THE ROLE OF COOPERATIVES IN PROMOTING GOOD AGRICULTURAL PRACTICE: THE CASE OF VIETNAM'S LYCHEE INDUSTRY

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Introduction

- With lychee production of around 213,000 tons in 2011, Bac Giang is the largest lychee producing province in Vietnam. The total export value was 890 billion VND in 2011 which indicated that Bac Giang has strong potential for growing and exporting lychee.

- Vietnamese Good Agricultural Practice (VietGAP) has been introduced in Bac Giang province since 2008 by the Ministry of Agriculture and Rural Development (MARD). In order to improve the fruit quality, promote consumer safety, and increase production of high value export products, VietGAP was applied in the lychee industry. It consists of 12 practices covering various components including food safety, environmental management, workers' health, safety and welfare, and production quality (Vong, 2008).

- To promote the application of VietGAP among the farmers in the lychee industry, two cooperatives have been established since 2011 in Luc Ngan district, Bac Giang province. These cooperatives are Trai Moi which is located in Giap Son commune and Kim Thach which is located in Thanh Hai commune.

- So, what are the roles of these cooperatives in lychee industry in this province?
- This research concerned about: (i) overview of cooperatives in Vietnam; (ii) introduction of VietGAP lychee cooperatives; (iii) roles of VietGAP lychee cooperatives.

Methodology

- **Source of data:**

Bac Giang is the biggest lychee production province in Vietnam. This province is also the first province applying VietGAP on lychee industry. The two cooperatives were selected namely Kim Thach and Trai Moi cooperatives because these cooperatives are pilot cooperatives promoting VietGAP on lychee industry.

- *Secondary data:* The information related on lychee production, price of lychee in the two communes and whole province, cooperatives managers and members, the report of cooperatives in the previous period;
- *Primary data:* Both of cooperative managers and members were interviewed. The answer of 30 cooperatives respondents from the two cooperatives were gathered.

Data analysis

- This research was applied the descriptive analysis to review the cooperative history and development in Vietnam, the activities of cooperatives, cooperatives' members.

Results and Discussion

Vietnam

- 63 provinces
- Area: 331,210 km^2
- Population: 87,840,000 (2011 estimate) (13th)
- GDP (nominal) per capital: $1,498 (2012 estimate)
- HDI (2011): 0.593 (medium)
- Gini Index(2008): 0.38 (medium)

The development of cooperatives in Vietnam

- Cooperatives have been established and developed since the end of the 1950's.
- The existence and development of agricultural cooperatives have undoubtedly contributed a significant role to agricultural production and rural development (Dung, 2011). They have played an important role in strengthening market access and competitive returns for independent farm operators during the 20th century.

- **Period from 1958-1986:** Cooperatives movement experienced the rise and fall. This is the stage of command economy. The activities of each cooperatives follow guidelines of the state authorities. Cooperatives organization formed in kind of collectiveness of all assets, labors and distribution.
- **From 1986 to now:** in this period Vietnam initiated economic renovation, changed into market orientated economy. Farming land is allotted to individual famer household to use for production. Farmers households become self-control unit in production. Cooperatives become a organization which provide services as demanded from members. Collective system was replaced by self-control farm household economy system.

- **Figure . Percentage of cooperatives providing services, 2004 (MARD)**

Overview of cooperatives in Vietnam in 2009

Total number of cooperatives	Agriculture	Trade and Services	Transportation	Fisheries	Building	Industry	Credit	Electric and water service	Environment	Others
18,104	8,828	896	1,027	510	916	2,571	1,037	1,932	121	266

- Average the number of members per cooperative: 729 persons
-Management staffs of cooperatives graduated from colleges and universities: 24.94%
-Capital of cooperative: 2,375 million dong (2008) (Fixed capital: 916.04 million dong; Working capital: 1,459.05 million dong)

VietGAP lychee cooperatives

- **Establishment**: base on the Law of Cooperative in 2003 and the local resources, the cooperatives of production and sale VietGAP lychee namely Trai Moi and Kim Thach were establishted in 2010 through the help of Department of Agriculture and Rural Development and also the fund from The Food and Agricultural Products Quality Development and Control Project (FAPQDC) by Canada.

VietGAP lychee cooperatives

- **Cooperative managers**: There are 6 positions in the cooperative management. It includes the chairman, vice chairman, chief controller, controller, chief accountant, and treasurer.
- ***Cooperative members***

The members of cooperative are persons who have the same motivation, capital and labor volunteer according to the law of cooperative to develop the group power to organize the production and sale activities. They are usually report and get the information from the cooperative managers.

VietGAP lychee cooperatives

Name of cooperatives	Total cooperative members (persons)	Area of lychee production (ha)
Trai Moi	45	20.08
Kim Thach	24	7.6

Trai Moi and Kim Thach VietGAP lychee cooperatives

The role of VietGAP lychee cooperatives

Since 2005, the lychee growers in Trai Moi and Kim Thach village, Thanh Hai have known about Good Agricultural Practice (GAP) through the Plan Protection Department as improving the lychee quality post harvest to change the consumer attitude. During the period of 2004 and 2007, the selected growers was applied GAP in lychee production. However, the program could not strongly encourage the farmers to adopt GAP since they are lack of activities for checking each other. The farmers had just followed the familiar practices during their lychee production.

- At the beginning of 2010, the leaders of the communities recognized the role of cooperative, they decided to establish the VietGAP lychee cooperatives to support for the farmers applying VietGAP in 2011 through the various activities on lychee industry.

Activities

- ***Organize the seminars and group discussion:***

The two cooperatives organize for the farmers the seminars and group discussion to help them adopt proper practices of lychee growing or harvesting.

Table. The numbers of participants (persons) in VietGAP program on lychee production in 2011 in the two cooperatives.

Name of training	Trai Moi	Kim Thach	Total
VietGAP on lychee industry	52	40	**92**
Fertilizer application on lychee	46	37	**83**
Pesticide application on lychee	46	37	**83**
Lychee harvesting	50	48	**98**
Marketing and Trade	38	40	**78**

Organize the seminars and group discussion (cont…)

- The average members of every cooperative in one training is normally from 40 to 50 farmers. Especially, among of them are non – member of cooperatives. They are promoted to apply the VietGAP on their lychee production. This is the good condition to develop the VietGAP program in the future.

- ***Promoting the environmental protection:***

The two cooperatives divided their members into smaller groups to check their practices on lychee production, especially those that promote environmental protection.

Keeping the chemical pesticide bag in designated area after using.

Promoting the environmental protection (cont…)

Chemical pesticide mixing and tank cleaning at the designated area.

Promoting the environmental protection (cont…)

- Besides, through the training content, the members of cooperatives were recognized the proper time for pesticide application and also for harvesting time.

- Documentation and Recording

HTX SẢN XUẤT VÀ TIÊU THỤ VẢI THIỀU AN TOÀN TRẠI MỚI

SỔ GHI CHÉP

THỰC HÀNH ÁP DỤNG VietGAP TRÊN CÂY VẢI THIỀU

(Tại vườn sản xuất)

Họ và tên: Nguyễn Thị Nga MÃ SỐ: NTNGA-01

Địa chỉ: Thôn Trại Mới, xã Giáp Sơn, huyện Lục Ngạn, tỉnh Bắc Giang

Tên/ mã số vườn sản xuất: NTNGA-01 Diện tích: 3600 (m^2)

Năm sản xuất: 2012

- The cooperatives guide for the farmers know how to record their practices on lychee production.
- The cooperatives have the smaller groups to check their practices on lychee production.

Support to get VietGAP certificate and logos

Through the help of the two cooperatives, farmer-members were able to obtain VietGAP certificates and they have a chance to get the VietGAP logos. With these, their lychee produce could be sold in domestic supermarkets and even in the export market.

The difficulties of VietGAP lychee cooperatives

- VietGAP on lychee industry has some difficult practices. For example, the farmers are not interested in recording the practices since they need to take the time and patience. To promote the farmers keeping recording is always a big challenge for the two VietGAP lychee cooperatives.

The difficulties of VietGAP lychee cooperatives (cont…)

- At present, agricultural labor gradually becomes more expensive. The appropriate solution is to use machinery as substitution for labor. However, the machinery in lychee is very poor, especially the machinery in harvest. The cooperatives have limited fund to apply the new machine.

The difficulties of VietGAP lychee cooperatives (cont…)

- The management capacity???

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