

# Promoting the Agricultural Cooperative Model - Economic Development Direction for Thai Nguyen Province

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**ABSTRACT:** The article evaluates the operation of agricultural cooperatives in Thai Nguyen province. Through that, it points out the encouraging results as well as the significant contributions of the cooperative model to local economic growth, while also recognizing the limitations and challenges in developing the agricultural cooperative model in the province. Therefore, in order to promote the agricultural cooperative model to develop the economy of Thai Nguyen province, the study has proposed a number of solutions to contribute to expanding and improving the effectiveness of the agricultural cooperative model in the coming time.

**Keywords:** Agricultural cooperatives, linkage, development.

## I. INTRODUCTION

Cooperatives are economic organizations that have existed for a long time in the history of human economic development. Cooperation to develop production and business is an inevitable requirement, an objective economic phenomenon and plays an increasingly important role in the development process of countries, especially in the process of industrialization and international economic integration.

According to the report of the Vietnam Cooperative Alliance in 2023, the whole country has a total of 29,021 cooperatives, of which 19,384 are agricultural cooperatives, accounting for 68.8% and 8,456 are non-agricultural cooperatives, accounting for 29.1%. Cooperatives attract about 6.4 million members with 2.6 million workers. The total charter capital of cooperatives is about 54.15 trillion VND, an average of 1.86 billion VND/cooperative. The total asset value of cooperatives is about 187.75 trillion VND, an average of 6.5 billion VND. Therefore, the cooperative economy always plays a very important role in economic restructuring,

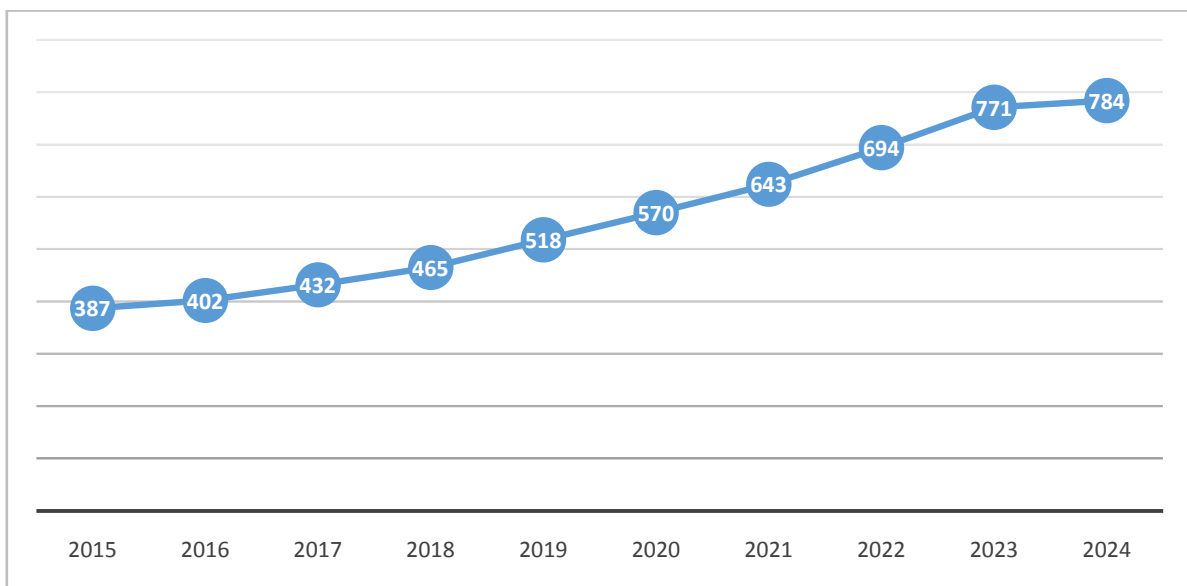
production development, job creation, increasing income for people, building new rural areas, ensuring social security.

Thai Nguyen province has nearly 4,500 cooperative groups with more than 75,000 members; 771 cooperatives with nearly 42,500 members and employees. The revenue of cooperatives is over 3,100 billion VND (Thai Nguyen Province Cooperative Union, 2023) over 700 cooperatives, of which the number of newly established cooperatives in ethnic minority and mountainous areas has continuously increased in recent years, affirming its direction and gradually growing. Cooperatives have initially played a role in linking production and consumption of products for members, actively participating in the product value chain, contributing to the economic transformation and restructuring in line with the general direction of the province, solving employment for workers, increasing income, reducing poverty, ensuring social security, especially in the agricultural and rural areas. However, linkage activities, economic exchanges, and trade promotion among cooperatives are still limited; the scale of cooperatives is still small, not dynamic and flexible in production; the application of science and technology in management and production is still limited; the competitiveness of some products on the market is not high. Joint ventures and linkages between enterprises, cooperatives, cooperative groups, craft villages, member households, and farming households according to the value chain are not tight, lack stability, and the value that cooperatives bring to members is not much.

## II. CURRENT STATUS OF THE AGRICULTURAL COOPERATIVE MODEL IN THAI NGUYEN PROVINCE.

In the period 2015 - 2024, the number of cooperative units in Thai Nguyen province has had significant changes. If in 2015, the whole province had 387 cooperatives, by 2024 there were 784 cooperatives, an increase of 397 cooperatives compared to 2015. That shows that this is a form of cooperative economy suitable for the development level of local production forces. In 2018, the number of cooperatives was 465, an increase of 33

cooperatives compared to 2017. In 2019, the number of cooperatives was 518, an increase of 53 cooperatives compared to 2018, and in 2020, it was 570, an increase of 52 cooperatives compared to 2019. In 2021, the number of cooperatives in the province was 643, an increase of 73 cooperatives compared to 2020, and in 2023, it was 771, an increase of 77 cooperatives compared to 2022, and in 2024, it was 784. This shows that the number of cooperatives fluctuates and increases every year, because each year, new cooperatives are established, but some cooperatives are also dissolved or merged.



(Source: Thai Nguyen Province Cooperative Union)

**Chart 2.1: Cooperative development chart in Thai Nguyen province period 2015 – 2024**

In recent years, the province has established and expanded a number of typical cooperative and cooperative union models such as: cooperatives participating in the development of key agricultural product chains, local OCOP products; cooperatives developing key products combined with eco-tourism and agricultural tourism have brought about economic efficiency, specifically:

- HaoDat Tea Cooperative (Tan Cuong commune, Thai Nguyen city) specializes in producing and processing safe VietGap tea, aiming at organic production, the cooperative's revenue reaches about 5 billion VND. Currently, the cooperative is applying automatic irrigation technology controlled by smartphones, managing production on the cooperative's software. Tea products are recognized by the Provincial People's Committee as meeting the standards of 3-star and 4-star OCOP products, especially the shrimp tea

product is rated 5 stars by the Ministry of Agriculture and Rural Development in 2021.

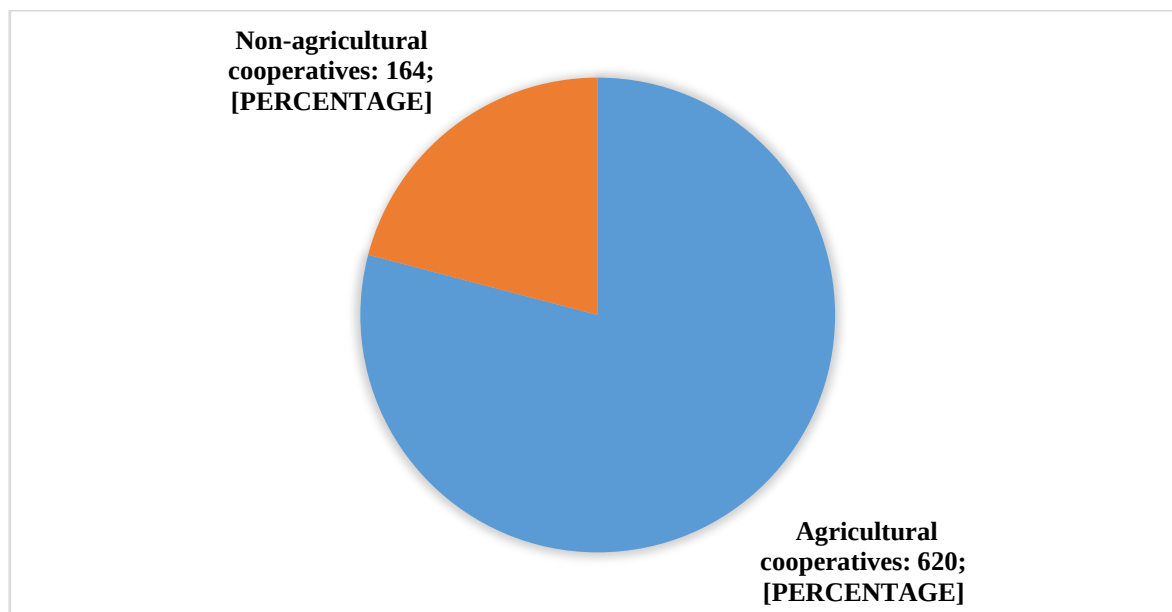
- La Bang Tea Cooperative (La Bang Commune, Dai Tu District): Currently producing tea according to organic standards with an area of about 20 hectares, with revenue reaching about 4.3 billion VND. The Cooperative has applied high technology, synchronized machinery and equipment in production, with many products achieving 02 OCOP 3-star and 4-star standards. Currently, the Cooperative is developing experiential tourism and community tourism, welcoming domestic and foreign delegations to experience.

- Mien Viet Cuong Cooperative (HoaThuong Commune, Dong Hy District) specializes in producing and processing vermicelli products recognized by the Provincial People's Committee as meeting the standards of 3-star and 4-star OCOP products. In particular, the shrimp tea

product was rated 5 stars by the Ministry of Agriculture and Rural Development in 2021.

In 2024, in terms of the structure of the total number of cooperatives in Thai Nguyen province, agricultural cooperatives account for the majority of 79%, the remaining 21% are non-agricultural cooperatives, specifically there are 620

agricultural cooperatives divided into different types of production and business: including 245 crop cooperatives, 80 livestock cooperatives, 09 forestry cooperatives, 05 aquaculture cooperatives, 01 rural clean water cooperative, 280 general service cooperatives, the number of newly established cooperatives is 60 cooperatives.



(Source: Thai Nguyen Province Cooperative Union)

**Chart 2.2. Cooperative structure of Thai Nguyen province 2024**

Total revenue of cooperatives is estimated at over 440 billion VND, an average of over 700 million VND/cooperative. Agricultural cooperatives are increasingly consolidated, improving the efficiency of organization and production and business activities, contributing to attracting members and farming households to join the association, creating jobs and increasing income for members and workers of cooperatives. The average income of cooperative members and regular workers is from 5.5 - 6 million VND/person/month.

Thai Nguyen province has 340 cooperative groups with 6,200 members. Average revenue is 300 million VND/1 cooperative group; Average profit of cooperative groups is 50 million VND/cooperative group. At the same time, in Thai Nguyen province, there are currently 05 cooperative unions with 32 members, with a total charter capital of 37 billion VND. Cooperative unions have gradually played the role of linking production, forming a value chain from production to consumption, and providing better support for member cooperatives.

Thai Nguyen province strives to have 60% of agricultural cooperatives in the province operating at good level or higher by 2025; build at least 9 models of sustainable and effective agricultural cooperatives; average revenue per agricultural cooperative reaches 5 billion VND/year or more; suitable to production and business conditions and requirements; promote the application of science and technology, digital transformation, strive to have over 25% of agricultural cooperatives apply scientific and technical advances, high-tech machinery in production; apply good agricultural practices, VietGAP, organic standards... in production and business; expand the number of members and business scale, through forms of association and cooperation between cooperatives; mobilize young, skilled workers to join agricultural cooperatives; have about 30% of agricultural cooperative managers trained in the profession of agricultural cooperative directors; Forming a network of agricultural extension, community agricultural extension teams, organizations and individuals with sufficient capacity and experience to participate in consulting and supporting the development of

agricultural cooperatives. In order to contribute to supporting Thai Nguyen province in achieving the above goals, the study proposes the following solutions:

### III. SOLUTIONS TO PROMOTE THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN THAI NGUYEN PROVINCE

#### **\* Raising awareness of the position, role and importance of agricultural cooperatives**

Strengthening propaganda work in various appropriate forms to raise awareness of the nature and regulations of the Law on Cooperatives 2023; Developing a handbook of questions and answers on the Law on Cooperatives 2023; leaflets promoting the development of collective economy and cooperatives.

Focusing on propaganda on typical cooperative models, large-scale and widespread, associated with the development of craft villages and community tourism, eco-tourism, promoting the role of the community, social responsibility and benefits for members; good practices, creative models, effective cooperative models associated with product consumption chains, cooperatives started by successful youth, cooperatives applying high technology; cooperatives participating as OCOP subjects, owners of agricultural product brands; support the connection of agricultural cooperatives' agricultural product consumption with the market. Develop appropriate propaganda content and methods for each target group so that propaganda is practical and effective with many diverse and rich forms

#### **\* Improve the capacity of agricultural cooperative human resources**

Focus on developing human resources, training, improving qualifications, management capacity, and operation of agricultural cooperatives for positions such as Director, Board of Directors, and Cooperative Accountants to improve management capacity in production and business activities, innovate production methods, and enhance the competitiveness of cooperatives. Train cooperative leaders to access knowledge, basic knowledge of market economy, communication skills, sales skills, information technology access skills, and digital transformation. In addition, it is also necessary to regularly improve knowledge of applying science and technology to production for members and employees of the Cooperative; encourage young workers and students to participate in starting up agricultural cooperatives.

#### **\* Strengthen state management of cooperatives**

Enhance the role of state management of collective economy and cooperatives in the direction of strengthening inspection of the implementation of laws by cooperatives; support, advice and guidance to create a favorable legal corridor for cooperatives to operate; Training and fostering a team of civil servants working in collective economic and cooperative management to improve the quality of policy making and implementation, in order to meet the development needs of cooperatives; Building and perfecting the system of state management agencies on collective economic from the province, district to commune level. Improving the quality of the team of cadres managing collective economic and cooperatives at all levels, meeting the requirements of work in the new period.

#### **\* Strengthening the role of the Provincial Cooperative Union, coordinating with mass organizations, socio-political organizations to promote collective economic development**

The Provincial Cooperative Union proactively follows the grassroots; proactively approaches, advises, and supports members; promptly grasps the thoughts, aspirations, needs, shortcomings and problems in operations, policies and laws to reflect to competent agencies; at the same time, advises and proposes mechanisms and policies to support the development of cooperatives.

Coordinate with mass organizations and socio-political organizations to propagate and mobilize all people to grasp the Party's guidelines and policies, the State's policies and laws on collective economy; coordinate to organize and mobilize, develop collective economic types, play a core role and promote collective economic development, contributing to the socio-economic development of the province.

### IV. CONCLUSION

In recent years, the agricultural cooperative economic sector of Thai Nguyen province has played a very important role in restructuring production, promoting the development of commodity production, contributing to increasing people's income; the strong development of the agricultural cooperative model is a fundamental factor and driving force to innovate thinking, improve production levels in all aspects for cooperative members; at the same time, bring high economic efficiency in all fields, especially in agriculture, rural areas, ...

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