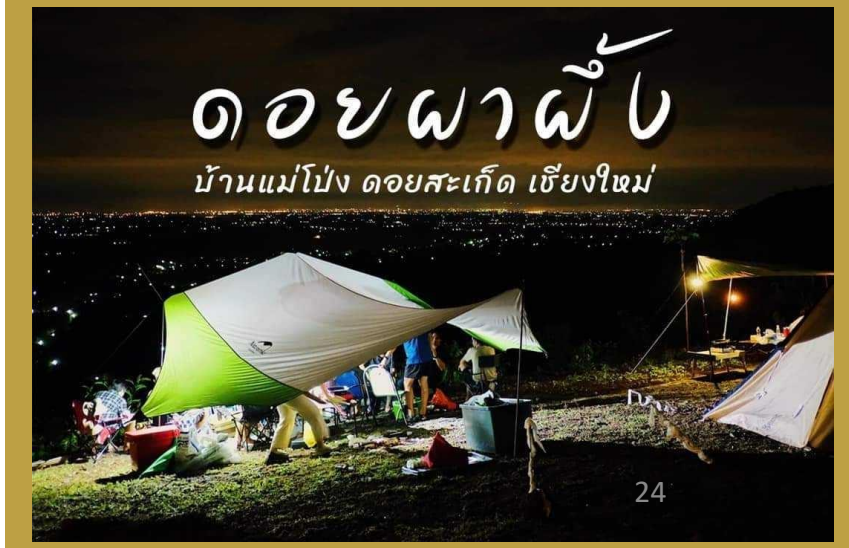






Community-based business





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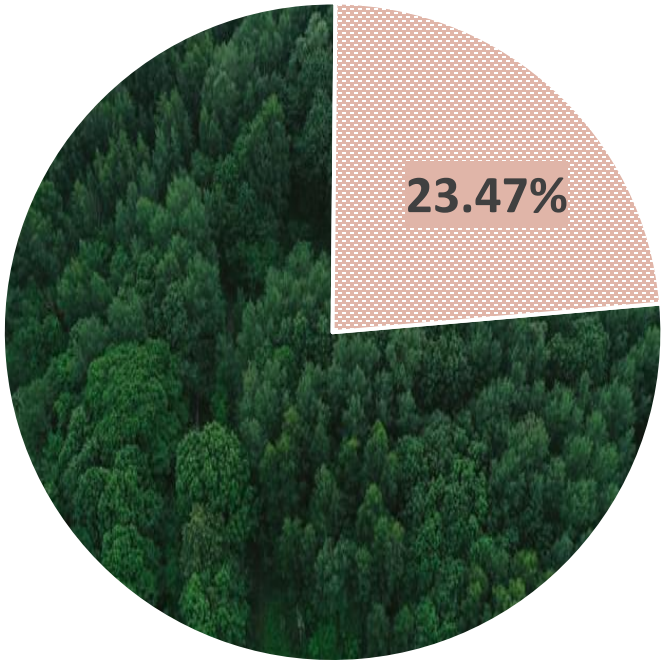
Outcome : Reduced forest fire

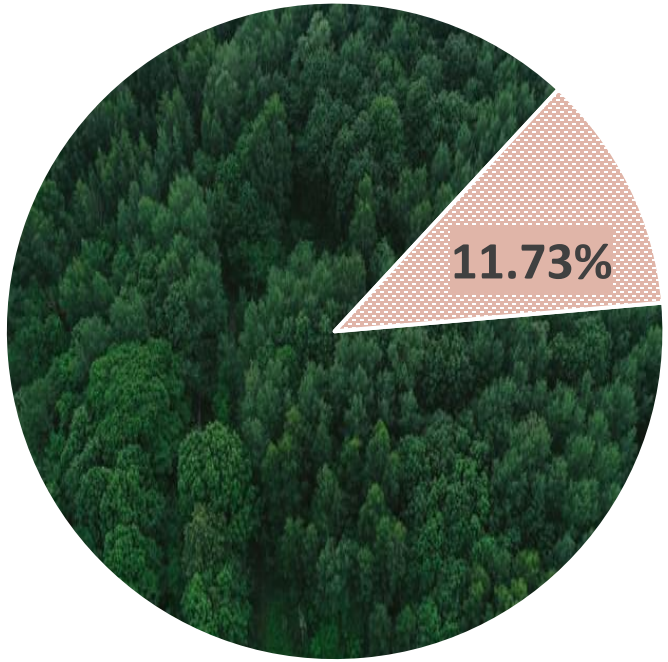
Average forest fire cases of 16 community forests
Phayao, Chiang Rai, Chiang Mai, Mae Hong Son



Forest fire
Baseline 2016-2020

Avg. forest fire 742 ha./year

11.74 %
(of total 3,138 ha.
of forest area)



Forest fire 2021

Forest fire 368 ha./year

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Impact

USD 1.3 million budget for 16 community forests (3,138 ha.)



Economic

9,166 villagers in 16 communities earn USD 3.05 million **from**

- USD 550,000 community forest fund
- USD 2.5 million* from carbon credit in 20 years period



Social

- 16 communities and neighboring areas benefits from the environmental services of the forests
- Community is self-reliance with more job opportunities



Environmental

- Decrease PM 2.5 impact from the forest fire
- In 20 years period, there will be 266,574 tCO_2e accredited for carbon offset

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*Remark: * the carbon credit estimated at USD 9.39 /tCo2e Exchange Rate: 31.95*

Thank you

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