Half of the poor people nationwide were accounted for in the Northeastern region of Thailand, and the region was now laden with an increasing wealth gap, insufficient productivity in the private sector and a worrying environmental situation, the National Economic and Social Development Board (NESDB) said (Bangkok Post on Mar. 14, 2004). And only 10% of forest cover remained in the region should be needed to way below the 40% to balance its ecology. A technical mission of ITTO said that rural poverty, the main root cause of deforestation, has not been adequately addressed (Simula et al, 2006). We therefore suppose that combined management of agriculture and forestry using beneficial indigenous species would be one of ways for not only rural development but also recovering the indigenous forests in the region.

Some types of farm household conditions, however would show different feasibilities of the combined management under the various local social economic conditions in the NE region. Therefore we classified 19 provinces’ characteristics in the NE, focusing on farmers’ household income sources by Principal Component Analysis and Cluster Analysis, and described on a significant conclusion. The data sources are the Household Socio-Economic Survey 2002 by the National Statistical Office (NSO) and the Gross Provincial Products as of 2003 by NESDB. The 11 variables which seem to show degree of farming dependence and the size and income type of household were applied for investigations.

The result of the investigation showed that the NE 19 provinces were characterized on household income sources into the four types as 1) farming income type, 2) non-money and low income type, 3) wages/salaries and high income type, 4) property income type. The farming income type is the 4 provinces including Nong Bua Lam Phu and Si Sa Ket. The non-money and low income type is the 6 provinces including Buri Ram, Surin and Karasin. The wages/salaries and high income type is the 5 provinces including Loei, Udon Thani and Khon Kaen. The property income type is the 4 provinces including Nong Khai and Roi Et.

We concluded on the NE household conditions that the economic level is the lowest, and the life is mainly covered by more non-money income such as goods and services received as part of pay, home produced and consumed or received free, more current transfer income such as assistance payments, pensions, scholarships and grants, and more household members working for farming etc. The farming income type and the non-money and low income type are supposed as more feasible for promoting the combined management. For example, Nong Bua Lam Phu province is supposed to show better potential, because the province is surrounded by the wages/salaries and high income type provinces such as Loei and Udon Thani, where more demand of furniture/ wood products is expected.