

A Review of Crowdfunding Ecosystem in the Agricultural Sector of Thailand

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Abstract

Crowdfunding is a crucial financial solution for the agricultural sector in Thailand, as it addresses the shortage of funds in this area. While it has been successful in countries like Indonesia, Malaysia, and China, the utilization of crowdfunding in the agricultural sector in Thailand has yet to gain widespread success and adoption, unlike in other countries. So this study aims to comprehend the crowdfunding ecosystem in Thailand by examining the attitudes and perspectives of various stakeholders, as well as identifying potential methods to effectively implement crowdfunding. The study will consider elements such as the regulatory framework for fundraising, financial literacy and access to financial services by farmers and other agricultural stakeholders, and the level of trust and confidence in crowdfunding. Additionally, the study will draw on successful examples from other countries to provide lessons and insights.

KEYWORDS: Crowdfunding, Ecosystem, Fintech and Agriculture

1 INTRODUCTION

The concept of crowdfunding has its roots in the practice of crowdsourcing, which involves obtaining information or input into a task or project by enlisting the services of a large number of people, either paid or unpaid, typically via the internet. One of the earliest examples of crowdsourcing was a contest organized by the British government in 1714 to find a solution to the problem of determining longitude at sea. The contest offered a prize of £20,000 (equivalent to millions of pounds today) to anyone who could provide a reliable method for determining a ship's longitude, and it attracted thousands of entries from around the world. In terms of modern crowdfunding, the first online platform specifically designed for this purpose was ArtistShare, which was launched in 2003. ArtistShare allowed fans to directly fund the creation of new music by their favorite artists, and it paved the way for the proliferation of crowdfunding platforms that exist today. Over the past two decades, crowdfunding has become an increasingly popular and effective way for individuals and organizations to raise

money for a wide range of projects, from creative endeavors and charitable causes to startups and small businesses. Today, there are hundreds of crowdfunding platforms available, and the practice has become a key source of funding for many people and organizations around the world.

Crowdfunding is a way for individuals or organizations to raise money for a project or venture by soliciting small contributions from a large number of people, typically through the internet. This method of fundraising has become increasingly popular in recent years, and it offers several important benefits. First, crowdfunding allows people or organizations to raise money for their ideas without having to rely on traditional sources of funding, such as banks or investors. This can be particularly useful for people with innovative or unconventional ideas who may not be able to secure funding through traditional channels. Second, crowdfunding allows people to test the viability of their ideas before investing significant time and resources. If a project is not able to attract enough support through crowdfunding, it may be a sign that there is not enough demand for the idea, and the creator can choose to pivot or move on to something else. Third, crowdfunding can help to build a community of supporters around a project or idea. When people contribute to a crowdfunding campaign, they are not just providing financial support, they are also showing their support for the idea and becoming invested in its success. This can help to create buzz and momentum around a project, and it can also provide valuable feedback and insights for the creator. Overall, crowdfunding is an important tool that can help people and organizations to raise money and support for their ideas, and it has the potential to democratize access to funding and drive innovation.

In the agricultural sector, crowdfunding has been used to finance a variety of projects, including the development of new technologies and techniques, the expansion of existing farms, and the launch of new products. One benefit of using crowdfunding in the agriculture sector is that it allows farmers and other industry stakeholders to access capital without having to go through traditional channels, such as banks or investors. This can be particularly useful for small-scale farmers or those with innovative ideas who may not be able to secure funding through other means. Crowdfunding can also help to build a community of supporters around a project or idea, which can provide valuable feedback and insights for the creator. For example, a farmer who is using crowdfunding to develop a new irrigation system may receive input from supporters on the design of the system or suggestions for how it could be improved. Overall, crowdfunding can be a valuable tool for the agriculture sector, and it has the potential to support the development of new technologies, products, and practices, as well as to provide a source of funding for farmers and other industry stakeholders.

2 LITERATURE REVIEW

The term "crowdfunding" was first introduced by Internet entrepreneur M. Sullivan in 2006, and it refers to the practice of using the collective effort of a large number of people, typically via the internet, to raise funds for a wide range of causes, including business, government, and social projects. Since its inception, crowdfunding has continued to evolve and has been applied in various fields such as raising funds for disaster victims, supporting the production of goods, and as a form of investment and financing. In the agricultural sector, researchers have been investigating the potential use of crowdfunding as a way to address

the lack of funds and support various agricultural projects. Studies have been conducted on the guidelines, best practices, and potential challenges associated with crowdfunding in the agricultural sector. Prajaksinthai (2014) studied the effects of foreign direct investment on Thailand's exports and imports and found that it had a insignificant positive impact. This may be due to vertical specialization, where a manufacturing company divides the production process of a product into smaller parts and assigns each part to a different country to produce, resulting in the product not being completed in a single country. The study also found that Thailand has a generally welcoming policy towards foreign direct investment, as the government practices liberalization and does not discriminate against foreign investors. However, there are some exceptions to this policy, such as in the sectors of agriculture, animal husbandry, fisheries, exploration, and mining, where foreign investors are not allowed to enter unless they hold at least 51% of the registered capital in the form of Thai national shares.

Rajasree, 2018

Huang et al. (2018) conducted a study on the nature of different types of fundraising in China, including crowdfunding. They analyzed data on private investment in 2014 and reviewed the literature to understand the impact of crowdfunding on micro, small, and medium-sized enterprises (MSMEs) in China. The study found that when traditional financial markets are difficult to access, MSMEs often struggle to secure capital. As a result, crowdfunding can play a crucial role in providing funding and risk sharing for these enterprises.

Filimonova (2018) conducted a study on the limitations of crowdfunding in the agricultural sector in Russia and developed a methodology for modeling funding to support innovative projects and investments in agriculture. The study analyzed statistical data on the performance of crowdfunding platforms and used general scientific analysis and synthesis methods to understand the effectiveness of crowdfunding in agriculture. The study found that crowdfunding can be a useful tool for raising funds in the agricultural sector, but it also has challenges and flaws that require careful planning at every stage.

Filimonova et al. (2019) examined the use of crowdfunding as a project financing tool in agribusiness, with a focus on projects related to agriculture and rural development. The authors found that factors such as the socio-economic level of regional development, the number of income of the population, and the availability of information and internet communications in the region where the project is planned to operate, have the greatest impact on the success of agricultural projects using crowdfunding. Additionally, the study found that factors such as the agricultural production index and fixed capital investment per capita in the region of project implementation did not have a significant effect on the success of fundraising.

Stoknes et al. (2021) Studied Willingness to Pay for Crowdfunding Local Agricultural Climate Solutions. The study aims to understand the reasons behind the public's willingness to financially support crowdfunded climate mitigation projects at the farm level. Four mitigation options, such as installing solar panels, producing biogas, using drag hoses and incorporating biochar, were identified from the farmers' perspective. The study examines the ideal characteristics of crowdfunding campaigns to finance these mitigation measures. The results show that the public's willingness to pay is influenced more by their knowledge about crowdfunding and how clear and relevant the proposed measure is, rather than their concern for climate change or proximity. The main conclusion is that future projects that aim

to increase participation in crowdfunding campaigns must effectively communicate, by raising public understanding of crowdfunding and making the agricultural measure clear and relevant.

3 METHODOLOGIES

This study is divided into two parts in terms of the method used for data collection and analysis.

1. The first part of the study involves conducting in-depth interviews with experts in the Thai crowdfunding industry. The participants will be grouped into three categories to provide a comprehensive overview of the crowdfunding ecosystem, as follows:
 - 1.1 Fundraiser/Issuer: Small farmers, community-based organizations, and entrepreneurs in the agricultural sector
 - 1.2 Funding Portal: PeerPower Co., Ltd. and Investree Co., Ltd.
 - 1.3 Investor: Siam Venture Capital Co., Ltd.
2. The second part of the study involves collecting information on the regulatory environment and guidelines for fundraising and digital farming in Thailand and other countries. This data is obtained from secondary sources such as laws, statistics, reports, and articles from reputable local and international agencies. Additionally, we review previous research on funding to gain a deeper understanding of its role in agriculture and identify potential challenges or opportunities for implementation.

4 RESULTS

4.1 Crowdfunding in Agriculture

Crowdfunding, a method of financing projects through small contributions from a large group of people, has gained popularity since the mid-2000s. Initially, it was primarily used to fund creative projects such as music. However, today, crowdfunding is widely used to finance business projects and innovations in a variety of fields, including agriculture and agro-industry (Filimonova et al., 2019).

According to a literature review, crowdfunding has been found to be a useful tool for strengthening the relationship between food producers and consumers in the agriculture and agribusiness sector (Yoo and Choe, 2014). It has also been shown to be beneficial for young people in agriculture (Rutten and Fanou, 2015). An example of crowdfunding in agriculture is an agricultural entrepreneur in Serbia who uses rural networks, cooperatives, agricultural organizations, and internet sites dedicated to agriculture and rural development to mobilize funding. This type of funding can help bridge the gap in the production cycle, as well as increase the production of various food products, similar to what is seen in developed countries. Additionally, rural areas can use local food producers, such as flour or corn product producers, to develop the local economy (Roocke, 2015).

In Indonesia, crowdfunding has been increasingly used in the agricultural sector as farmers struggle with high interest rates and limited access to formal financing through informal channels (Siswanto, 2018). One company, iGrow, has developed a platform that connects

investors without agricultural knowledge or skills with skilled farmers who lack capital. Through the platform, investors can choose to invest in a variety of agricultural product plots, including sugarcane, durian, and cow farms. The company estimates the return and planting period of each crop for investors to consider, and manages and supervises production with participating farmers when funding is due. iGrow also coordinates with business partners and distributes returns to those involved when there is further income from the sale of products. To address the limitation of farmers who may not have enough funds to provide farmland, iGrow also contracts with landowners to utilize the projects. This business model creates opportunities and generates income for farmers, investors, and the general public, and also helps to alleviate debt problems in the agricultural sector. Since its founding in 2014, iGrow has helped create jobs for approximately 2,000 farmers and has brought about 1,000 hectares of land into agricultural use, producing up to 500 tons of agricultural products (Kritsakorn, 2018).

In Nigeria, the government is seeking to increase the output of the agricultural sector to boost the country's economic growth. However, the agricultural policies introduced by the government may not be suitable for smallholder farmers in the country. As a result, small farmers and agribusinesses are looking for alternative ways to finance their farming operations, leading to an increase in the use of crowdfunding (Raithatha, 2020).

In the Philippines, there are startups that use crowdfunding to raise funds for the agricultural sector, such as Cropital. The company screens farmers to participate in the project through an interview process with the government and provides academic advice on cultivation to manage risks and increase productivity. This may include allowing farmers to do integrated crops to prevent market price volatility. Farm On, another startup, has built a water reservoir to prepare for drought and a drainage system to deal with heavy rain, helping to manage risks and provide stable returns for both farmers and investors (Krisakorn, 2018).

In 2016, Russia experienced a financial crisis that resulted in high interest rates, making it difficult for farmers to secure loans from traditional financial institutions. As a result, crowdfunding has become an attractive alternative for farmers who do not have access to traditional financing. In addition, the adoption of crowdfunding in Russia has been supported by the development of information technology systems and domestic internet access (Filimonova, 2019).

4.2 The Beginning of Crowdfunding in Thailand

In 2014, the Securities and Exchange Commission (SEC) in Thailand introduced a fundraising method called "Crowdfunding" to assist early-stage companies, also known as start-ups, in obtaining capital to start their business. The process of raising funds through Crowdfunding involves submitting documents for filing for public offering or preparation for listing on the stock market, but instead of a traditional approach, the entrepreneur only advertises the business plan and intended use of funds on a website that provides Crowdfunding services. Additionally, in 2015, the SEC and the Department of Business Development jointly supported small and medium-sized businesses in using Crowdfunding as a tool to raise funds with the goal of increasing access to capital sources, reducing costs and strengthening businesses for AEC and international connection. The Capital Market Supervisory Board has approved prin-

principles governing equity-based crowdfunding.

In 2017, the Securities and Exchange Commission (SEC) in Thailand opened a hearing to gather opinions on how to improve the criteria for offering securities through electronic systems or networks, such as Crowdfunding, with the goal of increasing options for funding portals to use technologies like Blockchain and Smart contracts. The use of these technologies can provide a way for funding portals to manage money for share subscriptions and support startups and SMEs in accessing funding sources. Additionally, the funding portal can act as an alternative to appointing a third party to handle crowdfunding share subscription payments during fundraising, including the transfer of funds to the fundraiser or refunding share subscription fees in case of unsuccessful fundraising. The SEC is actively pushing for equity crowdfunding in Thailand as an important channel for potential startups and SMEs to access funding sources.

In order to make it easier for small and medium-sized enterprises (SMEs) to access funding, the Securities and Exchange Commission (SEC) in Thailand has revised the rules for offering securities through crowdfunding. The revision applies to crowdfunding bond offerings and eliminates the All-or-Nothing principle, which means that a crowdfunding fundraiser will receive money from investors only when the target amount of capital is achieved. Instead, if 80% of the offering amount is booked, it is considered that the fundraising has been successful. This change aligns with foreign regulations such as those in Malaysia, the United Kingdom, and the United States. The funding portal must disclose and notify investors of these conditions before subscribing. This revision went into effect on March 16, 2020 in Thailand. Currently, companies in various industries, such as food, FinTech, EduTech, Game FoodTech, and HealthTech, are using equity crowdfunding to raise funds.

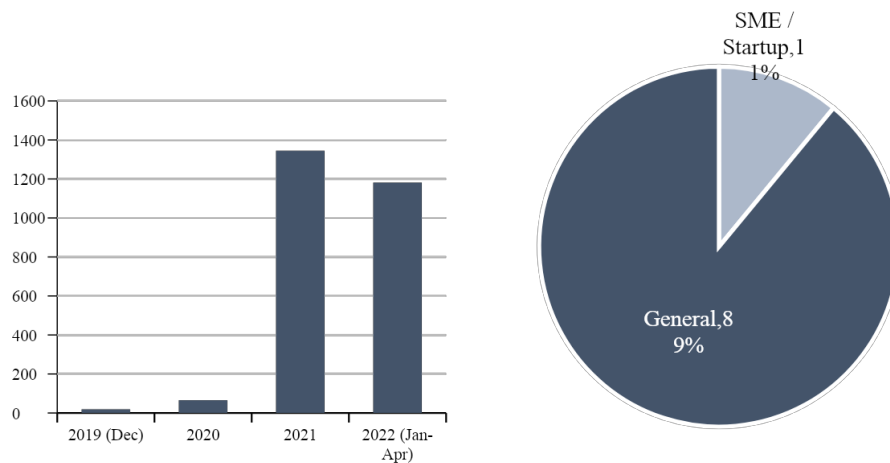


Figure 1: Crowdfunding situation in Thailand
(Source: Securities and Exchange Commission, 2022)

4.3 Crowdfunding situation in Thailand

According to the Securities and Exchange Commission, crowdfunding in Thailand is still in its early stages but is steadily growing. In the first four months of 2022, 114 companies

successfully raised a total of 1,181.60 million baht through crowdfunding, bringing the cumulative total to 2,610.40 million baht raised by 182 companies. The majority of businesses using crowdfunding are general businesses, accounting for 89% of total funding, while SMEs make up 11%.

Based on the data collected and interviews, it was found that funding related to the agricultural sector in the country is limited. Most of the funding goes towards agricultural businesses related to the processing of agricultural products, food, etc. For example, Peer Power’s Project Green Energy is a power generation business and the largest biogas producer in the northeastern region of Thailand. It receives raw materials, including waste water and fresh residue from the tapioca starch production process for free, to produce biogas. Some of the biogas is used to generate electricity for direct sale and the rest is processed and sold. Another example is Peer Power’s Project Bedding, which is a manufacturing business that produces and distributes bedding made from high quality natural rubber for both domestic and international markets such as mattresses, pillows and others.

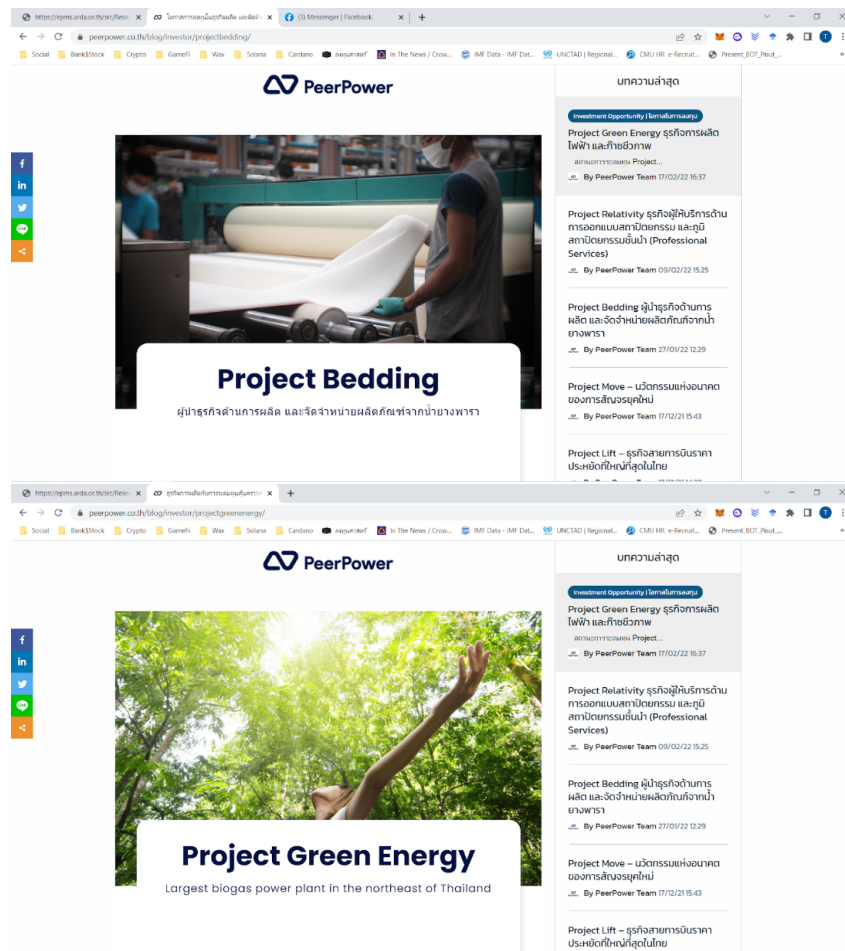


Figure 2: *Project Green Energy and Project Bedding*
(Source: PeerPower, 2022)

4.4 Ecosystem of Crowdfunding

Understanding the various stakeholders in the crowdfunding ecosystem can help you understand how the process works and how different parties influence fundraising. The crowdfunding ecosystem includes fundraisers, sponsors, and platforms, and understanding the roles and relationships of each group can help ensure that all parties benefit from participation in the process (Beaulieu and Sarker, 2015).

(1) Funding Portal

A crowdfunding platform is an internet-based application that acts as an intermediary between fundraisers and potential backers (Shneor and Flåten, 2015). It generates revenue through fees from successful campaigns and payment for support services (Belleflamme, 2015). The platform plays a significant role in crowdfunding because it uses technology to facilitate quick exchanges between fundraisers and project sponsors. This includes displaying the details and objectives of the project, updating the public on project progress, and managing risks that may arise during implementation. The platform also enables communication and relationship building between various stakeholders, allowing them to exchange opinions on the project clearly and efficiently. In addition, as a financial intermediary, the platform must ensure the security of the payment process, allowing backers to conveniently and safely transfer money to the projects they want to support.

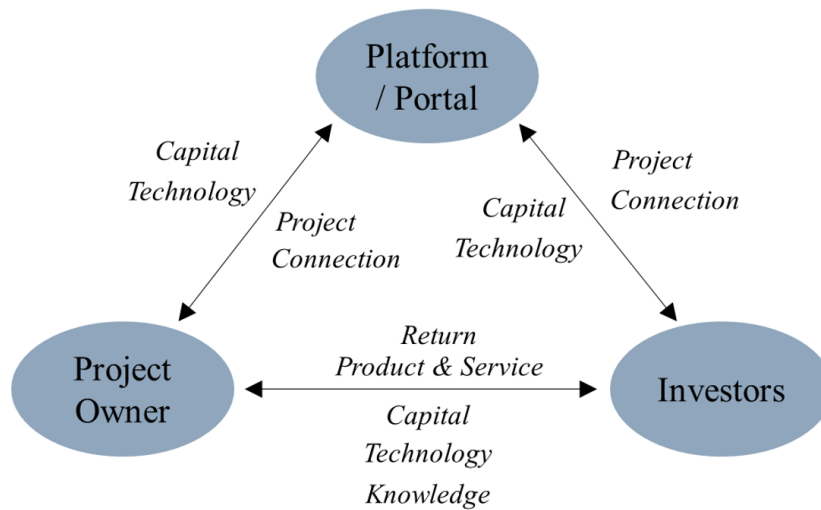


Figure 3: Ecosystem of Crowdfunding

The process of using a funding portal typically begins with project owners providing information and details about their project and their funding needs. Some platforms may require preliminary consideration of the feasibility of the project before proceeding with marketing and fundraising efforts. This may include a review of the background of the project owner and the overall objectives of the project. Once the platform has selected a project, the project owner prepares the details for public presentation, often in the form of video, pictures, and audio media. The presentation is typically shared through the funding portal's website and social media channels. Project owners can use the platform's website to track the progress of

Table 1: Funding Portal in Thailand

Name	Donation	Reward	Lending	Investment	
				Equity	Debt
1. PeerPower	-	-	-	-	✓
2. SiamValidus	-	-	-	-	✓
3. Funding Societies	-	-	-	-	✓
4. Investree	-	-	-	-	✓
5. Krungsri Securities	-	-	-	-	✓
6. Sinwattana	✓	✓	-	✓	✓
7. XUXU	✓	✓	-	-	-
8. Dreamaker	-	-	-	✓	✓

their fundraising efforts at any time. At the same time, backers or potential investors can stay informed about the project's status and any potential risks through regular updates from the project owner. When the fundraising period ends, if the project meets or exceeds its funding target, the sponsors' funds will be deducted and transferred to the project owner. In some cases, the funds may not be refunded to the backers, depending on the type and conditions of the project (De Buysere et al., 2012).

Crowdfunding intermediaries, such as funding portals, play a crucial role in the crowdfunding process by facilitating communication and interaction among all stakeholders in the ecosystem (Ordanini et al., 2011). Some of the most well-known and popular crowdfunding platforms include Indiegogo, Kickstarter, and GoFundme, which are used by thousands of people around the world to fundraise for a variety of projects. The financial intermediary creates and controls the crowdfunding process, enabling all stakeholders to be at the center of the ecosystem.

There are currently 8 licensed crowdfunding portals in Thailand that have been granted permission by the Securities and Exchange Commission (SEC). These portals offer various and different types of Crowdfunding services.

From the interviews conducted, it was revealed that the current regulations in place do not facilitate community enterprises or agricultural cooperatives to access crowdfunding. This is because the requirement to request fundraising is that the applicant must be a limited company or public company, which means that community enterprises or agricultural cooperatives are not eligible to apply for crowdfunding. Additionally, farmers seeking funding should be able to provide capital stocks, as there is no need to pay the return in installments. The debenture type of crowdfunding is most suitable for businesses that lack working capital in the short term. Regarding factors that affect

the success of raising funds in the agricultural sector, the funding portals stated that the first important factor is the attractiveness of the business, which must be innovative or have technology applied, and must have the potential to be commercially viable. They also noted that sectors involved in or affecting the agricultural/food supply chain are of particular interest. The second key factor is the business plan and rate of return. At present, the average rate of return for crowdfunding projects is 8-10% per year, however, for the agricultural sector, the return should be higher, at 15-18% per year, due to the increased risk factors.

(2) Fundraiser / Issuer

In the context of crowdfunding, individuals or organizations seeking funding for a specific project or purpose are known as fundraisers, creators, or campaigners (Wang et al., 2018; Ryu and Kim, 2018; Hobbs et al., 2016). The role of a fundraiser in the crowdfunding ecosystem is to clearly and effectively present their project idea, including product and project details, to potential funders. Fundraisers are responsible for monitoring and maintaining transparency in the information provided about their project through the funding portal, including disclosing any risks or challenges. Through the use of a funding portal, fundraisers can also test the market for their project and build long-term relationships with sponsors (Gerber et al., 2012). The groups of fundraisers in crowdfunding can be diverse, including non-profit organizations, foundations, business owners, start-up businesses, and the general public, depending on the type and style of investment being sought.

Fundraising encompasses a broad range of donors, including both for-profit and nonprofit organizations. Community foundations often provide funding programs or grants to the general public. Within the realm of fundraising, there are several subcategories, including

Projects for Society: There are two main types of fundraising: donation-based crowdfunding and reward-based crowdfunding. Donation-based crowdfunding is often used by nonprofit organizations to raise funds for specific projects or purposes, such as providing lunch for children in need or supporting a patient assistance program. However, it is not limited to nonprofit organizations and can also be used by individuals or groups seeking to contribute to social change or other causes. This type of crowdfunding may or may not have a limit on the amount of donations received. On the other hand, reward-based crowdfunding is more commonly used by larger organizations that have the resources to produce tangible rewards for their backers. These rewards could include items like shirts, hats, or other souvenirs. This type of crowdfunding is well-suited for organizations with a strong network or fan base, as it allows them to offer privileges or exclusive experiences to their backers. However, it is important to carefully consider the cost of producing and distributing rewards, as it can potentially lead to wasted expenses if they are not sold.

Projects for Business: Business fundraising projects often utilize both debt-based crowdfunding and equity-based crowdfunding to raise money for the continuation of the business. These types of fundraising are suitable for business owners who are seeking additional financial support. Debt-based crowdfunding involves the requester borrowing money from funders, with the agreement that the funds will be repaid at a later date. In this type of crowdfunding, the requester and the funder are not legally related, and the relationship ends once the funds are repaid. On the other hand, equity-based crowdfunding involves the requester selling a stake in the business to funders in exchange for capital. In this type of crowdfunding, the requester and the funders become partners, and the funders are entitled to a share of the profits until the shares are sold to other individuals or the requester agrees to buy them back. This type of crowdfunding can be a good option for business owners who are looking to bring in additional investors while retaining control of their business.

Interviews with farmers and various community enterprises revealed that most of them were interested in using a tool to address the lack of funding or liquidity in their businesses, and to have more options to access funding sources beyond traditional financial institutions.

The group of enterprises also noted that small businesses often face difficulties in obtaining funding due to various financial constraints. Furthermore, they believed that if crowdfunding were to become more widespread, it could lead to an increase in start-up businesses. However, when asked about their knowledge and understanding of crowdfunding, it was found that farmers groups and various enterprises still had little knowledge about it, and many of them only understood it as a normal form of fundraising, without much awareness of the specific terms, rules, and details of the crowdfunding process.

(3) Investors

In the context of crowdfunding, investors or sponsors are individuals or organizations that contribute funds to support a specific project or purpose (Shneor and Munim, 2019; Kang et al., 2016; Gerber and Hui, 2013; Dorfleitner et al., 2018). These backers, funders, supporters, or investors play a vital role in the crowdfunding ecosystem by providing financial support for projects and offering feedback or ideas to improve the project and meet the needs of the target group. As they may be part of the target group or interested in the project, sponsors can also help to spread information about the project through social media and personal networks, contributing to the success of the project (Beaulieu et al., 2015).

Interviews with investors revealed that most of them are interested in Crowdfunding as they see it as a way to help small and medium-sized enterprises (SMEs) and startups access funding sources more efficiently. However, in regards to the agricultural sector, investors perceive it as a relatively high-risk and low-return business as it is dependent on external factors like weather. As a result, they believe that the agricultural sector may receive relatively little interest from investors. Traditional agricultural businesses such as farming were viewed as not suitable for crowdfunding, but agribusiness, agricultural innovation, technology and processing of agricultural products were considered more likely to be successful from investors' perspective.

In summary, the stakeholders in the crowdfunding ecosystem include fundraisers, sponsors, and platform intermediaries. Fundraisers are individuals or organizations making a public claim for project financing for a specific purpose, and their role is to present a clear and compelling project description to potential sponsors. Sponsors, also known as backers, funders, or supporters, are individuals or organizations that respond to a claim for financing a project with a financial contribution. They may also provide input and ideas to help improve the project or product. Platform intermediaries, such as crowdfunding websites, facilitate the exchange between fundraisers and sponsors and often generate revenue through fees and support services. Venture capital organizations and financial institutions may also play a role as investors in the crowdfunding ecosystem

4.5 Benefit of Crowdfunding

Crowdfunding is a method of gathering financial support for a project or venture by soliciting small contributions from a large number of individuals, often through the internet. There are several benefits to this approach:

(1) Crowdfunding provides an alternative way for individuals or organizations to secure funding for their projects or ideas, without having to rely on traditional funding sources like

banks or venture capital firms.

(2) Crowdfunding can help determine whether there is a market for a product or idea by demonstrating the level of demand for it. When a large number of people are willing to contribute to a project through crowdfunding, it can be a strong signal that there is demand for the product or idea.

(3) Crowdfunding can help foster a sense of community and ownership among contributors to a campaign. These individuals often feel invested in the success of the project and are likely to spread the word about it to their friends, family, and social media networks. This can help to generate buzz and attract additional support, ultimately helping to build a strong community of supporters around the project or idea.

(4) Crowdfunding can be a fast and efficient method of raising funds, compared to traditional sources of funding which can be slow and involve a lot of paperwork and scrutiny. While it may take weeks or months to secure funding through traditional channels, crowdfunding campaigns can often be launched and completed in a much shorter time frame. This can be especially useful for projects with tight deadlines or those that require immediate funding.

(5) Crowdfunding can be a low-risk option for investors looking to support a project or venture. Since contributors typically only commit small amounts of money, the risk of losing a large sum is minimized. This can make crowdfunding an attractive option for individuals or organizations who want to support a project but may not have the financial resources to make a significant investment. It can also be a way for investors to diversify their portfolio and spread their risk across multiple projects.

(6) In addition to providing an alternative source of funding and investment opportunities, crowdfunding can also be an effective marketing tool, particularly in the agricultural sector. Nowadays, foreign entrepreneurs are increasingly investing in agricultural production in other countries, which can impact the export-import of agricultural products in Thailand. For example, if Chinese entrepreneurs invest in durian cultivation in Laos or Vietnam, those countries may become the preferred source for durian imports to China. In order to address this issue, crowdfunding campaigns in Thailand agricultural sector, such as a fund for Thai durian production, can attract foreign entrepreneurs and investors to join in the investment. This not only secures a market for Thailand agricultural products, but also aligns the interests of foreign investors with the success of the product, as they will be co-owners and stand to lose if the product is not successful.

5 CONCLUSIONS

The objective of this study was to investigate the elements that contribute to the success of crowdfunding in the agricultural sector and to provide suggestions for encouraging crowdfunding as a feasible option for financing agriculture-related projects in the future. The results of the research indicate that the crowdfunding ecosystem is composed of three main components: intermediaries, investors, and fundraisers. These components are interdependent, with intermediaries (also known as funding portals or platforms) serving as the primary facilitator, connecting fundraisers and investors. Intermediaries have a crucial role in promoting crowdfunding activity and are responsible for evaluating and presenting potential projects to

investors. The reliability of the platform is a crucial aspect that investors take into account when deciding whether to invest in a crowdfunding project. Investors want to be assured that the platform they are using is trustworthy and will efficiently manage the fundraising process, including screening projects and handling the distribution of funds. A platform that has a proven track record of successfully facilitating crowdfunding campaigns and has a good reputation can be more appealing to investors. Thus, the reliability of the platform is a crucial aspect that can impact the success of a crowdfunding campaign.

In other countries, there are funding portals that specialize in different sectors, such as agriculture or fishing, or that have been specifically designed to address certain issues or risks. These specialized platforms can provide expertise and services that are tailored to the needs of businesses in a particular sector. For example, there may be a funding portal that focuses on agriculture, such as Growpal or Crowfundme, or one that has been developed to address a specific problem, such as iGrow. By offering specialized services and expertise, these platforms can be an attractive option for businesses in a particular sector that are seeking funding. Different types of businesses have different operating characteristics and face different risks, depending on the sector in which they operate. This is particularly relevant in the agricultural sector, which can be influenced by a range of factors, such as weather, market conditions, and consumer demand. Understanding these operating characteristics and risks is important for businesses seeking funding, as it can help them identify the most appropriate sources of funding and prepare a compelling pitch to potential investors.

In Thailand, there are currently eight funding portals that act as intermediaries and have been certified by the SEC. These intermediaries provide services for a wide range of projects. The eight funding portals that are certified by the SEC provide services for a wide range of projects, but there are currently no portals that are specifically dedicated to funding in the agricultural sector. In addition to the lack of specialized funding portals, there are also legal and regulatory challenges that can hinder the use of crowdfunding for agricultural groups, community enterprises, and cooperatives in Thailand. These organizations may face obstacles related to laws and regulations that are not conducive to crowdfunding, making it difficult for them to access this source of financing. In order to create an optimal environment for crowdfunding in the Thai agricultural sector, it may be necessary to address these legal and regulatory issues and create a more supportive environment for these types of organizations. The types or forms of crowdfunding that are available may not always be consistent with the context of the agricultural sector in Thailand. A lack of knowledge and understanding about crowdfunding among agricultural groups, community enterprises, and cooperatives in Thailand can also be a barrier to the adoption of crowdfunding in the agricultural sector. These organizations may be unfamiliar with the crowdfunding process and may not have the necessary knowledge and expertise to effectively use this source of financing. This lack of understanding can be a stumbling block for crowdfunding in the Thai agricultural sector and may need to be addressed in order to create an optimal environment for crowdfunding in this sector.

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