

SUMMARY

THE COLD STORAGE ORGANIZATION

by Sa-ngiam Mamuenai

Editor's Note

The following article on "The Cold Storage Organization" should be of timely interest to the readers from many aspects—economic, social and public service. Its success, in conjunction with the National Economic Plan, particularly the promotion of transport and hydro-electric power, will positively be instrumental in raising the standard of the Thai people. This success in turn unavoidably depends on sound management and efficient co-ordination with the government's transport and rural electrification schemes. It will be interesting to watch the outcome.

The Editor

The Cold Storage Organization is a corporation initiated, operated and controlled by the government. The idea of a government cold storage was first conceived by the Ministry of Economic Affairs who submitted it to the Council of Ministers in 1937. It was, however, rejected. After more than a decade, the Ministry of Agriculture who, having sought the co-operation of STEM (United States Special Technical and Economic Mission, now known as USOM), submitted it again to, and subsequently received the approval of, the Council of Ministers.

In December 1951, E.C.A. (United States Economic Co-operation Administration) rendered assistance by securing the services of Cooley Associates, Boston, U.S.A. who made a preliminary survey of the project. Acting on the company's survey report, the Thai Government in 1953 sanctioned a budget of \$ 1.5 million (or 18.75 million baht) and work on a cold storage with a 1,000-ton capacity as well as an 80-ton ice factory began. The entire project was completed in 1955, but it was not until 1958 that a royal decree was passed, making it a government corporation.

The reasons that prompted the government to create the Cold Storage Organization were manifold among which were the following: to raise the standard of living of the people; to promote fishery and agricultural industries; to transfer fishery and agricultural products to areas in the country which are devoid of certain of such products in fresh form; to export the surplus of the aforementioned products; to stabilise their prices within the country and to help implement the national policy of promoting business enterprises with Thai capital since for big business Thai capital is not easy to come by in this country.

The power in controlling the Organization is vested in the Minister of Agriculture to whom the Organization's Board of Directors is accountable. The Board of Directors in turn is appointed and dismissed by the Council of Ministers. The Minister is empowered to appoint and dismiss, with the approval of the Council of Ministers, the three top officials of the Organization, viz.: The Director, Deputy Director and Adviser. It is the duty of the Minister of Agriculture to submit periodically to the Cabinet the Organization's progress report.

It is noteworthy that, during the period 1960 - 61, all members of the Board of Directors, which numbered twelve, were either active or retired government officials. This situation is of interest in that it has prevailed since the inception of the Organization.

The personnel administration of the Organization, adhering to the Merit System, is based on the Civil Service Act. Several incentive measures for the employees have also been introduced, among which are the sickness and loan assistance schemes. It appeared that during the years 1960-61, 579 employees were medically cared for, and in 1961 alone, 544 employees made use of the loan assistance scheme. Employee training has also been a measure increasingly used.

As to the number of officials and workers of the Organization, whereas there were 56 in 1957, the number had increased to 91 at the end of 1961.

At the end of its first year of operation (1956), the Organization suffered a 15,792 baht loss. From then on, it had been operating at a profit, reaching the peak in 1959 (599,719 baht). The end of 1961, however, saw a profit of only 27,755 baht. The Organization owns a circulating capital of 60 million baht.

By far the biggest item of business has been the fish—especially marine-products. The largest group of beneficiaries has therefore been the fishermen whose income has as a result been markedly augmented. The Organization purchases its products by auction, subject to the margin determined by a government committee. Another subject of interest has been the turnover (for fish products only) of this Organization. While it was 250 metric tons (valued at 465,072 baht) in 1957, the amount had increased to the peak 1,345.1 metric tons (valued at 7,804,473 baht) at the end of 1959. The end of 1962, however, saw the turnover of only 666 metric tons with 4,660,892 baht value.

The bulk of the business is done at the Bangkok Fish Pier (near which is located the Organization's plant). However, two 30-ton cold storage boats have been operated by the Organization to go out and make a direct purchase from the fishermen themselves. The long-term project included the construction of subsidiary cold storage plants at various locations in the country. According to the Organization's 1959 Report, the first (at Chumporn Province) was already nearing completion.

As mentioned earlier, the Organization also operates an ice factory, the turnover of which had increased from 13,651 metric tons (worth 473,236 baht) in 1957 to 21,567 metric tons (worth 2,372,111 baht) at the end of 1962, again the peak year being 1959 in which the turnover was 26,504 metric tons with a value of 2,281,843 baht. As cited earlier, the Organization conducts as well an export service chiefly in sea lobsters, the amount of which in 1959 was 62 metric tons (valued at 800,400 baht) and 18 metric tons (valued at 373,760 baht) the following year. Mention should also be made of the Organization's holding shares in the Bangkok Municipality Abattoir. This was allowed by the Council of Ministers for reason of the Organization's increasing transactions with this slaughter-house.

Regarding future plan, the Organization is scheduled to build cold storage plants in four more cities (besides the one at Chumporn Province already mentioned), one of which will be in the north-east and the rest in the north. Turnover will also be substantially increased, cold storage cars will be introduced and, to complete the process, the Organization's own distribution stores set up.

Summarized by Patom Jarnson
