

REPORT OF COMPARATIVE STUDY
OF AGRICULTURAL ADMINISTRATION

in

JAPAN, TAIWAN, and VIETNAM

by the

FIVE-MAN SURVEY TEAM

of the

MICHIGAN STATE UNIVERSITY GROUP

and the

DEPARTMENT OF AGRICULTURE OF THE REPUBLIC OF VIETNAM

May 22 — June 4

1956

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OUTLINE

Preface

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- II. Main Observations on the Japanese Organization
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PREFACE

A. The following observations can be applied to Viêt-Nam and are presented in order of importance.

1. Emphasis.- in both countries, the Agriculture and Land Reform program has enjoyed high priority in granting of funds, effort and prestige. Since the economy depends on efficient and improved food production to avoid expenditure of foreign exchange for imported food and also to generate exchange through exports of agricultural products, a great deal of emphasis is placed on the agriculture program. This is not true in Viêt-Nam.
2. Farmers associations or cooperatives.- as stated above, the role of the farmers associations or cooperatives is second only to the role of the Department or Ministry of Agriculture. Without these organizations neither Japan nor Taiwan would have attained anywhere near the degree of success they have.
Much of the burden of administering the government program is borne by these groups. In Viêt-Nam there exist only a few single purpose coops. Much could be done in this field here in Viêt-Nam.
3. Personnel.- In both Japan and Taiwan, the agriculture programs seem to have sufficient technicians to do the job in the field. For instance, in one province alone in Japan, over 800 persons were engaged in the Ministry of Agriculture activities. In Viêt-Nam the total number of personnel on the Agriculture Department payroll in 1147. In Taiwan, over 2000 land reform agents actually operate in the field.
It was significant to note that in Japan approximately 94% of the personnel worked in the field and only 6% worked in Tokyo, the main cities, and prefectural offices.
4. Farm Credit.- In both Japan and Taiwan, the governments have strong and aggressive farm credit programs, well-organized and productive of good results. In Viêt-Nam, there is a program of farm credit but it seems to work with difficulty and considerable red-tape, hence loses its effectiveness.
5. Rice Collection and Control.- Japan found it necessary to control the collection, distribution, and sale of rice to avoid speculation and profiteering. This resulted in only a 15% difference in the price between the farmer and the consumer. Although there is no rigid government control in Taiwan, the same result pertains, namely, 15% difference. In Viêt-Nam, the difference is considerably greater and sometimes reaches 100%.

6. Planning.- In Taiwan the government has prepared through its Economic Stabilization Board a four-year plan of which agriculture (Committee D) plays a very important part. Agriculture was able to contribute because it had excellent statistics. In comparison with Viêt-Nam, it was found that Vietnamese statistics were inadequate and that Agriculture Department has played a minor role in Economic planning.

B.

Comparative Statistics	Japan	Taiwan	Viêt-Nam
A. Yield of rice (per hectare 1950)	3,160 Kg	2,420 Kg	1,200 Kg
B. Land under cultivation (ha.)	5,401,000	812,138	2,530,000
C. Persons engaged in full time farming	17,890,000	4,605,404	3,000,000
D. Farm families	6,200,000	743,982	600,000
E. Government employees in field of agriculture	60,000	3,945	1,147
F. No of farm association and/or cooperatives	35,348	439	12

I

PURPOSE OF THE TRIP

Fundamentally, the group's objective was to study the administration at the central and field levels of the agricultural services, land reform administration, and agricultural credit procedures. In addition, special emphasis was placed on farmers' cooperatives and associations, fertilizer distribution, food administration, including rice program administration and agriculture's relationship to economic planning.

Inasmuch as both Japan and Taiwan have faced the problems of the restoration of a war-torn economy, drastic increase of population, and significant changes in governmental organization, it was considered that these countries had much in common with Viet-Nam.

Although there was some discussion of the program content, major attention was focused on HOW the program was administered; the organization for effectively getting the program to the people; the procedures for eliminating red tape; and the simplified methods that could be related to Viet-Nam.

The group was well received in both countries and the concerned officials gave freely of their time and knowledge. Both in Japan and Taiwan field trips were taken so as to see the programs at the farm level in actual operation.

II

OBSERVATIONS ON JAPANESE ORGANIZATION

The most striking aspect of the Japanese Ministry of Agriculture and Forestry is its wide coverage. It not only includes the functions carried out by the Vietnamese Department of Agriculture (Extension Service, Veterinary, Forestry, Inland Fisheries) but also those related to the Vietnamese Department of Agrarian Reform and to some extent those of the Public Works Department (hydraulics, maritime fishing).

Of significance is the position of importance occupied by the Ministry. Since Japan's very survival depends on agriculture, ample funds have been made available for a comprehensive and efficient operation. (For organization chart, see annex 1.)

The Administrative Vice-Minister (the Vietnamese counterpart is the Secretary General) has overall supervision of all national directions (called bureaus in Japan). He is assisted by a ministry secretariat as far as administrative routine is concerned. The organization of the Japanese Ministry reflects the parliamentary regime in Japan as well as in France: "Ministers pass but Ministries stay on." Through the frequent government changes in a parliamentary regime the Japanese administrative Vice-Minister remains to assure continuity in the Ministry. The Japanese Parliamentary Vice-Minister follows the Minister in his ups and downs and is bound to support the Minister's political ideas in Parliament. This counterpart in the Vietnamese government is the Director of Cabinet.

The Ministry of Agriculture and Forestry, in its overall coverage, includes, among other services:

The Agricultural Land Bureau, which is responsible for land reclamation; rural engineering, drainage, irrigation, and rural housing;

The Agricultural Economic Bureau, which covers agricultural statistics, rural and agricultural economy, cooperatives, insurance marketing, and fertilizer;

The Food Bureau, whose functions are related to rice and other foods, including food fats and oils;

The Livestock Bureau, and

The Forestry Agency. In each of these services, we interviewed the bureau directors. Special attention was paid to Agrarian Reform which is reported below in the comparative study.

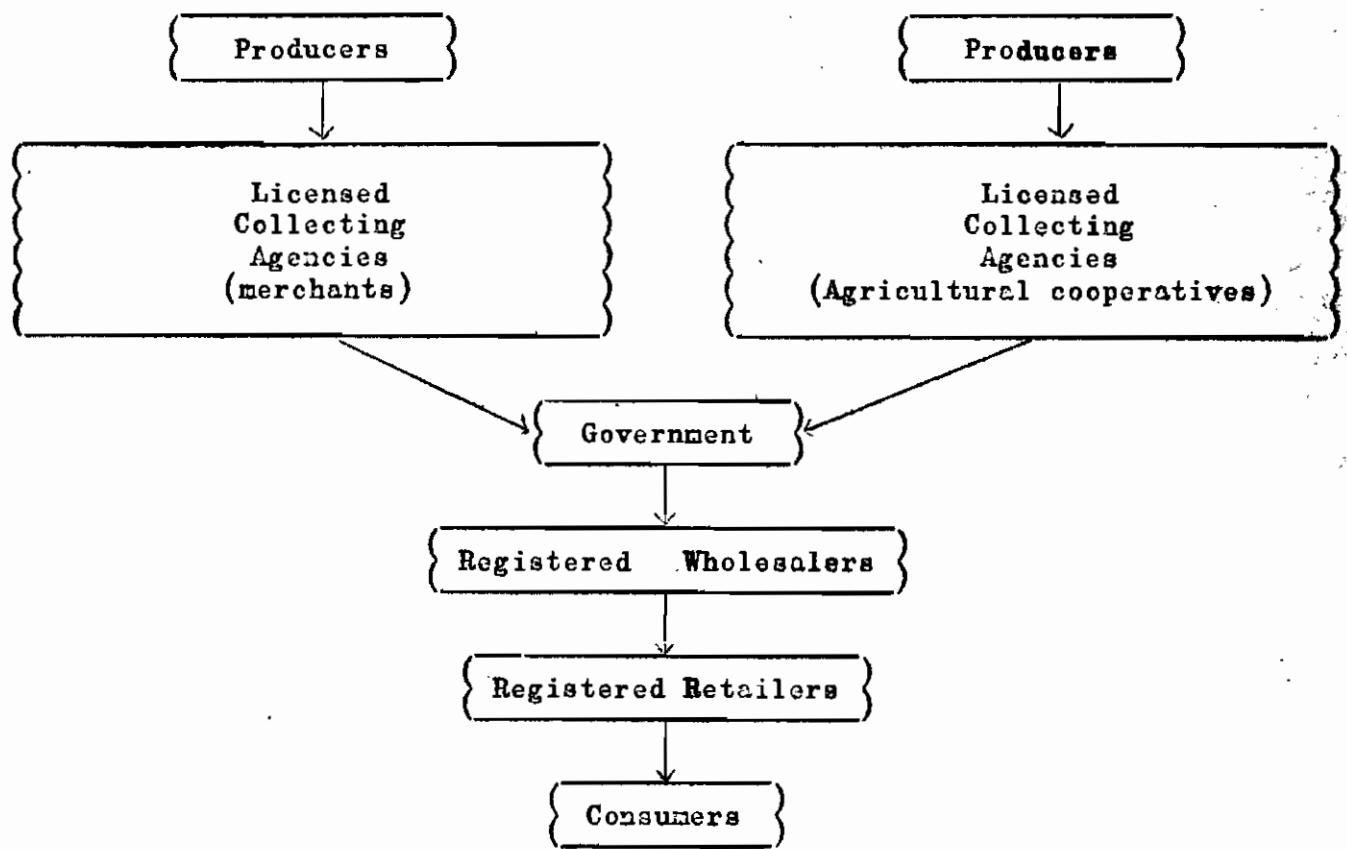
As an illustration of the type of study which was made in each of the bureaus, we are relating more in detail the administration of the rice program:

A. In Japan, the government controls the supply and demand of rice and the price.

Only the government can buy local rice and it fixes the purchase price.

The consumer price is also fixed by the government.

The structure of the rice marketing can be summed up as follows:



The consumer price is the producer price plus

3%	Wholesaler's profit
3.3%	Retailer's profit
8.1%	Other charges entailed by the government
<hr/>	
14.4%	

Number of persons involved in rice marketing (1955)

Registered agencies	14,791
Agricultural cooperatives	12,673
Merchants	2,178
Wholesalers	401
Retailers	57,742
<hr/>	
	87,785 Persons

B. The rice program has permitted Japan to assure the rice supply of the whole population. The government buys all the production of the country and imports the deficit of the local production.

The rice program in Viêt-Nam which has a surplus of production has different aims:

1. To eliminate all intermediaries in the rice market.
2. To reserve the greatest part of the value of agricultural products to the producers.
3. To assure a reasonable consumer price.
4. To raise the standard of living of the rural population.

On the third day of our stay, the group visited Chiba prefecture. This prefecture (or province) has a population of over 2,200,000 people and provides food and produce to the nearby metropolis of Tokyo. This area was considered representative of Japanese agricultural regions and its problems were the normal problems encountered in other areas.

Here also are to be found over 300 farmer's multi-purpose cooperatives, one of which was visited. Additionally large land reclamation projects have been undertaken to provide more arable land. We visited such a project here.

The prefectural government has two sections dealing directly with agricultural matters--an agriculture and forest section and an agriculture land section; members of both sections were interviewed. Of prime importance in the agricultural program is the cooperative. These coops provide extension service, crop loans, crop insurance, mutual life insurance, and purchasing and marketing services. They also act as agents of the government in rice collection.

The reclamation project which was visited is part of a master plan in which total reclamation of Upper Tokyo Bay is the ultimate goal. Presently, 8- or 10-hectare portions are being reclaimed along the coast.

Irrigation projects occupy much of the budget in Chiba. These projects are joint government-cooperative enterprises and provide both industry and farms with necessary water.

Following are some general observations on Chiba prefecture:

- A. A decentralization to some extent of central powers in favor of the prefecture.

B. Under the prefecture governor, there are 8 departments:

General Affairs,	Economy,
Public Works,	Agriculture and Forestry,
Health,	Agriculture Land,
Welfare,	Fishery.

III

OBSERVATIONS ON TAIWAN ORGANIZATION

In Taiwan, the group was the guest of the Joint Commission for Rural Reconstruction (JCRR). Our itinerary included extensive briefings on the organization and functions of JCRR, a field trip, and briefings by Provincial and Farmers' Association officials, and Provincial Food Bureau.

Due to the present situation of the Free China Government, few constructive ideas could be gained from the study of the central system since only one province (Taiwan) is now under its control. However, the provincial government is fully organized and functions as if it were a national body. (See Annex 2)

The total area of Taiwan is 35,961 square kilometers (Free Viet-Nam 189,000 square kilometers). It is a province of China, so the report covers only observations of the provincial level.

- A. Decentralization to a large extent of central powers.
- B. Food Bureau is separate from the Agriculture and Forestry Department.
- C. Land Bureau (Agrarian Reform) is related to the Civil Affairs Department (Interior).
- D. The tobacco and wine monopoly is related to the Finance Department.
- E. Agricultural Hydraulics and Camphor Bureaus are related to the Public Works Department.
- F. The Agriculture Department has 7 sections, one of them concerned with the Farmers' Association.

In the field of agriculture, firm control is exercised by the province through the county and township governments and through the Farmers' Associations. Farm taxes and recompense for land and fertilizer is accepted only in rice, thus enabling Taiwan to gain foreign exchange through export of rice to Japan. As in Japan, the Farmers' Association is the means through which the agricultural economy is not only controlled but strengthened and improved.

On the field trip two cooperatives were visited. The first was a multi-purpose farmers' association. This group, a township level cooperative is quite extensive and has mills, store-houses and considerable physical plant. A store for members provides at cheap prices consumer goods and services. A credit section provides loans at reasonable interest rates for land improvement, seeds and other necessities. All fertilizer is distributed through farmers' associations according to soil requirements. (See Annex 3)

Later a hydraulic cooperative was visited. This cooperative is a single-purpose group organized to provide irrigation water in the district to members. In the afternoon, the HSIEN (county) government was visited by one group while the rest were briefed in the land reform program. After this, a Taiwanese farmer received the party in his home. This farmer, formerly a tenant, now owns his own land. Visible signs of prosperity were evident such as his new brick house and his new equipment.

This gentlemen was also chief of a "small agricultural unit" (group of farm families) and represented his unit at town and Farmers' Association meetings.

The last day the group interviewed the JCRR. This commission is a planning, recommending and financing body composed of three Chinese members and two United States members appointed by the President of China and the President of the United States respectively. The commission is financed by contributions of both governments: U. S. two-thirds, China one-third. Their function is to coordinate all projects having to do with agrarian reconstruction to include financing, planning and supervision. Also in conjunction with a committee of the Central Government, long range plans and goals are developed. This commission has been very successful.

Next we visited the headquarters of the Provincial Farmers' Association. The association in Taiwan follows the form of the Government. In each township there is an association. These associations are represented in the Hsien (county) associations which are in turn represented in the provincial association. Through this system complete control of the agriculture production is assured while at the same time affording the farmer substantial benefits. (See Annex 3).

IV

COMPARATIVE STUDY WITH THE VIETNAMESE ORGANIZATION

A. Organization

1. At the National Level

In China the Ministry of Agriculture is temporarily included in the Ministry of Economic Affairs. The Provincial government carries out the national program.

In Japan, the Agriculture and Forestry Department is independent.

In Viet-Nam, the Department of Agriculture and the Department of Land Registration and Agrarian Reform both administer agricultural problems.

2. At the Department level.

- a - In Viet-Nam -- in each ministry, there is a Minister, a Cabinet Director and a General Secretary. The functions of a Cabinet Director and of a General Secretary are not clearly separated.
- b- In Japan and China -- in each Ministry there is a Minister, a parliamentary Vice-Minister, and an administrative Vice-Minister whose roles are better defined. (See Annex 1)
- c- The distribution of functions illustrated by the chart (Annex 1) presents the following advantages:
 - 1 - Centralizing all administrative affairs of the ministry to a government official who is a permanent appointee and technically qualified.
 - 2 - Possibility of unburdening this government official from the routine work of administrative management by creating a Ministry Secretariat.
- d- In Japan there is a Bureau of Agricultural Economics. Some consideration should be given to such an important direction in Viet-Nam.
- e - There is in Japan a Food Agency and in Taiwan a Food Bureau.

In Viet-Nam we think the culture of rice is, from an agricultural, economic, and social standpoint, important enough to justify the creation of a national rice office.

f - In Japan fishing including maritime fishing is dealt with by the Ministry of Agriculture and Forestry. In China, in each maritime district, there is a Fisheries Office.

In Viet-Nam, fishing is split up into two sections:

Maritime fishing is controlled by the Ministry of Public Works

Inland fishing is controlled by the Ministry of Agriculture.

3. Decentralization at the Prefecture and District Level.
(Even at the Township Level).

In both Japan and Taiwan the Governor (of province) and the Magistrate (of district) administer their respective areas and control directly their various technical services.

4. Village Level

The organization of agricultural associations or farmers' units is an example of the re-uniting of functions at the rural level for effective use by the farmer. We found these agricultural associations to be effective for the following reasons:

- a - They are efficient
- b - They are flexible
- c - They are suitable to the peoples of Asia
- d - They are a means of bringing together the farmer and the technical services.

These associations are very efficient in getting the programs of agricultural credit, seeds, fertilizers, technical advice, and consumers' goods to the farmer. As an illustration, the fertilizer program in Taiwan is a government monopoly. The government uses the fertilizer program as an incentive for the cooperative and Farmers' Association movement. Only members of these organizations may obtain fertilizer. Fertilizer is used as exchange for rice paddy and as such is a stabilizer in an inflationary economy. The farmer sells a quantity of rice to the government against a quantity of fertilizer at a fixed ratio. All distribution and transport operations are carried out by the private farmers' associations so government agencies have little to do with this matter. Selling fertilizer at local level to the farmers through farmers' associations has the following advantages:

- a - The selling price is reasonable
- b - Guidance is given as to proper utilization
- c - Marketing facilities are provided
- d - Only members can obtain fertilizer so this is an incentive for cooperative action on other matters.
- e - Fertilizers are sold at cooperative stores along with other goods and commodities, therefore, it is easy for the farmer to obtain.

5. Summary

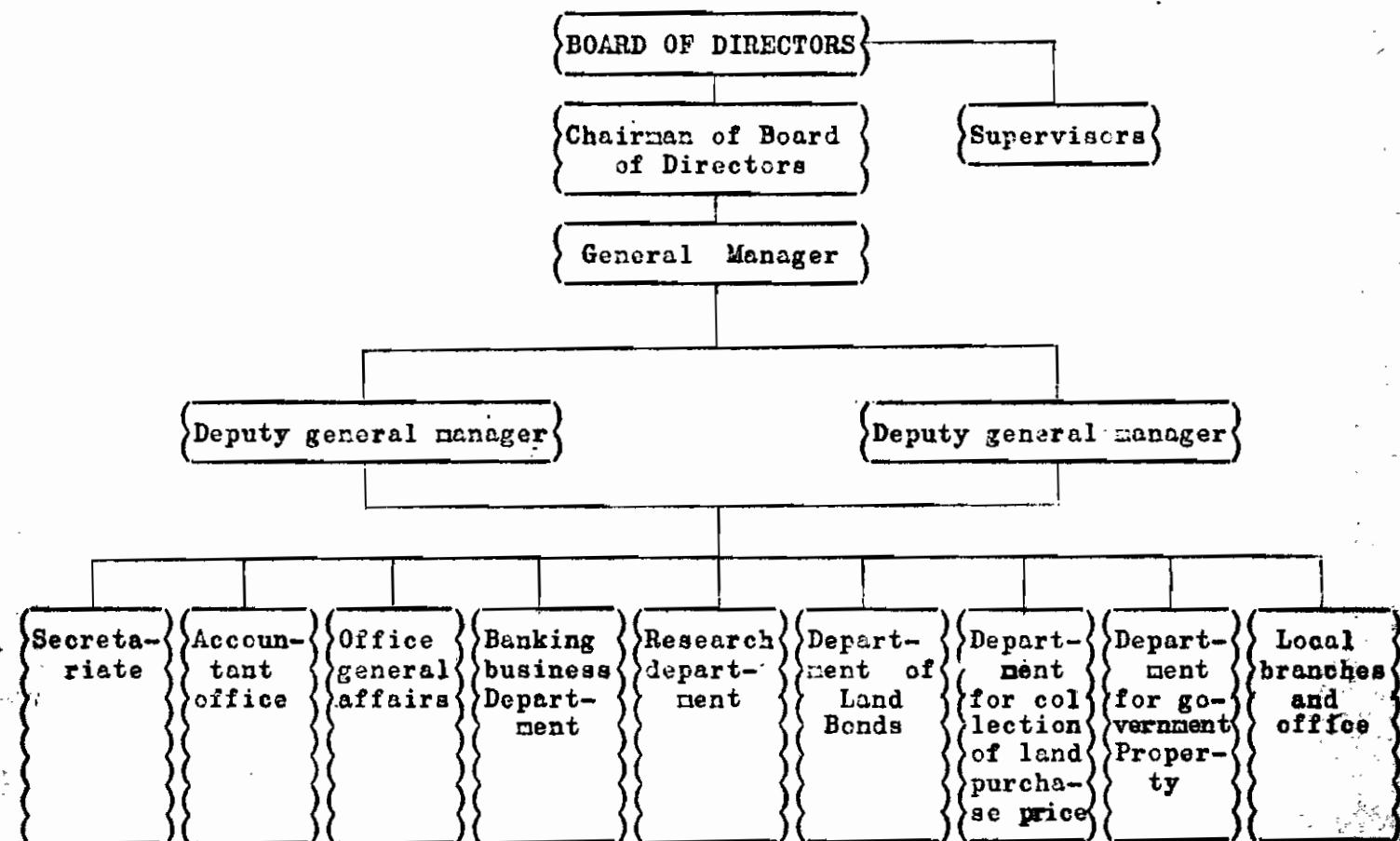
In comparing the situations in Japan and Taiwan it appears that Vietnamese agriculture must face different problems. The organization at the local level in associations or cooperatives has not been developed. Similarly, the extension service has not developed in Viêt-Nam to encourage the proper use of commercial fertilizer. Another job must be accomplished in Viêt-Nam to work out a country-wide map of soil nature and soil fertilizer needs to assist the farmer in more scientific use of fertilizer. Finally, in Viêt-Nam a firm fertilizer quality control must be established so that retailers cannot alter the chemical content or adulterate it with other substances.

B. Agricultural Credit

Farm Credit in Taiwan:

LAND BANK OF TAIWAN

1. Organization of Land Bank of Taiwan



2. Procedure of farm production loan of land Bank of Taiwan

- a- Application
- b- Investigation
- c- Examination
- d- Approval
- e- Loan
- f- Control
- g- Repayment

3. Items of farm production loan of land Bank of Taiwan

Item	Amount	Terms	Interest rate
Buffalo	70% of purchasing price	2 years	1.5% per month
Wages	500 N.T. \$	6 months	ditto
Hand cart	2000 N.T. \$	2 years	ditto
Ox driving cart	2000 N.T. \$	2 years	ditto
Threshing machine	500 N.T. \$	1 year	ditto
Seed-clean fan	500 N.T. \$	1 year	ditto
Drying grounds	1000 N.T. \$	1 year	ditto
Compost house construction	1500 N.T. \$	18 months	ditto
Compost house repairing	500 N.T. \$	6 months	ditto
Sprayer and duster	Actual purchasing price	6 months	ditto
Pesticide	DDT or BHC power-30k/ha	6 months	ditto

4. Relationship with Viêt-Nam

a. The Land Bank of Taiwan is interesting because:

1. it grants loans to farmers
2. It is charged with the collection of the purchase price from farm purchasers.

In Viêt-Nam there are now two offices of agricultural credit and in the future we shall need a land bank when the agrarian reform program comes into the second and the third phases. For this reason it is useful for us to study the role of the Land Bank of Taiwan in the collection of the purchase price from farm purchasers.

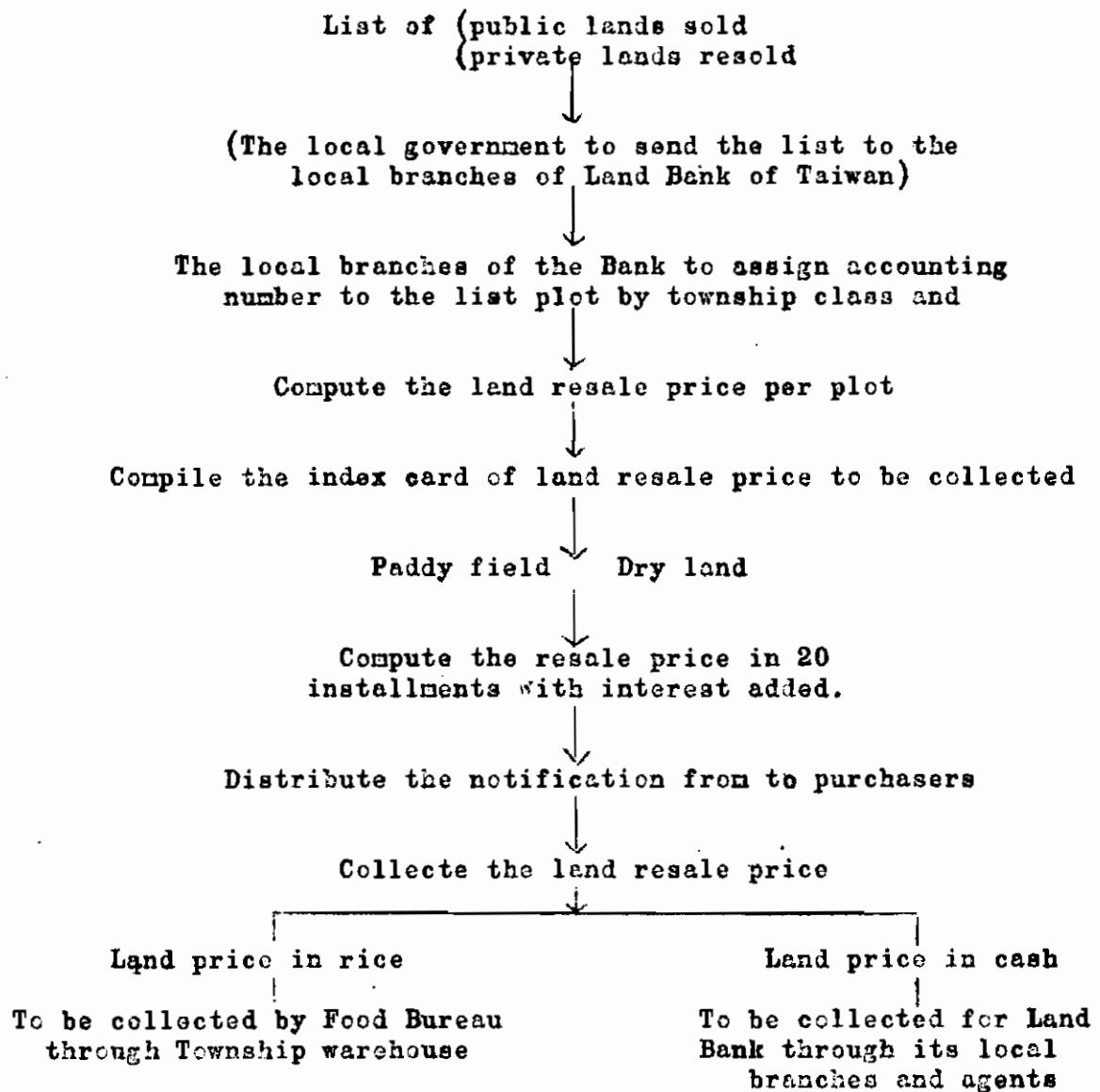
It would be better if Viêt-Nam had one service of Agricultural Credit and not two credit services, and this office should be charged with the function of a land bank.

b. Collection of the purchase price from farm purchasers.

The collection of the two semi-annual instalments of the purchase price was carried out by the Taiwan Land Bank with the assistance of the Provincial Food Bureau. The Hsien and City Land Offices were responsible for the distribution of official notices urging upon each of the purchasers to make the payment due and advising them as to the procedure to be followed.

The Land Bank was in charge of keeping accounts and receiving each payment. It also was responsible for the preparation of notices to purchasers asking them to pay the instalments due. It sent representatives to the various villages and townships to receive cash payments on the spot for the convenience of the instalment payers.

c. Procedure for collection of land resale price in Taiwan Province

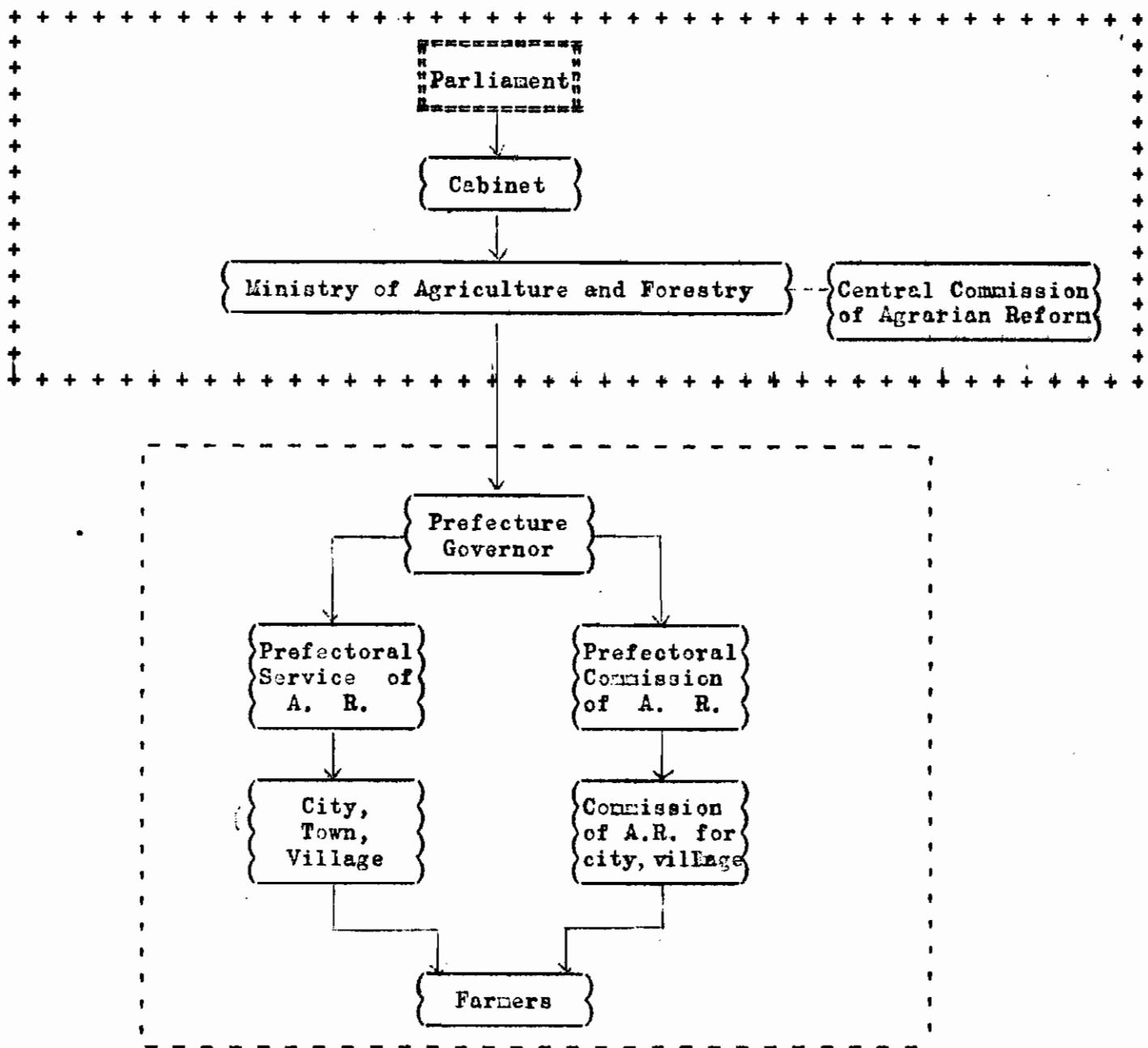


C. Agrarian Reform

We studied the administration of the agrarian reform program in both Japan and Taiwan. The agrarian reform program in Japan has enabled 4,000,000 farmers to acquire land and 2,500,000 hectares have been transferred to new landowners, and in Taiwan 194,830 farmers had the possibility of buying 206,038 chia of land (1 chia = oha 969917.)

1. Following are organizational charts of the Japanese system.

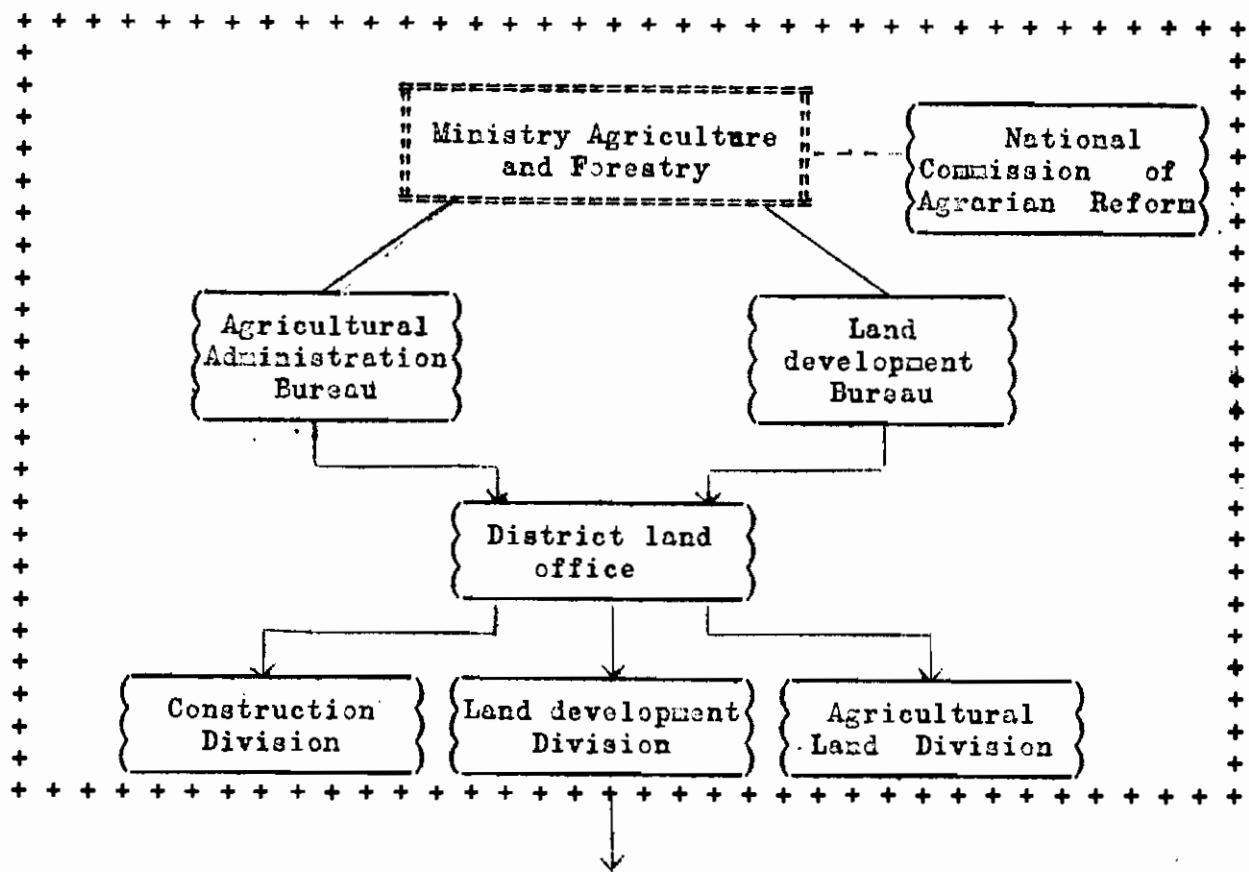
a- ADMINISTRATIVE CHART OF AGRARIAN REFORM IN JAPAN



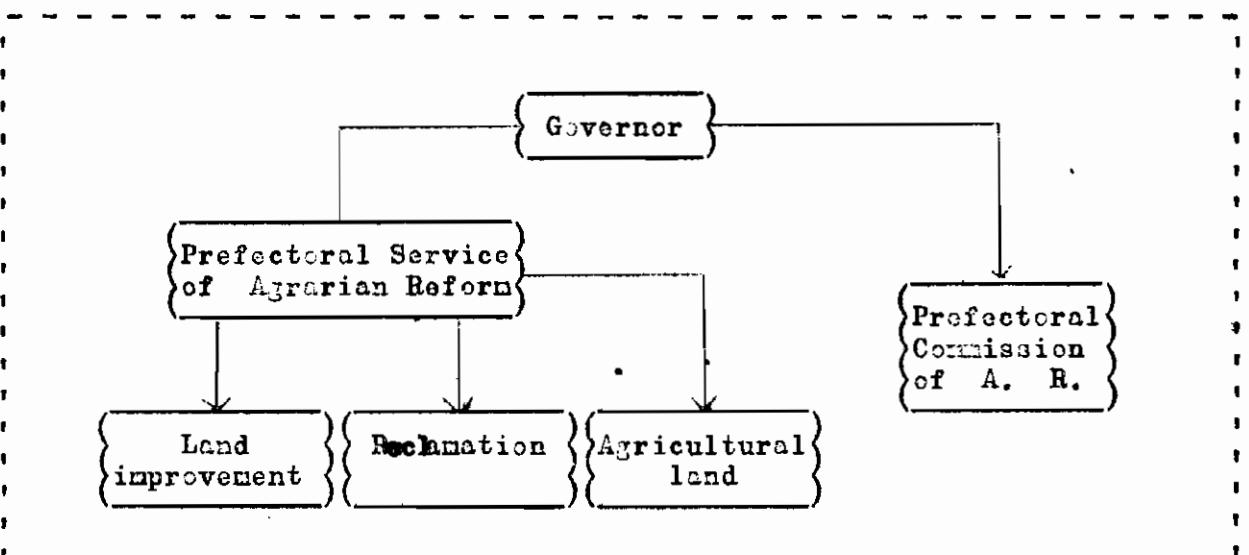
Central level + + + + + + + + + +

Prefectoral level - - - - - - - -

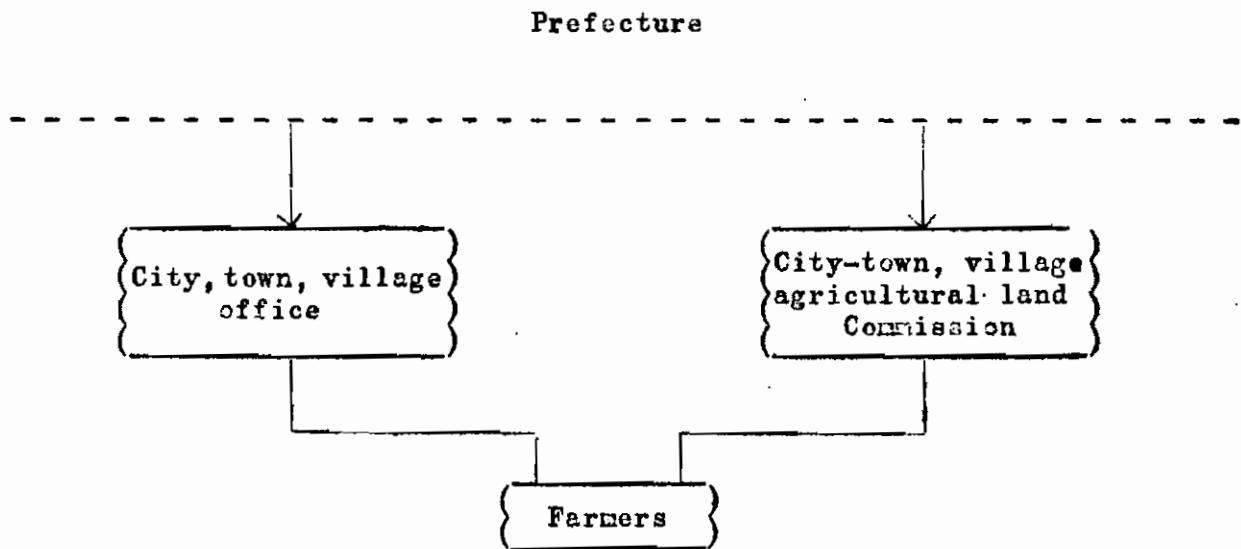
b- ADMINISTRATIVE CHART OF AGRARIAN REFORM AT NATIONAL LEVEL-JAPAN



c- ADMINISTRATIVE CHART OF AGRARIAN REFORM AT PREFECTURAL LEVEL



d- ADMINISTRATIVE CHART OF AGRARIAN REFORM AT FIELD LEVEL-JAPAN



2. Agrarian Reform Committees in Japan

a- National Committee

23 members

CHAIRMAN: Minister for Agriculture

8 members representing farmers of various geographical regions in Japan.

8 members representing landowners.

2 representatives of farmer's organizations.

5 persons on account of their competence and experience in the field of agriculture. Mandate: 2 years

Issues to be decided are submitted to the committee by the Minister for Agriculture and Forests and decisions made are carried out by this Minister.

b- Prefectural Committee

20 members

CHAIRMAN: Governor of the Prefecture

10 members representing farmers

6 members--landlords

4 owner-farmers

c- Local Committee

10 members

- 5 farmers' representatives
- 2 representatives of owners-farmers
- 3 representatives of landlords.

3. The experiment of Taiwan on agrarian reform deserves our attention, especially on the following points:

- a- The farmer who buys land pays in kind the price of it plus 4% interest per annum in 20 semi-annual instalments. However, these payments plus the payment of rates and taxes must not exceed 37.5% of the profit yielded by the land.
- b- The purchase price of land is equal to $2\frac{1}{2}$ times the value of the main crop. 70% of the purchase price is paid with agricultural bonds exchangeable for land products, and 30% with shares (stocks) from official business belonging to the State.

In Japan payment in cash was an undue hardship due to inflation. In Taiwan the payment in kind seemed more equitable.

4. Agrarian Reform Committee in Taiwan

- a- The Agrarian Reform Committees at the echelons of village, township and district are composed of 2 members
 - Chief of village, township or district
 - Land officer of the village, township or district office
 - 5 members representing tenant farmers
 - 2 members representing owner-farmers
 - 2 members representing landlords.
- b- The Agrarian Reform Committees at the district and municipal echelons are composed of 2 members:
 - Chief of the Land Section of the District or Municipal administration
 - Chairman of the farmers' association
 - 5 elective members representing tenant farmers
 - 2 elective members representing owner farmers
 - 2 elective members representing landlords.
- c- The success of any agrarian reform program depends on the role played by the agrarian reform local committees.

5. In Viêtnam we have an Agrarian Reform national Committee, Joint committees at the provincial, district and canton (sub-district) echelons and rural joint committees in villages, established by ordinance 29-a from April 25, 1955 relating to the Popular Agricultural Credit. However, it is to be noticed that:

- a- Members of the joint Committees in Viêtnam are not elected but chosen by drawing lots (ordinance 2 from Jan. 8, 1954)
- b.. The joint Committees have no right to make decisions and are nothing but advisory organisms while the joint Committees in Japan and Taiwan are allowed to make decisions on certain affairs while working out the agrarian reform program.
- c- Appointment by drawing lots does not insure the selection of capable members in various joint Committees.
- d- The joint Committees in Japan have at their disposition a permanent secretary who expedites all questions and formalities concerning the agrarian reform, for the joint Committee meets only once or twice a month. The joint Committees in Vietnam have no permanent secretary and their members have not been trained beforehand.

6. The administrative organization of land reform in Japan and Taiwan, their methods of compensation to the landowners and their steps taken with a view to strengthening the land re-distribution program should be studied in detail to determine which features could be best applied to Vietnam.

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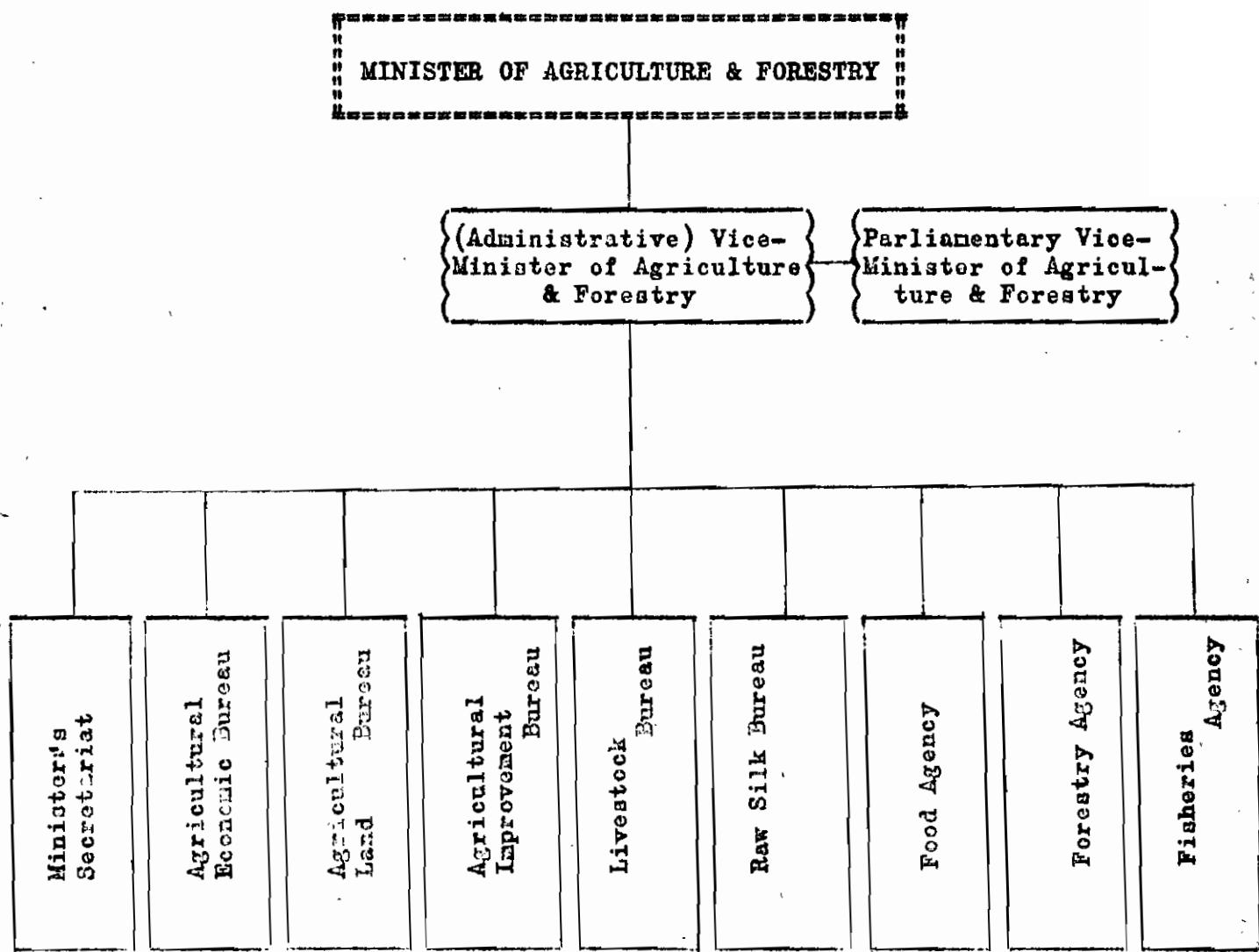
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ANNEXES

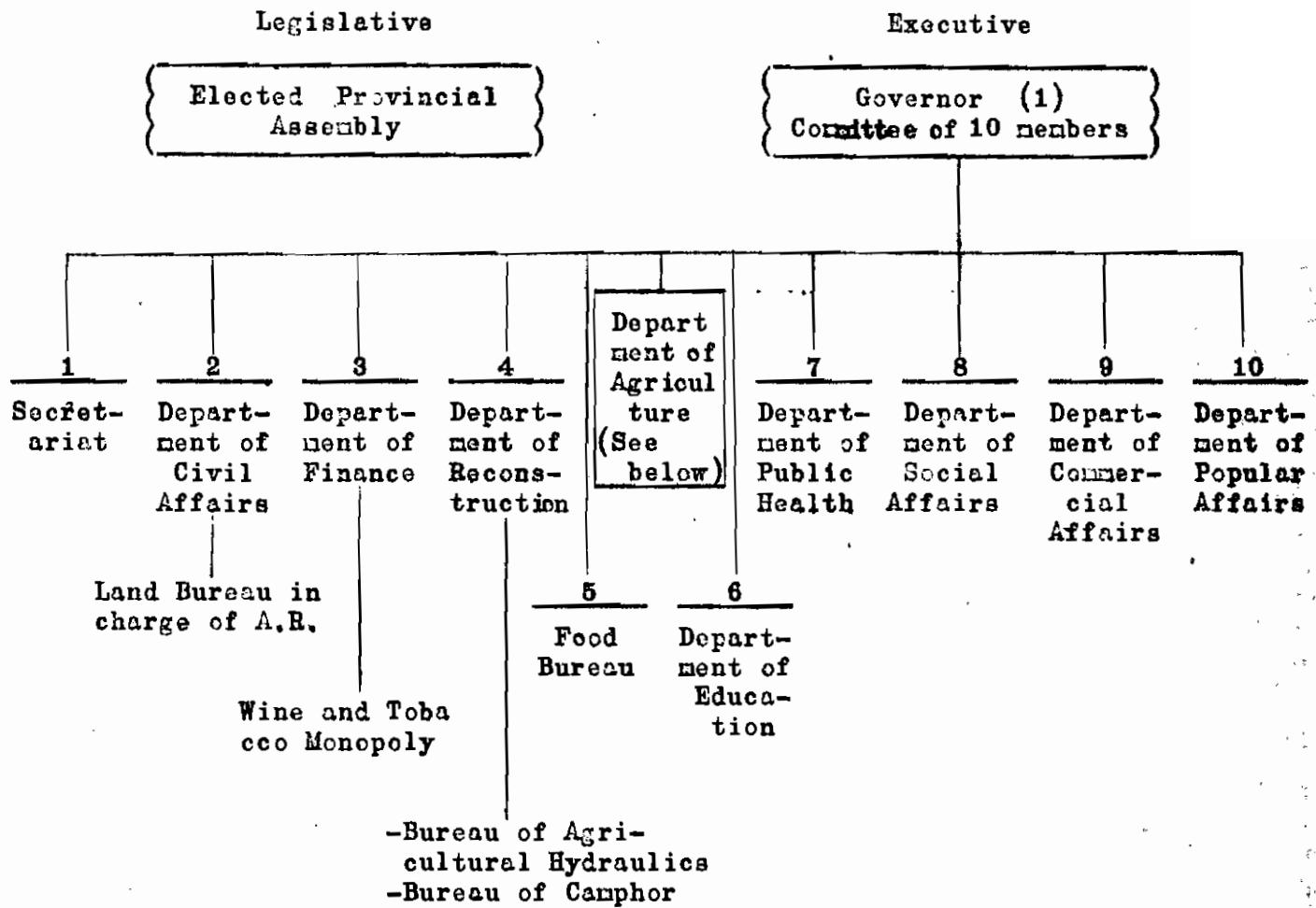
ANNEX ONE

ORGANIZATION CHART OF MINISTRY OF AGRICULTURE & FORESTRY



ANNEX TWO

PROVINCE OF TAIWAN (Formosa)



(1) The Governor is assisted by a Secretary General, Commissioners, Councils and The Heads of different Services and Bureaus.

*****\$*****

THE DEPARTMENT OF AGRICULTURE.

=====
 "COMMISSIONER OF AGRICULTURE"
 =====

Secretariat	Division of Agriculture	Division of Food crops	Division of other crops	Division of animal Husbandry	Division of Agriculture	Division of fishing
Division of						
General Economy						

ANNEX THREE

FARMERS' ASSOCIATIONS IN TAIWAN.

The Farmers' Association is the most important of all rural organizations in Taiwan. Its aim is to increase agricultural production and to improve rural life. Its system of organization involves 3 levels:

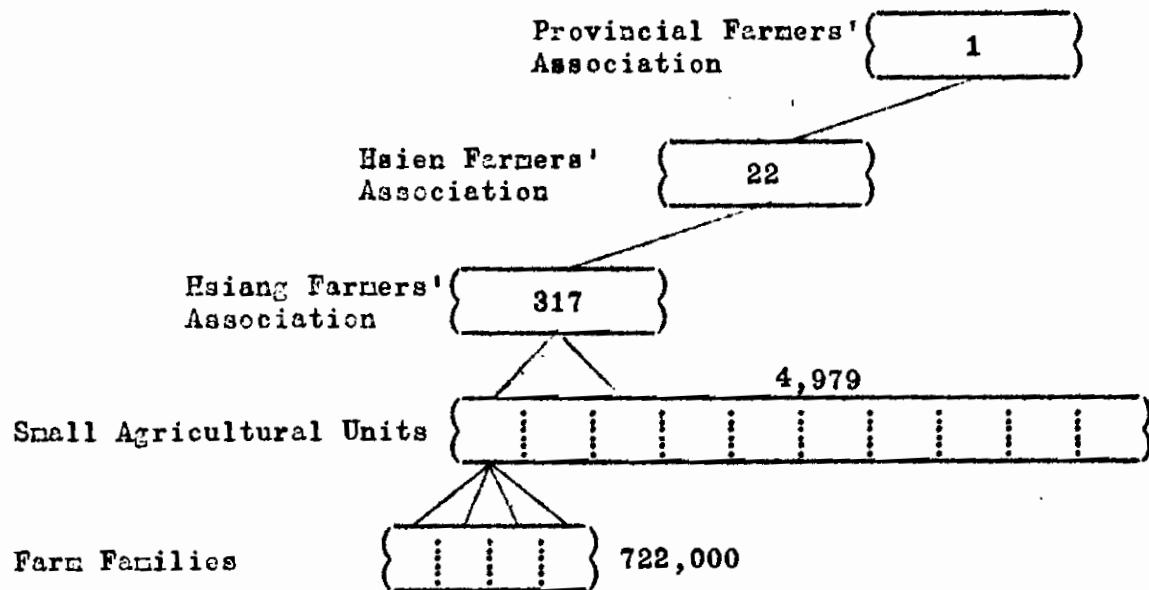
One association at the province level.

22 associations at the Hsien (district) and city level.

317 associations at the Hsiang (village) and Chen (hamlet) level.

The Farmers' Associations number 589, 299 members.

The farmers are grouped into small agricultural units which are the basic structure of the organization of the Farmers' Association.



Organization.

The members of each Small Agricultural Unit elect a president and choose 3 or 4 representatives to attend the meetings of the farmers' associations at the Hsiang and Chen level.

A Direction Committee (from 9 to 15 members) and a Control Committee are elected by the Delegates of the Small Agricultural Units.

The Farmers' Associations of one Hsien or city elect 2 or 3 representatives to the Farmers' Associations at the Hsien level.

The Hsien Farmers' Associations elect from 3 to 15 representatives to the Provincial Farmers' Association.

The Direction Committees and the Control Committees are appointed by the members. There are 2 categories of members in the Farmers' Associations.

1. Active Members: One member in each family who draw at least 50% of their incomes from agriculture. The active members are landowners, tenant farmers, farm hands... The active members enjoy all the rights of membership such as the right to vote, the right to participate in meetings.

2. Associate Members: The Associate members include such persons as non-farming landlords, and part time farmers, who enjoy all the rights except the right to vote. However, one-third of the members of the Control Committee may be chosen from the associate members.

Services rendered by the Farmers' Associations.

Credit

Savings deposit

Technical advisory Aid

Sale and marketing of agricultural products

Rural health

Sale of farm tools, food, cloth, rubber boots, bicycles, soft drinks, canned fruit and other consumer goods.

Facilities for rice milling

Warehousing of rice and fertilizer

Aid in crop and livestock improvement.

Transportation

Other observations from our visit to the Shulin Farmers Association:

- it has 2,000 members
- it has a great many buildings including 1 rice mill, warehouses, silos, etc...
- it has 5 sections: administrative section, credit section, supply section, extension service section, and accounting section. A board of Directors and a chairman share the Management.

- it employs a full-time professional manager
- it assists its members in several domains: loans, supply of implements, supply of seed, fertilizer, insecticide.

Reasons for success of cooperatives and farmers' associations in Taiwan include:

1. Fertilizer is a government monopoly. The government supplies the farmers only through the Farmers' Associations.
2. Cooperatives and Farmers' Associations are 50 years old and date from the Japanese time.
3. The employment of full-time professional managers and staff.

Also to be noted is the great extension of the movement by the means of "Agricultural Units", each of which includes 100 to 300 farm families.