



# Doing Good That Is Good™

The newsletter of FARMS International Formerly AGRICULTURAL EVANGELISM

Speical Edition: Program Survey, Northern Thailand

Providing revolving entrepreneurial loans to poor Christian families – Galatians 6:10

## Dear Brothers and Sisters,

I AM SURE YOU WILL AGREE that the results of the survey presented in this "Special Edition" are truly gratifying. They confirm that the ministry of FARMS is remarkably effective in its goal of helping families come out of poverty and empowering the local church. I trust you will enjoy this report and will share it with others.

Our biblical approach to helping poor families distinguishes us from the typical mainstream approach to micro-credit. From time to time, I hear a casual observer remark, "So FARMS is like \_\_\_\_\_?" This concerns me, but it is understandable. For that reason, future newsletters will address the important differences between our ministry and others doing micro-finance. For now, I want to assure you that FARMS International has little in common with most of these organizations, whether secular or religious.

What do the results of this survey show us? First off, they clearly illustrate that an investment in FARMS and its revolving loan program pays substantial dividends. **As this survey confirmed, every dollar in the revolving fund has produced six dollars in loans and considerable income for the project holders.** This leads to a tremendous amount of new tithing that enables local

churches. Clearly this represents a worthy investment for your mission giving.

When we looked at how a small business or a farming endeavor benefited the family, the results were remarkable.

Key elements of



Siriwat and Sawang visiting a survey village in the mountains

increased prosperity were evident.

Homes were built or improved; schooling for the children increased, new businesses were started, vehicles purchased and in some cases new land was acquired. Clearly, the whole family benefits and just as importantly, the biblical order of the home is maintained and strengthened.

It is noteworthy, that the participants joyfully agreed with the requirement of tithing. **This says to me that given the opportunity the poor want to give; they want to be a blessing; they do not want to be dependent. Their self-worth and dignity were evident throughout the survey.** This reflects well on the relationship the loan committee has with the participants. Their example and encouragement was referred to frequently in the survey. In addition, personally getting to know these volunteer committee members over the years has been a real blessing for me. They truly have a heart for their fellow believers and evangelism as well as a commitment to the ministry of FARMS.

In conclusion, I want thank all of you that make this ministry an answer to prayer for thousands of families in great need.

God bless you for your faithfulness.

In Jesus,

*Joseph E. Richter*  
Joseph E. Richter  
Executive Director



Survey team praying with project holders. FARMS is more than a loan program.

THIS "SPECIAL EDITION" is sure to be an inspiration to you. It features the results of a comprehensive independent survey of our Chiang Kham program in northern Thailand. We are very thankful for the special gift that made this survey possible.

**Purpose of the survey:** Our objective was to obtain an accurate and objective analysis of the overall effectiveness of one of our loan programs. The results would be used to improve our loan programs, as well as providing our supporters with actual data validating the

practicality of FARMS's approach to poverty reduction and local church empowerment.

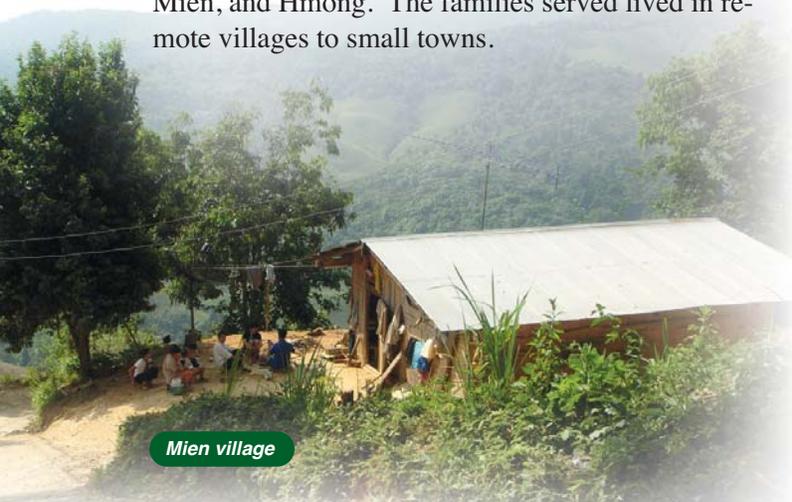
**Location of Survey:** FARMS International works in eleven countries and has eighteen supported loan programs. A number of these programs were considered for this survey. Two of these programs are in northern Thailand, and we selected one of these based on its extensive program history and the availability of independent, in-country personnel with the expertise to conduct the actual survey. In addition, this program had

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a good mix of loans for agricultural as well as non-farm projects. The program encompassed Christians from three different people groups: Northern Thai, Mien, and Hmong. The families served lived in remote villages to small towns.



Mien village

**Northern Thai** distinguishes itself from other Thai groups primarily by language and history. They reside in the northern most provinces of Thailand. Only a fraction of a percent of the Northern Thai is Christian.



Northern Thai



Mien

**The Mien** is a sub-group of the Yao in South-West China. Late in the 19th century they migrated into Northern Thailand. The Mien still use Chinese characters for writing and are highly literate. The Mien people of Thailand live in hill top villages and number around 40,000. Less than 1% are Christian.

**The Hmong** people of Thailand are represented by two different groups. Some of them escaped the persecution in Laos, following the Vietnam War and ended up residing in refugee camps in Thailand. Those that remained, have been relocated to Northern Thailand. Many of our project holders are these resettled refugees. The Hmong have been relatively open to the gospel, and it is estimated that around 3% are Christians.



Hmong

**Background:** Thailand's population is 66 million, mostly Thai and Chinese ethnicity. In addition, there are approximately 1 million tribal people. This diverse mix of peoples live in 3,500 villages, mainly along the border of Myanmar and Laos. Economically, Thailand's Gross Domestic Product (GDP) ranks it 33 out of 185 nations, yet when per capita Gross National Income (GNI) of \$3,400 is used; it ranks 113 out of 209 countries. Overall, Thailand's economy has experienced steady growth and today the country is classified as a middle-income country in Southeast Asia; although recent political turmoil has slowed its growth since the last year. Even with this positive outlook, over 10% are living below the established poverty line. Many of those in poverty are tribal people.

Thailand's majority follows Theravada Buddhism and has not shown a real openness to Christianity. In contrast, Thailand's tribal groups are traditionally animists but have been more open to Christianity.

**Our partnership:** Our partnership with Advocates Reach in Chiang Kham, Thailand began in 1998. Our missionary contact, Michael Phillips, served there since 1991. He is still involved in pioneer church planting and leadership training in the region. With Michael's leadership, the initial indigenous loan committee was established. The volunteer committee included Northern Thai, Mien and Hmong nationals.

**Scope of survey:** The survey objective was to interview as many loan recipients as practical. Approximately 100 families representing 243 projects were interviewed out of a possible 135 families. These families represented a reasonable cross section of the loan recipients. The families interviewed represented 19 churches in 14 communities. These communities lie along the northern border of Thailand adjoining Laos from just south of the Mea Kong River to the city of Nan in Nan Province.

**How the survey was conducted:** Siriwat Srisakate, a Thai national with extensive experience in the development field, formed the survey team. The FARMS loan committee assisted this team of four surveyors in locating the loan recipients.



Suwat, FARMS committee chairman with Mr. Lu a project holder



Shaded area details area of program survey

The questionnaire was developed using standard survey formats from the literature and translated into



Mr. Sommad conducting an interview

Northern Thai, the trade language of the region. The questionnaire contained six sections with a total of 80 questions. The sections were:

- Family Information
- Living Conditions and Resources
- Church Membership and Christian History



Siriwat with Mrs. Mushima. Her project is making milk out of beans.

- Loan History: Prior Economic Conditions, and Family Benefits
- Loan Program Observations
- Spiritual Life: Impact, Tithing, Motivation to become a Christian

**Program background:** We began the program in 1998 with an initial allocation of \$7,000. Additional allocations were made annually, and as of 2009, nearly \$43,000 had been granted to their revolving loan fund. Since inception through 2008, eleven rounds of loans were administered with a value of \$268,000 representing over 400 loans. **Because the loan fund is revolved, the total loaned amount represents over six times the amount granted by FARMS International to the committee. This illustrates the power of our revolving loan approach.**

**Yearly income:** The survey documented each family's economic status before their initial loan. As can be seen from the Figure 1, average yearly income per family was only \$1,223 with the median being \$750. The range of annual income varied from a low

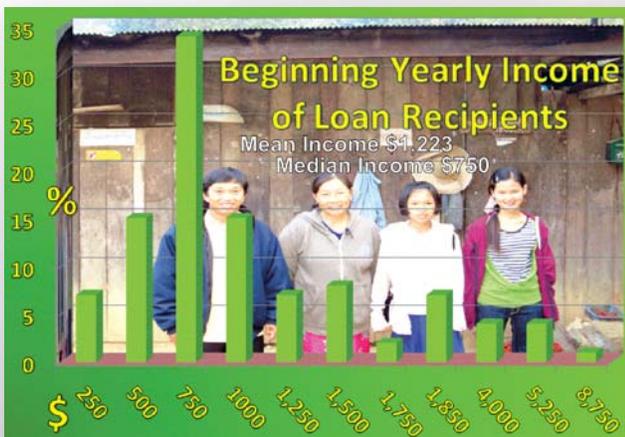


Figure 1

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of \$60 to a high of \$8,750. This level of household income reveals that almost all the loan recipients were below the poverty line even for Thailand, consistent with our goal of reaching those in real need in the Christian community.

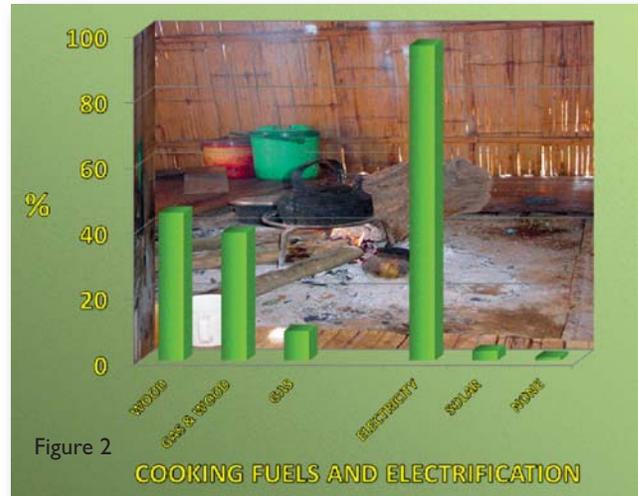


Figure 2

**Economic indicators:** Each family's economic status was determined using several indicators. Figure 2, depicts results for cooking fuels. Over 40% used wood only, with another 40% using wood and gas, and only about 8% using gas only. This indicates that most of the recipients were rural and poor.

Typically, consumption of electricity is a reliable indicator of poverty; however, Thailand represents an interesting situation. The government has embarked on a goal of electrifying the entire country as an impetus for development. Even in places where electric grid is unavailable, solar panels are made available to households. Our results reflect this infrastructure goal. Nearly 100% of households had access to electricity!

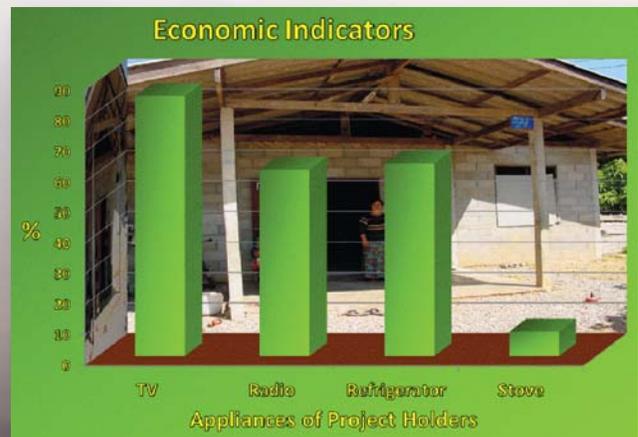


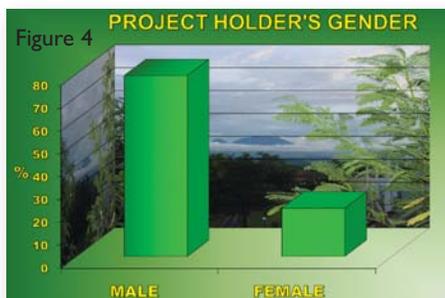
Figure 3

Another economic indicator we assessed is ownership of household appliances. These results characterized the family's situation at the time of the survey. **Many of these improvements were the result of increased income from their projects.** Figure 3, illustrates that most homes now had a TV, radio and refrigerator! The universal availability of electricity has certainly spurred on the felt need for these appliances. However, less than 1 out of 10 homes had a stove, which indicates that most homes still had the traditional semi-outdoor kitchen.

Vehicle ownership was also an interesting indicator. Our results showed that 64% of loan recipients owned a motorcycle, 22% owned a truck, 15% owned a motorcycle and a truck, 8% owned a car, 3% owned a motorcycle and a car, and 3% owned no vehicle. Because of the remoteness of many of the villages, vehicle ownership is a strongly felt need. Although this question was not specific as to when the vehicle was purchased, **it should be noted, that many recipients indicated that the profits from their projects did enable them to purchase a vehicle.**

**Age, gender, family size and residency:**

Figure 4, indicates the gender of primary loan recipient.



FARMS International's vision has always been to help strengthen Christian families. These results reflect our guiding principle of supporting biblical family structure. Over 80% of our project holders were male, heads of households. The average age of the project holder at the time of the survey was 42.4 years for the husband and 41.1 years for the wife, Figure 5. The average number of children was 3.3

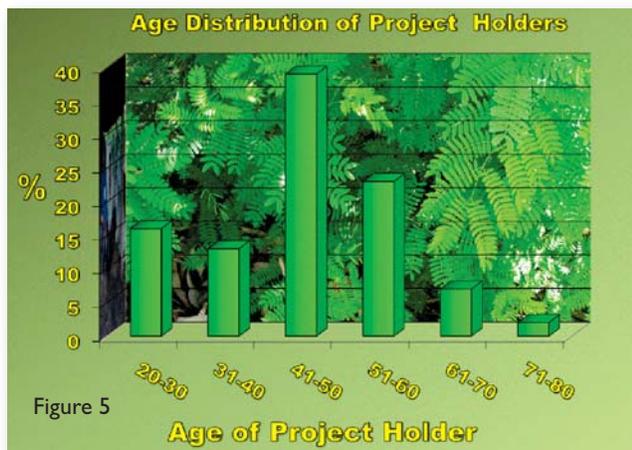


Figure 5

per family with an average of 2.0 living at home. When we asked about the number of years they lived at their current location the average was 22.2 years, the median was 16.5 years, and the range was from 1 to 65 years. This indicates a relatively stable community. The average attained education level was 6.2 years. Six years of compulsory education was the standard in the past. Education of project holders ranged from none to bachelor's degrees.

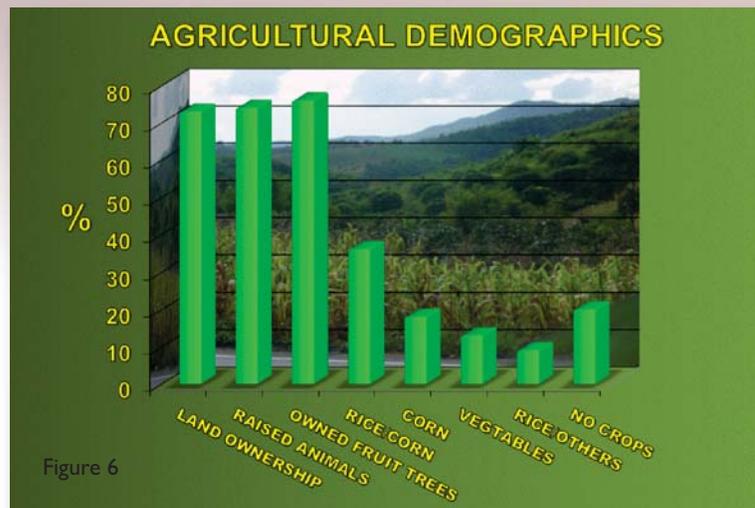


Figure 6

**Agricultural demographics:** The results depicted in Figure 6, are particularly helpful in understanding economic potential and security. The results were encouraging, reflecting the current situation of the loan recipient. Land ownership, animal husbandry, and fruit tree ownership where indicators of 70% or more of those receiving loans. These indices contribute to a foundation for continued prosperity.



Siriwat visiting Mr. Adull's rubber tree project

Without land ownership, it is exceedingly difficult to come out of poverty. Our loans allow the development of land for wealth creation. The data also indicates that most of the loan recipients relied on agriculture to some degree. Only 18% grew no crops, indicative of an urban situation.

**Project types:** FARMS works with the skills and experience of the project holders. Figure 7, illustrates the type and percentage of different income generation projects. Just under 40% were for crop farming such as rice and corn; just under 30% were for value added products such as instrument making, embroidery, and jewelry making. Around 20% were



for animal husbandry and about 4% for trading. A few loans were given for education, which is an anomaly. Wealth creation is essential for real poverty reduction. **Nearly 90% of our projects are for some form of wealth creation, e.g. creating value out of a resource, such as farming.** In contrast, a transfer of wealth, e.g. “petty trade”, creates no new wealth. Using a God given resource to create wealth not only helps the family, but benefits the whole community.



**Loan size and profit analysis:** When repaid loans were analyzed the average loan size was \$528, the range was from \$33 to \$909. Profitability is essential to impact a family’s economic situation. A key element in our approach is to provide interest free loans, unlike almost all other “micro-credit” programs which are for profit. We accomplish this by gifting funds from FARMS International to the revolving loan funds of our volunteer run committees, allowing them to give interest free loans. The recipient only pays a small one time service fee (5%) to help cover administrative costs. An interest free loan dramatically increases the project holders’ profit margin and protects them from perilous debt due to compounding interest. (Note: Most micro-credit program charge compounding interest of 36% or higher.) Figure 8,



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represents data from those projects with repaid loans. **The overall average return on investment was 186%, and this value represents only the income from the first year of the project.** Many of these projects continued beyond the first year, hence the actual profit realized was much greater.



**Observed benefits:** Helping a family or individual break the cycle of poverty is a key goal of all of our programs. This survey documented key elements central to this goal, Figure 9. The results were astounding! **Nearly 100% reported that the project loan benefited the family. Over 80% said their housing improved, many had built new homes or improved existing ones. Nearly 90% said that the income helped with their children’s education.** This is essential in breaking the cycle of poverty.



Nearly 20% used their profits to start new businesses, thus creating more financial stability; almost 20% were able to lease additional land increasing their capacity for profit. In addition, about 4% were able to purchase land, thus increasing their potential for future earnings. In addition, nearly all of the project holders had a savings account! Saving is key to financial soundness. **These findings confirmed that the loan program is producing a tangible and positive impact on the lives of the recipients.**





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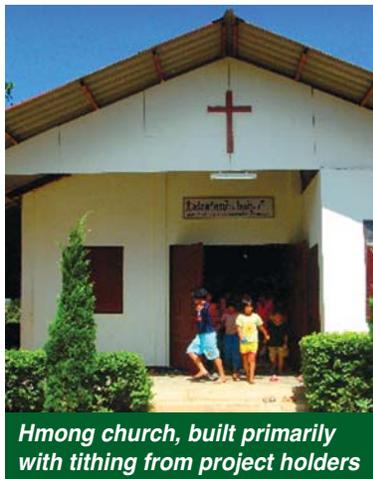
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**Spiritual impact:**

We design our loan program to not only help families and individuals economically, but more importantly, spiritually. FARMS International's core vision is to help develop biblical stewardship in those we serve. Because of this, tithing from project profits is a requirement of every loan recipient. We have found this to be a key element in developing self-worth and true discipleship. **When a person is willing to give, it breaks the poverty mentality. Nearly 100% of loan recipients answered that they tithed out of their project profit.** This is particularly significant, because poor Christians generally do not tithe! In fact, poor Christians usually give very little, and this results in poor churches. FARMS provides a unique opportunity for the church to disciple its



*Hmong church, built primarily with tithing from project holders*

members in biblical stewardship. We believe that this component of tithing not only brings blessing to the family and success to the program, but it is vital for successful church planting efforts. Only through generous giving can a church be truly self-supported and effective in outreach.

Almost 100% of the loan recipients said their giving helped their church! This answer may seem obvious; nonetheless, it illustrates the perception that their giving is making a difference; building self-worth. **Similarly, when asked if the program helped them grow spiritually, again almost 100% said that it did.** Common responses were that it increased their faith, their trust in God, their joy, and encouraged them.

In conclusion, one can see that FARMS International's ministry is effective in helping families come out of poverty, as well as helping the church become self-supported. It is interesting to note that the recipients were genuinely grateful for the program, even though other secular loan programs were available to them. It is notable that with a relatively small investment our program created a vast impact on poverty. That is why our motto is **"Doing Good That Is Good!"**™

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 A higher purpose.*

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