



**PROJECT «NETWORK FOR AGRICULTURE AND RURAL DEVELOPMENT
THINK-TANKS FOR COUNTRIES IN MEKONG-SUB REGION (NARDT)»**



Regional research

Agricultural innovations review in Sub-Mekong region countries

Agricultural branding development model at

Thuan Phat cooperative

1. General information

In the process of forming and developing cooperatives in the agricultural sector of Vietnam have become a collective economic institution that effectively supports the development of member households and rural areas. Service activities such as input supply, tillage and plant protection, irrigation, etc. have become indispensable in cooperatives. Agricultural products are produced more and more, the needs of consumers also gradually change in the direction of safety and health protection. Therefore, the household economy has gradually faced the phenomenon of "good harvest but lower price" or "rescue agricultural products", making their income strongly affected by market fluctuations, especially agricultural raw product export. This has made the situation of "planting and cutting" quite common in some specialized farming areas. These phenomena are related to market linkage activities of agricultural products through the promotion and branding of products. The agricultural product branding model at Thuan Phat rice, shrimp and crab cooperative has partly solved this problem, contributing to increasing farmers' income.

2. Model development

Thuan Phat Cooperative (Muoi Huynh hamlet, Dong Hung commune, An Minh district, Kien Giang province) was established in 2017, with the initial number of 17 members increased to 34 members in 2022 and the total rice cultivated area of 115 ha. The member households have implemented the organic rice, fish and shrimp model. According to Cooperative Director Le The Sua, the secret to effective advertising in intercropping with shrimp and crab is the timing of shrimp and crab stocking. The shrimp and crab farming process must ensure the following contents:

- Release shrimp about 1.5 to 2 months in advance, then release crabs so that crabs do not eat small shrimps.
- The pond has a floating ledge system inside, or a trench is dug around with a mound in the middle so that crabs can dig holes and shelters.
- When taking water into the pond, it is necessary to check the salinity, if the difference in salinity is more than 3 thousandth when stocking, the crabs will be abnormally peeled, weak and dead.
- Stocking density: Black tiger shrimp are reared in the density of 12 to 15 shrimps per square meter; 1 to 1.5 crabs per square meter if the crabs have just released from the hatchery and density of 1 or 0.5 crabs per square meter depending to the size of crab seedling.

- After 3 months of farming, large and firm crabs can be harvested and sold. After 4 months, the crabs in the pond have decreased, then harvest the shrimp, and at the same time empty the pond to collect crabs. At that time, there will be some crabs that are not grown yet, so they will continue to raise in another pond about 10 to 12 days before harvesting.

With this form of farming, the return on investment for shrimp is over 55%, and for crabs is 60% for farmers.

Organic shrimps and crabs in Thuan Phat Cooperative



Source: IPSARD's research team, 2022.

In addition, the cooperative has cooperated with local rice businesses such as Tan Long, Dai Duong Xanh Company to cultivate organic rice and have been certified organic rice in 2020. Through the implementation of cooperation with businesses farmers get an interest-free advance on rice varieties, fertilizers (microbiological and organic fertilizers) and foliar fertilizers and the company buys fresh rice at harvesting time which enable farmers not to worry about rice marketing.

One of the great successes of Thuan Phat Cooperative is the association activity sought and connected by an experienced director. The cooperative has had many activities with programs and projects on trade promotion of Kien Giang province. Through these activities, farmers can participate in training, have faster access to scientific and technical achievements and products of enterprises. In association with Bo De Joint Stock Company, the cooperative members have treated the farming environment with Bo De biological products to create a good environment for shrimp and crabs to grow, without having to use chemicals to create organic products.

In order to increase income for cooperative members, the cooperative has expanded into agricultural product processing to take advantage of locally available materials such as shrimp and fish. In 2019, the cooperative participated in Oxfam's Project on Strengthening Gender Equality and Responsible Agribusiness Investment in Southeast Asia Phase 2 (Graisea 2) to equip machines for processing dried shrimp and fried fish cakes from tilapia creates jobs for female members of the cooperative. In addition, the cooperative also produces fish cakes with 100% raw materials from natural tilapia raising in organic shrimp and rice field. As a result, in 2021, fried fish cake was recognized by the People's Committee of Kien Giang province as a 3-star OCOP and typical rural industrial product of the province and received many orders outside Kien Giang province.

Product advertisement and brand of Thuan Phat Cooperative at trade fair



Source: IPSARD's research team, 2022.

With typical agricultural product brands of Kien Giang province, the cooperative has linked with 5 selling outlets in the southern market (Can Tho, Ho Chi Minh City, Binh Duong, Rach Gia City) to achieve monthly sales volume, from 150 kg to 200 kg of tilapia cake and 50-100 kg of dried shrimp, creating jobs and increasing income for 3-4 women.

In summary, the linkage model to build brands and participate in the promotion of agricultural products has created the cooperative economic model to promote its strengths to be able to participate sustainably in the supply chain of agricultural products

in domestic or export markets to meet the strategy of ecological agriculture development and regional and world economic integration.

3. Opportunities and challenges

Thuan Phat cooperative model has brought high efficiency based on organic rice production combined with shrimp, crab and fish farming as well as fine processing which has enriched the multi-value characteristics of the collective economic model. It has the opportunity to expand to many areas with similar conditions. The development of agricultural product processing is current emphasis in the development strategy of Vietnam's agriculture. Connecting the market through branding of local agricultural products will have many development opportunities for other localities to follow.

However, scaling the model will face many challenges. First of all, the creativity and exploration of the cooperative leadership in finding business partners, programs and projects as well as potential markets. Technical support such as visits, training, equipment support or product promotion and branding costs is extremely expensive for cooperatives with limited financial potential.

4. Conclusion

The model of agricultural product branding at Thuan Phat Cooperative is a typical example for increasing the value of agricultural products and farmers' income. Developing a multi-value, organic farming model on the basis of product diversification to reduce the use of chemicals and chemical fertilizers has helped to reduce costs and increase product quality. High-quality organic agricultural products are an important basis in building regional specialty brands, creating opportunities to participate more deeply in domestic and foreign supply chains. This is a model that should be encouraged to develop in order to enhance the role of the collective economy in the development process of rural area of Vietnam.