

CHAPTER 4

NEGOTIATING CHANGE AND THE PERSISTENCE OF GARLIC PRODUCTION

It became clear in Chapter 2 that the state and market imposed various new regulations on local farmers taking advantage of trade liberalization. Such a situation can be referred to as re-regulation rather than deregulation, in addition to increasing competition under the new neoliberal market system. Whether supporters or opponents of trade liberalization, many professionals predicted the devastation of Thai small-scale garlic farmers. However, in practice, many farmers persisted despite government-led reduction programs to decrease the amount of planted acreage: approximately 80 percent of the original remained as of 2005, although it decreased to 66 percent in 2008 due to the worst price and extremely narrow market through 2007 to 2008 again.

Therefore, this chapter asks the question why Si Dong Yen farmers persist with garlic production following on the introduction of the local context in Chapter 3. In order to answer the question, first, garlic farmers' protest in the face of steep price drops, in addition to saturation of domestic garlic market in 2007 and 2008 are described with some farmers' narratives. Then, the narratives also tell us of the increasing insecurity in garlic farmers' livelihood to illustrate the negative impact of the new market system on the local farmers. Thirdly, adjusting our view slightly, it focuses on local farmers' action of returning to garlic production against the government's intention, although farmers' actions are diverse depending on individual contexts. As a result of farmers' return to garlic production, the last section of the chapter analyzes small-scale garlic farmers who had striven for stable and better livelihoods in a competitive garlic market for a few decades and views the new market system brought by trade liberalization as just another market, bringing not

only risks but also opportunities. It therefore argues that local small-scale garlic farmers are not passive, but are constantly negotiating over structural change.

4.1 Garlic Price Drop and Farmers' Protest

In this section I examine the saturation of garlic market, garlic price drop and the protest of garlic farmers. Garlic farmers protested against trade liberalization several times at various places at various scale after 2004. Bangkok NGOs, that could not bear to see garlic farmers struggle against price drop of their crop, had invited a farmer's leader from Chai Pra Kan District and hold a media conference to inform Thai garlic farmers' problems to Thai citizens, a topic that initially sparked my research interest in this field. Garlic production is also popular in Mae Hong Son Province, next to Chiang Mai Province, and when the garlic price has dropped in 2005, Mae Hong Son farmers also held a demonstration. I have already mentioned several support programs offered by the government, but these were only offered as a result of the demonstrations by the farmers. Here, I would like to introduce another protest by Chiang Mai farmers through 2007 to 2008. Hearing that Garlic COOPs of Chai Pra Kan, Fang and Mae Ai District in Chiang Mai Province petitioned Chiang Mai office of Ministry of Agriculture to support garlic farmers, I visited both Chai Pra Kan and Mae Ai COOP in November 2007 respectively¹.

Experiencing a steep drop in the price of garlic, an alliance of Garlic Cooperatives in Chai Pra Kan District, Fang District and Mae Ai District of Chiang Mai Province joined forces in September 2007 and petitioned the Chiang Mai Provincial Department of Commerce to take concrete measures to assist the farmers, such as stopping the import of Chinese garlic for at least three months after the start of the Thai garlic harvest season² and let the government buy the garlic at 30 baht per

¹ For the visit of Chai Pra Kan Garlic COOP in November 2007, I accompanied some Malay and Thai NGO staffs to interview them.

² When the government paid compensation fee to the farmers before, it said that it would not help those farmers who received money again in a future. Some of those farmers also probably participated to the action to seek for the government's help in 2008, but I do not know how the government dealt with these cases after all.

kilogram. In response to these actions, the Department of Commerce established the Committee for Solving the Garlic Problem, but the Committee did not take any clear action immediately; it only took the edge off the farmers' anger through the use of diplomatic words. The COOP submitted a letter on the 10th of September; officers sent back a letter on 20th of October to ask for related information such as the type of garlic or the number of people that were infected by the incident they mentioned; they sent information and then the officers sent back a letter in November again to ask more information.

The Alliance of Cooperatives also negotiated with officials, or sometimes threatened them into accepting their demands by saying that they would hold demonstrations in front of Chiang Mai City Hall if their demands were not met, but in general, these methods did not work to the advantage of the farmers. They were once told that the government would buy their garlic at a certain acceptable price, and at a certain time during the 2008 garlic-harvesting season. On hearing this, the farmers were delighted, but since nothing had happened in practice, farmers who grew weary of waiting for the government support staged demonstrations in April.

From the 7th to 9th April 2008 more than 500 people from the Garlic Farmers' Group from various parts of Chiang Mai Province conducted a demonstration in front of the Chiang Mai City Hall (Prachathai, 8 April 2008; Phuchatkan, 8 and 9 April 2008; and other personal interviews to COOP representatives and farmers by the author). They claimed that the firm gate price of dried garlic was only at 9 to 10 baht per kilogram at that time, while their cost of investment for one kilogram of dried garlic was about 24 baht. This steep drop of the garlic price was allegedly caused by inflow of cheaper Chinese garlic, costing about a half to one-third the price of Thai garlic, through the market opening. Thus they demanded that the government should guarantee a garlic price of 25 baht per kilogram along with a review of the FTAs concluded with China. They petitioned a letter to the Ministry of Commerce on 7th April, providing a time for reply until 9th April 2008.

In the afternoon of the 8th April 2008, as a result of a negotiation meeting with a provincial-level committee, the farmers' request was sent to the Minister of

Commerce and the Minister of Agriculture and Agricultural Cooperatives. Therefore, farmers continued to gather in front of the City Hall, this time demanding an urgent reply from the central government. They even threatened the government with a closure of a road if they could not receive a satisfactory answer before 3 p.m. on the 9th of April.

The Farmers Group did not receive a positive reply from the government before their imposed time limit, but they broke up the demonstration without stepping up and closing the road on that day. Several weeks later, however, replying to the farmers request, the central government provided support to the struggling garlic farmers in two ways: first, it provided 300 million baht of subsidies to the garlic farmers throughout the nation to buy garlic that had remained in farmers' hands; and second, it requested large-scale retailers in Thailand such as Big C and Tesco to put a priority on domestic products when they purchase garlic.

In Chapter 2, I showed that several scholars do not agree that the garlic price drop in 2004 and 2008 is related to FTAs, partly because the fluctuation of garlic price had observed even before FTAs (Walker, 2007c). However, from this protest and another big former protest in 2004, I know that Thai garlic farmers themselves somehow see that the FTAs impacted them negatively, whether their view is correct or not.

From my field research in 2007 and 2008, the problems of the garlic farmers are as described below. In February 2007, the price of garlic was quite good (the price of fresh garlic³ was in a range of eight to 15 baht per kilogram depending on farmers) partly because of reduction of garlic production as a result of government promotion, or maybe because of failure of garlic production in China due to heavy snow, as a representative of Mae Ai COOP told me as a rumor. Whatever the reasons, farmers

³ There are two stages in garlic, and the weight and the price of garlic differs by the stages. Fresh garlic refers to the one just harvested, and usually go on sale only in February and March in the case of Northern Thai garlic. Dried garlic refers to the one which was hanged and dried for 1.5 months to 4 months, maximum 1 year. When it was hanged for about 1.5 months, it loses weight to about a half of the fresh one. It goes on losing weight until about one-third of the original in a few months, and it does not change any more. Price of dried garlic is usually set up inversely proportion to the weight. In other words, the dried garlic is usually purchased at triple the price of the fresh one at farm.

who sold garlic in this period could make a certain profit. In fact, the price in the year before or 2006 was also better. The price was also in a range of 12 to 15 baht. However, the price of garlic suddenly dropped after March and April of 2007, and farmers who stored garlic with an idea to sell it after April as dried garlic, suffered a loss. To make matters worse, according to farmers, hearing that garlic commanded a good sale in the previous season (November 2006 - February 2007), some farmers came back to garlic cultivation in November 2007 without knowing that the garlic price had steeply dropped after April 2007. Not only farmers from Chai Pra Kan but also farmers of other region such as Lamphun Province (the south of Chiang Mai) for whom garlic is not necessarily main crop in farming, also cultivated garlic as a side crop in 2007. The low price of garlic in Thai domestic market continued even in February 2008, the harvest season of new garlic, and garlic farmers faced a big problem again.

In February 2008, the price of fresh garlic was four baht per kilogram. In comparison with 12 to 15 baht of February 2007, this was very low price. The cost of garlic production at that time was 25,000 to 30,000 baht to cultivate one *rai* of the field at that time. Since one *rai* of the field produced 4,000 to 5,000 kilogram of garlic in those years, if I suppose that the production was 4,500 kilogram, the sale was 54,000 to 67,500 baht per *rai* in 2007, while it was 18,000 baht in 2008. When the cost was 28,000 baht, while profit was 26,000 to 39,500 baht per *rai* in 2007, it showed loss of 10,000 baht in 2008. Thus, farmers tried to seek support from the government.

Farmers felt resentment and confusion not only because the crop price was very low that year, but also because production costs increased. Due to the increase of the price of oil, which was a world-wide phenomenon during the period, first, the price of agricultural chemicals such as fertilizers and pesticides became much higher. It does not reach to double, but the price raise was more or less like that in comparison with several years ago. Since garlic is one of the crops that use a significant amount of herbicides, the price rise is directly reflected as an increase of the production cost. Second, related to oil, farmers also complained that the amount of

gasoline to use for the machine to water crops was not little. Third, the cost of labor has also coincidentally increased previously to this period, from 100 baht for woman and 120 baht for men in a few years ago to 120 baht for women and 140 or 150 baht for men. Garlic is labor intensive. Thus, even though the increase of one laborer's cost is only 20 baht, it was several thousands baht in total. Regarding this, the representative and the secretary of the Garlic COOP in Chai Pra Kan District told like this:

This year the cost for investment is higher than last year. It is 32 baht per kilogram for dried garlic. Next year it is going to be more expensive because oil is expensive. As for seeds, it was not expensive in the beginning (of this year) but it became expensive later. But most people had prepared the seeds in advance because we expected it would be expensive. Then, finally the price of seeds decreased again, but few people bought them because most of them bought in advance. The cost of labor also increased this year because the price of oil has increased. It became 140 to 150 baht per person. Everything... like agricultural chemicals also became expensive following to oil... Last year the price of fertilizers was 600 baht per sack, but this year it is more than 700 baht⁴.

(The representative and the secretary of Garlic COOP in Chai Pra Kan,
14 November 2007)

Based on these cost calculations, farmers said that they requested the government to buy their garlic at 30 baht per kilogram in their petition in 2007, prior to the protest in front of the City Hall mentioned above. After all, since the production cost has increased a lot like this, farmers could neither understand why nor accept that the garlic price dropped in such a way on the same year.

Furthermore, although the lowness of crop price tended to be spotlighted as a problem of garlic, as a related yet different problem of this, the narrowness of the market in 2007 and 2008 is raised. For example, when I visited COOP in Mae Ai District of Chiang Mai Province in November 2007, it stored 30,000 kilogram of

⁴ It became 1,050 baht in 2010.

dried garlic in its backyard. Usually dried garlic should be sold out till August, but the COOP could not find any place to sell that year. With nine months after the harvest, some garlic there began to sprout already. As people who cook know, the garlic (or onion) loses its commodity values once it sprouts. A secretary of the COOP told me irritably:

Garlic yield is good for these five years. But we cannot sell our garlic. Chinese may increase the price later. If there is no Thai garlic at that time, what they should do? Thus, the government should help Thai garlic, and not production site, but market.

(A secretary of the Garlic COOP in Mae Ai, November 2007)

The same kinds of complaints were heard from other farmers in Dong Pa Sak Village. Besides the village headman, Mrs. Phin, a garlic farmer also complained to me in February 2008, “This year, nobody comes to buy garlic. They don’t buy [garlic]. So the price is only four baht.” Ten thousands kilogram of fresh garlic was hanged in front of us. It has been just harvested several days ago from Mrs. Phin’s two *rai* of garlic field. Her husband, Mr. Mart, also told me that in his long life of garlic production, he had never hanged garlic at home. They usually harvested garlic, and sold them at once so as to save the cost of taking care of garlic. But the year 2008 is special for them not to be able to sell the product. Mr. Mart is in his early 50s and growing garlic since he was child, helping his parents at first. The yield of 5,000 kilogram means satisfactory result for the garlic farmers. In fact, they said that garlic yield had been always good for these five years, as I mentioned before. Yet they could not sell them this year. When the price is four baht, the sale of 5,000 kilogram of garlic will be 20,000 baht per *rai*. It does not cover the production cost of 25,000 to 30,000 baht at all.

Since farmers complained that traders did not come to buy garlic, I visited a local female garlic trader, Mrs. Duang, who lives in Dong Pa Sak Village, and usually buy garlic from the farmers in Dong Pa Sak Village. I asked why traders provided

farmers such a cheap price. She answered:

It is because those who buy our garlic cannot sell it. The quota which they buy is very small. They used to have a quota of 100,000 kilogram. But these days, everybody inquires a factory to buy. So the factory divided the quota among everybody, little by little. The traders who used to get a quota of 100,000kg could get 10,000 or 20,000 kg this time. So, the traders do not buy garlic. If they buy garlic at a high price, they cannot sell, because other traders who sell the factory suggest a very low price. So, I cannot process the garlic either (from bulb into clove), because the price they suggest us is too cheap. So I cannot process. Thus I am poor. I have no profit at all this year.

(Mrs. Duang, a garlic trader in Dong Pa Sak Village, 15 February 2008)

I went on asking her whether that means garlic has flooded the market. She replied:

It overflows with foreign garlic. Garlic from China, Taiwan, or Burma come in. Thus, our garlic has no price. The price of garlic clove, which I usually process and sell, is 12 baht per kilogram now. Thus, I cannot process them. I bought garlic at 4 baht per kilogram from villagers. But when I process them and sell them, I will get into the red. I cannot do it. It will show a loss even I buy garlic at 4 baht. So I cannot do anything...

(Mrs. Duang, a garlic trader in Dong Pa Sak Village, 15 February 2008)

She continued explaining:

If I bought at 4 baht, I have to sell at 12 baht. When I break the garlic bulb into cloves, weight of the remaining garlic becomes 25% of the original bulb. It means that, if I sell at 12 baht per kilogram... – she calculates –, I should buy less than 3 baht. Then, I have to hire labor to break garlic into cloves. It shows a loss a lot.

I shipped the garlic to Chiang Mai (wholesale market) and proposed 12 baht per kilo as my price. They said that those who sell Burmese or Chinese garlic proposed 8 baht. It is cheaper than us at four baht. Now our price is 12 baht, and Burmese or Chinese ones are eight baht. Our customers,

such as a factory that makes *namphrik*,⁵ they cancelled buying our garlic because buying the Burmese one and saving four baht is better. Their garlic clove is bigger as well. Thus, our garlic cannot sell.

(Mrs. Duang, a garlic trader in Dong Pa Sak Village, 15 February 2008)

I have heard some NGO staffs that support Thai garlic production, or some Thai people, to say that Thai garlic and Chinese garlic is different in size and taste, thus that Thai garlic may sell despite Chinese garlic presence. Thus, I asked about that point. She replied:

They are not same. But the *namphrik* factory does not choose. They don't care where the garlic is from. Yes, the *namphrik* factory uses garlic a lot. The factory I used to send is...20 sacks per week, 40 kilogram per sack...it means 800 kilogram per week. But now, they order only three sacks or 120 kilogram per week. Thus I cannot sell out my garlic. If I do processing for it, I cannot recover the cost. I can recover the cost when I could process a lot. But if small amount, I will lose money.

(A garlic trader in Dong Pa Sak Village, 15 February 2008)

When I think about the impact of trade liberalization on Thai garlic farmers, scholars tend to debate about the price of garlic, but as I showed above, when farmers cannot sell garlic as a result of the overflow of foreign garlic that is also important impact of trade liberalization on farmers.

In addition to the compensation of the low garlic price, the COOP also requested closure of the border for three months – October to December – so that all of the garlic in domestic market at that time could be consumed first. In fact, before I visit the COOPs, I had visited the officer in Department of Commerce in Chiang Mai Province who are in charge of this garlic problem and heard from her that to close the border was difficult as the COOPs demands. Thus, I asked the COOP representatives whether closing the border would be difficult; they answered that the border used to be closed for three months once in 1994, thus that it was not impossible. On this point,

⁵ A famous Thai food name. There are various kinds of *namphrik* in Thailand, but here it indicates Northern Thai style, chili paste, which uses garlic a lot along with hot chili.

I wondered from the conversation what was shut out in 1994 was smuggling of garlic, which exists or at least is reported, even today. The COOPs mentioned that garlic came from Myanmar or Cambodia illegally. However, since the COOPs also did not know this conclusively, it was generally unreported. But since the representative of the COOPs insisted that the problem of the low price of garlic and the fullness of the market was solved by the three-months closure of border in 1994, their claim this time that they cannot sell garlic because of the occupation of the market by foreign garlic, whether directly caused by the trade liberalization or not, as well as their demand of border closure, does have justification for them.

In conclusion, in this section, through narratives of garlic farmers I showed that what happened after trade liberalization in local was saturation of domestic garlic market with Chinese one and the price drop of Thai garlic along with it. Considering the fact that the Thai government set up quota for import of garlic, there is a possibility that Chinese garlic is smuggled into Thailand. In face of the price falls below its investment cost, the farmers complained and sought for the government support but often in vain.

4.2 Increasing Insecurity in Garlic Production

In this section, I show the increasing insecurity in garlic farmers' livelihood so as to understand why garlic farmers protest against trade liberalization. McMichael (2004:169) argues that trade liberalization may have prompted economic development of countries as a whole, but did not guarantee survival of small-scale farmers in Third World states. He continues that small-scale local farmers who had little mobility and depended on state subsidies, farm credit and risk insurance, were particularly exposed directly to volatile world prices through the process of liberalization. What Dong Pa Sak farmers are seeing seems the same.

In Dong Pa Sak Village, Si Dong Yen Sub-district, of Chai Pra Kan District, people have grown garlic as a cash crop for more than 30 years, and many middle-aged villagers, both men and women, still actively engage in farming. One

reason that the agricultural sector is much more active here even today, is because there are not many other job options, with only three small-scale factories in the district. Another reason is that the rich water resources in the area make it possible for villagers to support their livelihoods through agriculture. The way of planting and taking care of garlic is similar to rice, but a difference from rice is in that the size of garlic producing areas have been mostly small-scale of a few *rai* so far.

I stated previously that garlic production in Si Dong Yen region began to be popular in the latter half of 1970s till in the beginning of 1980s. Before that, garlic production was limited in comparison with today. Independent farmers had traditionally grown vegetables for their own subsistence or for small-scale selling on their own land. At that time, neither the state control nor cash crop economy had penetrated the area yet.

However, once the production of garlic became popular as a cash crop and enlarged in Si Dong Yen Sub-district in the 1970s and 1980s, the situation changed. Even though farmers worked independently, they were forced to join regional and national agro-food market mechanism for the exchange of their products through the mediation of money. Although life became much better and more convenient than in the old days, it at the same time became unstable and risky. A narrative of an old woman tells us the difference between the past and the recent garlic production:

In the old days, the time when we haven't used agricultural chemicals yet, I used to grow garlic, and we could harvest a lot. It was around 1970. At that time, there was no agricultural chemical yet. We only put droppings of chicken or dung of pigs, and put in the field and mix it together, but we haven't used chemicals like today. The garlic was also beautiful. It was different from today. But when we harvest (garlic), they were two baht per kilogram. The price was not high at that time.

(Mrs. Deng, in her early 60s in Dong Pa Sak Village, 9 October 2007)

She told me that the farmers grew garlic to sell since 1970s, but that the production scale was smaller at that time, without hiring wage labor. She continued:

We used rice field (for garlic production). After harvesting rice, we weeded the field. We haven't hired labor like today. And plant... Most people plant garlic on just about 1 *rai* of land. The field is not big like today, because we use the labor of ourselves. At that time if I could sell garlic at 6,000 baht (in total), I felt I was very rich. I could receive a lot of money.

(Mrs. Deng, in her early 60s in Dong Pa Sak Village, 9 October 2007)

Since the scale of production has enlarged and a certain amount of labor is needed, wage labor was gradually recognized along with traditional, exchange labor system. Another farmer also told me that he did not have to hire labor if he cultivated garlic of only one *rai* of land even today. Thus, the above words seem fair. Along with the increase of hiring labor, farmers' investment cost has also increased. Furthermore, along with the increase of agricultural chemicals, crop disease also came:

After that, the garlic began to grow not well. It is because they began to use agricultural chemicals or fertilizers. It began to become like... if they don't use those chemicals, garlic doesn't grow. A young man said that the crop was infected by diseases, there were worms, and that the leaf turned yellow.

(Mrs. Deng, in her early 60s in Dong Pa Sak Village, 9 October 2007)

Thus, according to her, there were four increases that made garlic production riskier in the modern era: an increase of crop acreage; increase of utilization of wage labor; increase of use of fertilizers and agricultural chemicals; and increase of disease; and all of which are interrelated each other.

The more investment cost increases, the more garlic farmers have needed to borrow money. The following is an interview of a woman in her early 50s who was making their ends meet by selling crickets and some vegetables after giving up farming due to health problem in the recent years. She talks about the time when farmers began to loan money:

In the past we produced only one kind of crop per year. We left the land empty for a while and when its season came, we planted again. --- In the past, we didn't have to do many things (not have to produce a lot). We worked

little by little. We were not nervous like today. --- When we grew tobacco, we didn't have to borrow money yet. But since when we grew shallot, we began to borrow money (from BAAC)... Even before that time, there was BAAC, but we didn't have to "join" it. But now almost all farmers join it. And almost all owe debt.

(Mrs. Nid, a farmer in her early 50s in Dong Pa Sak Village, 27 May 2008)

She grew tobacco with her husband in the late 1970s after she was married, and she began to produce shallots around 1980. According to the villagers the 1980s was the time when farmers of Dong Pa Sak Village increasingly began to borrow money from the BAAC, and increasingly began to be nervous as Mr. Dee said.

Mrs. Son, who is currently in her late 40s, cultivated garlic since 1970s with her parents in Si Dong Yen region. Before producing garlic her family had planted rice for the sustainability of their household. They used exchange labor for the rice planting at that time, and did not have to hire labor. At that time, they have already planted garlic or other vegetables side of the rice field. When they began to produce garlic as much as 1 *rai* of land in the late 1970s, they began to hire labor as well as to borrow money. They also used exchange labor but had to hire some wage labor, because it needed a lot of labor for planting garlic.

Most garlic farmers today borrow money as a short-term loan from the BAAC to invest garlic production, and the situation of "always being in debt" seems to give a lot of stress to the farmers. Today's garlic farmers in Dong Pa Sak Village do not borrow money from BAAC on the long-term basis, but they mostly borrow on a yearly basis. They borrow around June or July of every year, and pay back them around in the same month of the next year. The amount of borrowing depends on how many *rai* of land they cultivate, but it is approximately 30,000 to 60,000 baht. A garlic farmer in Fang District, next to Chai Pra Kan District, in which garlic production is also popular, told me in the gathering of garlic farmers organized by Garlic Cooperatives of Fang District:

Farmers began to sell garlic in June or July because some people have to pay back money to the BAAC. --- They have to sell because the BAAC force them to pay back at that time. Even though the price of garlic is not good, they have to sell. Some people have to pay money in June.

(A female garlic farmer in Fang District, 11 Feb 2008)

Following this, another person also said that farmers borrow money from the BAAC first and then borrow from other financial agencies to pay back money to the BAAC. This pressure of “to have to pay back money within June” also is one of the causes that make farmers difficult to negotiate with traders. Even though the given price is not satisfactory, they have to sell.

In addition to this short-term debt, not a few villagers in Dong Pa Sak Village have a long-term debt from the BAAC or some other banks. They often stem from the purchase of land or the building of their own home at the time when they got married and independent from their parents. Besides it, some farmers have a debt from garlic production, although not necessarily all of farmers have it. The difference between those who have debt that stem from failure of garlic production and those who not, is probably in the original financial ability, the existence of other source of income through both on- and off- farm work, the scale of garlic production itself, and the combination of these, although I could not know exactly what. A farmer, who still keeps growing garlic today on a small-scale basis, talked about his debt:

I loaned money from the BAAC since 1982. At first I borrowed only 5,000 baht, and it became 200,000 baht, but now I owe them 180,000 baht. At first the amount of debt increased, but after my children finished school in 2005, it began to decrease.

(Mr. San, a garlic farmer in his early 50s in Dong Pa Sak Village,
14 Nov 2007)

He mainly borrowed the money from the BAAC for agricultural investment, although the reason he could not pay back money may be in that he needed to spend his profit to others including sending his child to school.

Another female farmer who worked as wage labor in garlic field also said, “Farming is nothing but increasing debt.” She, therefore, gave up farming by herself and was working as wage labor in 2007, while her husband began to raise cows at their own field. Similar words and cases to this were often heard and recognized in Dong Pa Sak Village.

The seriousness of farmers’ debt is also seen from a loan balance of the Garlic COOP in Chai Pra Kan District. When I visited the COOP with NGO staffs, we asked about the possibility of processing garlic by themselves so as to avoid the problem of low price of fresh garlic. But they repeated only negative reply, saying that they did not have fund to invest in facilities at all. They explained us how it was difficult to collect existing debt from the farmers, still less new fund for investment:

Yes, but villagers think that it is difficult. It is not something easy. We tried to discuss with many people, but it was difficult. We have 1000 members. Some understand, some don’t. --- Most of fertilizers and pesticide are sold as credit. They take it, but they don’t bring back. --- We have to wait till they can make a profit. If they made a profit, they come to pay back. The difficulty is here. It might be not repaid. We tried to collect them, but there was not good result. At least, the debt is more than 1,000 baht per person. Even though I am the president of COOP, I have a debt of 10,000 baht. --- Now the total amount of loan (of the COOP) to villagers became more than 3 million baht. We cannot collect them yet. (The situation is like this, but) how we can ask other fund from villagers...?

(A representative of Garlic COOP of Chai Pra Kan, 14 November 2007)

Although not necessarily all farmers go into debt from the garlic production itself, yet, as a result of the garlic nature that requires high investment, most garlic producers are indebted from garlic production.

So far, I focused on risk faced by garlic production as a cause of increasing insecurity in farmers’ livelihood, but there are also other aspects for this. Since the garlic market had already been liberalized in the domestic market for long years, they have gotten somewhat accustomed to the market system to some extent. Yet, some

new problems have emerged.

First, from the time when cheaper Chinese garlic flooded the Thai market, the more expensive and smaller Thai garlic faced difficulties to sell. Thai garlic farmers often say that Thai garlic is of better quality in terms of its aroma, and thus Chinese garlic cannot be substituted for Thai one. However, the reality has not supported this. Garlic importing companies vigorously imported cheap garlic from China, passed it through quality control and then sold it to various kinds of markets, including local fresh markets, modern supermarkets in the cities, as well as processing factories that used garlic as an ingredient for processed food. In comparison with them, Dong Pa Sak farmers usually sell their garlic to the market through small-scale traders in their villages. These traders then sell the garlic to the central wholesale market in Chiang Mai, to food-processing factories, or to bigger warehouses through their own connections. Although these traders know many buyers, it is not easy for them to compete with the larger companies who deal with large amounts of cheap Chinese garlic of varying quality⁶. When we look at from the consumers' viewpoint, the consumers, including factories and restaurants, buy the cheaper and bigger Chinese garlic first, and when they must or want to use Thai garlic because of its aroma, or lack of Chinese garlic or something, they buy Thai garlic. Thus, the sale of Thai garlic has dropped as a crop of second choice after trade liberalization.

Second, as the scale of trade becomes global, neither farmers nor the Government can forecast in advance that how much amount of garlic would be sold in Thai market in a certain year. In fact, Figure 2.8 in Chapter 2 shows that, through the Thai Government's project of garlic production reduction, the amount of Thai garlic production after 2003 has decreased. But in 2006, the import of garlic from China has somehow decreased suddenly, thus Thai market faced lack of garlic supply, which led to price raise in 2006 and 2007. In addition, the life span of the garlic is different: Thai one is about a half a year, while Chinese can keep on more than a year. In

⁶ I found from my field research that the companies that imported Chinese garlic were not TNCs, but small- to medium-scale companies that had traditionally engaged in such garlic trade between Thailand and China.

addition to production conditions in China, they have to consider the nature of the crop so as to forecast the amount of stock of garlic in market, which is difficult. Whether as the rebound of the good price of the former year, the price has dropped since March or April of 2007 again. Regarding this, we asked whether farmers could forecast the annual tendency when they plant garlic, the village headman of Dong Pa Sak replied that it was impossible. The time when he and other garlic farmers knew that the garlic price might not be good in the next year was just before our conversation, in the middle of November 2007, the time when farmers have already planted garlic of the new season. Without being able to expect the demands of Thai garlic in the coming year, the Dong Pa Sak farmers just produce garlic in the same way every year as their duty.

The third new problem after trade liberalization is the difficulty for the farmers to negotiate the garlic price with traders. When the price of garlic became low before trade liberalization the farmers could negotiate with the traders directly or indirectly through the government and so on. However, after the foreign garlic has come in, such negotiation became difficult, farmers were forced to accept the given price. For example, while garlic of Chai Pra Kan District is generally traded at the Fresh Wholesale Market of Chiang Mai, foreign garlic is mainly traded at the Tاراات Tai Wholesale Market of the capital Bangkok, about 800 kilometers south of Chiang Mai, and the transaction price there has influence on the price at Chiang Mai. When we have a discussion at the COOP of Chai Pra Kan, we asked whether they knew the price of garlic in Talad Thai Fresh Wholesale Market in Bangkok. One person said:

No, I don't know, but the price of this year should be difficult. ...The price at market is not same every day. ...If we want to do trading, we have to stay in tent there. We have to rent a tent and sell. It is also expensive. It is about 400 to 500 baht per day. We cannot do that.

(At Garlic COOP of Chai Pra Kan, 14 November 2007)

If farmers have some familiar traders in the market, they could ask the price to them so as to make a last decision. For example, I saw that a Dong Pa Sak farmer was

comparing the price of a certain green vegetable at Chiang Mai market and Chiang Rai market, the north of Chai Pra Kan by making a phone call to traders of both markets. But as long as judging from the above word, the Talad Thai market seems much farer than Chiang Mai market for farmers in terms of both physical and psychological distance. Thus, it is not easy for them to negotiate friendly.

In conclusion, going back to McMichael's argument, which I introduced in the beginning of this section, the immobile small-scale farmers are vulnerable to the actions of large-scale agro-food corporations (McMichael, 2004). For the producers of garlic, which is always accompanied by high risk, the sudden emergence of foreign invisible competitors meant increase of more risk in their livelihood.

4.3 Contesting New Regulations

I have already looked at garlic farmers' protest in the first section of this chapter, but it is also interesting to follow not only the local farmers' clear opposition, such as demonstrations, but also their hidden expressions of discontent that took place in their everyday practices. The Thai government has heightened its control over farmers by setting up a couple of new regulations. These included a monetary compensation program, a product price guarantee and a promotion of contract farming. In reality local farmers had to choose their way from two choices: to receive government support with conditions, or to fight invisible regulation of cost reduction by themselves under free market pressure. I found that the reactions of the garlic farmers are diverse and complex.

First, there were some farmers who accepted the government's recommendation of cancelling garlic production and received monetary compensation of 1,500 to 2,000 baht per *rai*. Among the farmers who had ceased growing garlic, there were those who experienced benefits, making more money from the new crops, and also there were those who did not experience a better outcome, due to the failure of the new crops or a decrease in the income from them.

Second, and in contrast to the first group, there were some farmers who had

not joined the government scheme at all, but had tried to survive by themselves under high levels of market competition. Among them there were those who had continued to grow garlic and those who had stopped growing garlic. With regard to the latter group, one reason they had not registered with the government's scheme for monetary compensation, I was told, despite the fact that they had halted their garlic cultivation, was that they did not want to restrict their work by promising to take on the additional conditions set by the government, conditions which prohibited the growing of six kinds of crop: garlic, shallots, onions, longan, litchi and tangerine oranges, for whose complaints I have already quoted in the section of the government's new regulation. Among the farmers I interviewed, some farmers had begun to grow shallots instead of garlic, and some farmers had begun to grow oranges. In addition, the 1,500 to 2,000 baht compensation had been paid only once by the government in Dong Pa Sak Village and they felt it was not enough, as their deficit through garlic production exceeded it. In addition, they had had to invest a certain amount of money to change to grow new crops, so felt dissatisfaction with the Government's compensation regime and so had not taken it up. The president of Garlic COOP of Mae Ai explained:

In fact, there was a support in each district. Here, the number of the field that joined the project (of garlic reduction) is not 100 percent of garlic farmers. It is only approximately 30 percent. Other 70 percent of the field didn't join. They don't join it because when they have something that they want to demand (to the government), they have a right to do it, right?

(The President of Garlic COOP of Mae Ai, 8 November 2007)

The COOP itself was a mediator when the government paid compensation to the registered farmers. Thus, he said:

The agricultural office will say that, the COOP of Mae Ai District, we gave money for decreasing field. Yes, they had given money. We approved a contract and concluded. What can we demand now? In the contract it says that after this contract..., they don't say till when..., even if there is a problem of price of garlic some day, the government will not support

anything.

(The President of Garlic COOP of Mae Ai, 8 November 2007)

He continued:

From our COOP, about 100 members joined the program. --- Those who registered the program so far are about 200 people in the whole district. Now they grow chili, corn, etc. But they face a problem again. They grow corn for three months, and it passed three months after harvest. They cannot sell yet. --- It is difficult. Those who grow pumpkin also faced a difficulty. That is to say, there is no market. The market that buys pumpkin is very small.

(The President of Garlic COOP of Mae Ai, 8 November 2007)

The members of the COOP of Mae Ai were about 400 in total as of 2008, after the reduction project. Thus, the number of people who joined the government program is about 20 to 25 percent of the total. In comparison with the whole data of garlic production acreage, this number fit in the average.

As for those who continued growing garlic despite both the government's warning and the actual price drop, most of them say that they continued to grow garlic because they did not know what to grow instead. They also believed that there would be some days when the garlic price at the market would regain its losses, and that they would then make a profit. When I asked about reduction of garlic production, Mr. Thana, a Dong Pa Sak garlic farmer told me:

No, I did not stop garlic production because I have only 2.75 *rai* of land. If I stopped growing (garlic), what should I grow? Some people have 10 to 20 *rai*. They may stop (growing garlic) for a half part of their land and grow other crops there. But if we stopped it, we cannot grow anything. Thus, I did not stop.

Then, that year, the price of garlic became good.

(Mr. Thana, a farmer in his late-40s in Dong Pa Sak Village, in Oct 2010)

Most of those who continued to grow garlic are those farmers who had their own land. They have grown garlic for many years and know from their long experience that

garlic is the best crop in terms of the resource conditions of the fields in Chai Pra Kan District. They believe that other crops were not as suitable as garlic for that location. To put it the other way around, the land plots where farmers halted the growing of garlic are often the rented ones. For those who had rented land, it was not difficult to stop growing garlic.

I have covered two types of groups so far: those who followed the government's scheme and those who did not. However, there were also many farmers who took up an ambiguous position in relation to the government's scheme, and whose existence made the practice complex. There were farmers who pretended to follow the scheme and receive monetary compensation, and yet continued to grow garlic in practice. Some farmers who stopped growing garlic in over a half of their entire garlic field (such as 2 *rai*), had continued to grow garlic over the other half, yet still received compensation for the whole field. Mr. Thana, who appeared in the above, also talked after he did not cancel garlic production:

There are some people who have never produced garlic, went to tell the government that they used to grow garlic, and received a compensation fee. But I didn't receive any money from the government because I didn't stop garlic production.

(Mr. Thana, a farmer in his late-40s in Dong Pa Sak Village, in Oct 2010)

In addition, several villagers in Dong Pa Sak told me that many farmers did this. Many other farmers who had stopped planting garlic for the first one or two years, had received the money, and then returned to growing garlic again. The reason they acted in this last way was not necessarily because they wanted to cheat the government out of money, but because the market price of garlic, having fallen initially, had risen again later. Since the farmers' actions are so ambiguous and complex, it would be impossible for outsiders, including officials of the Agriculture Department, to know exactly in what areas the farmers grew garlic. Although a detail data of the planted acreage of garlic began to be collected at village headman's office after trade liberalization, and the report is submit both administration office of Si

Dong Yen Sub-district (TAO) and agricultural office of Chai Pra Kan District, but the report may not be completely correct from above reasons.

In summary, while there are several farmers who cancel garlic production completely, many farmers came back to garlic production after reducing their garlic scale of production after 2004. At first, the government prohibited six kinds of crops to cultivate and recommended cultivating potatoes. However, the farmers chose the most suitable crops for them. In other words, despite increasing regulation by the market and the state through market liberalization, small-scale local garlic farmers, who tend to be seen as vulnerable to a large social structure, have in fact constantly contested the control exercised from the top, through their daily practices. Even if such contestation is not necessarily influential in terms of changing the state's policy itself, it indicated that a much larger political and economic structure is embedded into local practices in such a way not to cause too much trouble to the farmers' livelihoods. The local actors' action was complex and diverse, and also weakened the seemingly strict regulation over them.

4.4 Garlic Farmers' Negotiating Change

Looking at various negative aspects for garlic farmers caused by trade liberalization, the government's new interference and regulation, and the farmers' complaints and protest against it, it seems that the trade liberalization is a new source of problems and risk for garlic farmers. On the one hand, it is true. On the other hand, however, there are not a few farmers with the view that the trade liberalization and other new systems accompanying this was a good opportunity for them to change.

Farmers in Chai Pra Kan are embedded in and adapted to the market system for a few decades through production of garlic as a cash crop. Anan (1984: 260) points out that, in Chaing Mai valley, the increase of non-rice cash crop also increased cash income of villagers till 1973 through increase of the farmers' dependency on the market. Even though social and market structure of Chai Pra Kan is behind of Chiang Mai valley in terms of system in several years, yet, the capitalist market system has

penetrated there before 1980.

Even though farmers organized a demonstration against trade liberalization it did not necessarily mean that it was the first time for them to face such a difficulty, nor did it mean that they would be destroyed at once under the pressure of competitive markets, as some experts claimed. Garlic farmers viewed trade liberalization in a different way. Partly due to the garlic nature of high-risk, farmers had been accustomed to face its price drop once in several years (see Section 2.2.3 in Chapter 2). Thus, one can say that the garlic farmers stayed till 2000 were mostly the tempered and selected farmers. Although the scale of the problem after trade liberalization is the biggest among Thai garlic history, many garlic farmers had a certain strength to survive it. Therefore, when garlic farmers staged demonstrations about trade liberalization, it also was an expression of their actions to solicit practical support to survive as garlic farmers.

Although Yos (2008) suggests that contemporary Northern Thai farmers actively diversify their farming in a flexible way sometimes making a contract with agro-food industry, sometimes accepting off-farm work, yet I observe that it is not always easy for immovable small-scale farmers to do that without any good opportunity or outside support. Garlic farmers in Chai Pra Kan had been adjusting successfully to capitalist economy to a great extent, and yet had always struggled to stabilize their livelihood. They realized before 2002 that to rely exclusively on garlic was not stable, and that they had to find some new strategy to survive as a professional farmer. But they did not have opportunity so far to find what it was or how to do it. In fact, they petitioned the government in 1990s for help, but the government did not tackle with the problem seriously, except for a tentative price guarantee or a slow recommendation of the production reduction. Therefore, when the government recommended reduction of garlic production levels and introduced potatoes instead of garlic as a best suitable crop in Si Dong Yen region, they did not grudgingly accept it but rather seized it gladly with or without participating in the

government's reduction program⁷.

Although it is true that many garlic farmers diversified into potato cultivation after trade liberalization because of price guarantees, it does not mean that all of them persisted in it. In Dong Pa Sak Village, roughly one half farmers gave up cultivation of potato within a few years and came back to garlic again. Another one half of farmers returned to garlic while continuing potato production. Only a few percent of farmers remained as non-garlic, potato farmers. The reasons why farmers came back to garlic are various. One important reason is the rise of the garlic price in the market in 2006. Another reason is the failure in potato production due to soil condition, crop disease, land size, skills and knowledge, and so on.

According to farmers, there are several important differences between garlic and potato production. An advantage of garlic is that garlic can keep for several months in individual storehouses while farmers are negotiating prices with traders, while potatoes need to be sold immediately after harvest. Another advantage of garlic is that profits are higher than with potatoes. The price guarantee system through contract farming is taken as an advantage of potato production, but it is also accompanied by the disadvantage that the production process is controlled and regulated by the parent companies, while garlic production is under farmer control in all processes. There are also important differences in terms of land size. From their experience, farmers say that potato production requires as much land as 10 *rai* in order to be profitable, while 3 to 5 *rai* of land is enough to make a profit from garlic. Another difference is that while it takes only 85 to 90 days for potato to grow and farmers do not have to work as hard to take care of potato crops, it takes 120 days for garlic to grow and accordingly farmers have to take care of it for a longer time.

A contract production of sweet corn production was also brought in during the same period, but it also has advantage and disadvantage. Its big advantage

⁷ For introduction of potato production, Wisarn (2008: 58) reports that the government promoted a program to reduce the area of garlic and onion cultivation and to diversify to potato in Chiang Mai Province during 1998 to 2000, under which 1,395 farmers joined. However, since all of Dong Pa Sak farmers except one told me that they started potato cultivation around in 2005, after a seminar held by local Agricultural Department, at least in Si Dong Yen Sub-district, potato seems to be extensively introduced after FTAs in 2003.

is that farmers can plant it any season of the year. Thus, one farmer told me that he grew sweet corn after making sure that chili – a side crop of garlic – is successful or not. Its another advantage is its investment cost are very small in comparison with garlic and potato, as I showed before. But since sweet corn has a profit disadvantage much smaller than garlic and potato, it is less attractive for farmers. In addition, farmers have also diversified their production into peanuts, cabbage, and other green vegetables through contract farming, while still keeping garlic production as their main crop.

To sum up, taking these merits and demerits of each crop into consideration, each farmer made his/her own decision, choosing garlic production, potato production or combination of several crops.

4.5 Conclusion

This chapter attempted to answer why Chai Pra Kan farmers have persisted in garlic production despite double pressure from the outside: restriction of the garlic production size by the government and increasing competition in the neoliberal market. The field research of this work was mainly conducted in 2007 and 2008, when many of the Chai Pra Kan farmers are still clinging to garlic production, which resulted in the demonstration in 2008, seeking support from the government to survive. What is found in the narratives of farmers is that while they are desperately seeking outside help to survive the more competitive new market system, they also actively adopt production of new crops and farming methods as a supplement to garlic, and, as a result, improved their livelihood through their own individual effort. It is true that market change was brought in from the outside, but garlic farmers also struggled so as to turn this change into their advantage.

One of the reasons Si Dong Yen (of Chai Pra Kan District) garlic farmers showed positive intention to fight even in the face of trade liberalization is because they have been exposed to competitive market structure for a long time partly due to the nature of garlic crops, their high-risk, high return as we looked at in Chapter 3.

Although the scale of the market slump was the largest in both 2004 and 2008 in garlic production history, Si Dong Yen garlic farmers at the same time viewed that trade liberalization was an opportunity for them to decrease their dependency in garlic production by diversifying their farm crops to others as I will show in the next chapter.

Since garlic farmers had their own way of understanding the market system, they did not simply follow the government-led garlic reduction program, but rather utilized government support for their advantage. Some farmers joined the government program, partially reduced garlic production levels, received the compensation fee and adopted potato production through contract farming as a supplemental crop to garlic. Some farmers did not receive compensation because the acceptance of compensation meant increases of the government control and the loss of freedom, yet reduced garlic production levels, and tried potato production under contract. Some farmers simply continued garlic production, believing that the market would recover soon as was the case in the past, or without being able to think of any good coping strategy. For the farmers who just continued garlic production, there were both types of farmers who diversified to contract farming and not. Even the farmers who completely or partially halted garlic production by receiving government's compensation, some farmers returned to garlic production partly because the garlic price has rebounded to higher in 2006.

Farmers' complex and multiple actions in adapting contract farming or returning to garlic production also tell us that farmers are constantly seeking for the best way of farming by themselves, and their actions are consistent ever in the face of a new market structure of trade liberalization.

In the wake of trade liberalization, the diversification of crops has advanced into greater scale among Si Dong Yen farmers. I will provide their concrete cases in the next chapter.