

## Empowering communities and addressing farming challenges through cooperatives: The Case of Yen Duong Cooperative



Image 1. Women members during the Tet holidays (Photo: VNFU)

This case study was developed by Vietnam Farmers' Union with support from the Asian Farmers' Association for Sustainable Rural Development and the World Rural Forum.

### A. Context

Yen Duong commune, in the southern part of Ba Be district in the Bac Kan province (Image 1) of Vietnam, is about 10 kilometers away from the district center. It is composed of 9 villages with 630 households, of which almost 3% of the total population belongs to the 4 ethnic groups including Tay, Nung, Dao, and Kinh. A total of 33.49% of the households are considered poor with unequal educational attainment. Yen Duong has excellent, arable land and offers many sought-after products, including organic sticky rice, seasonal vegetables, and bamboo that is used for traditional handicraft products. Despite its potential, community members have many constraints, preventing farming households from addressing their challenging situation. The absence of good roads in this

mountainous, rural area made it difficult to sell directly in the market, where prices are much higher. Local farmers are only able to sell to intermediaries and small-scale traders who offered low prices for their products, resulting in low income on the part of the farming households. Their farm outputs are also low and unstable.

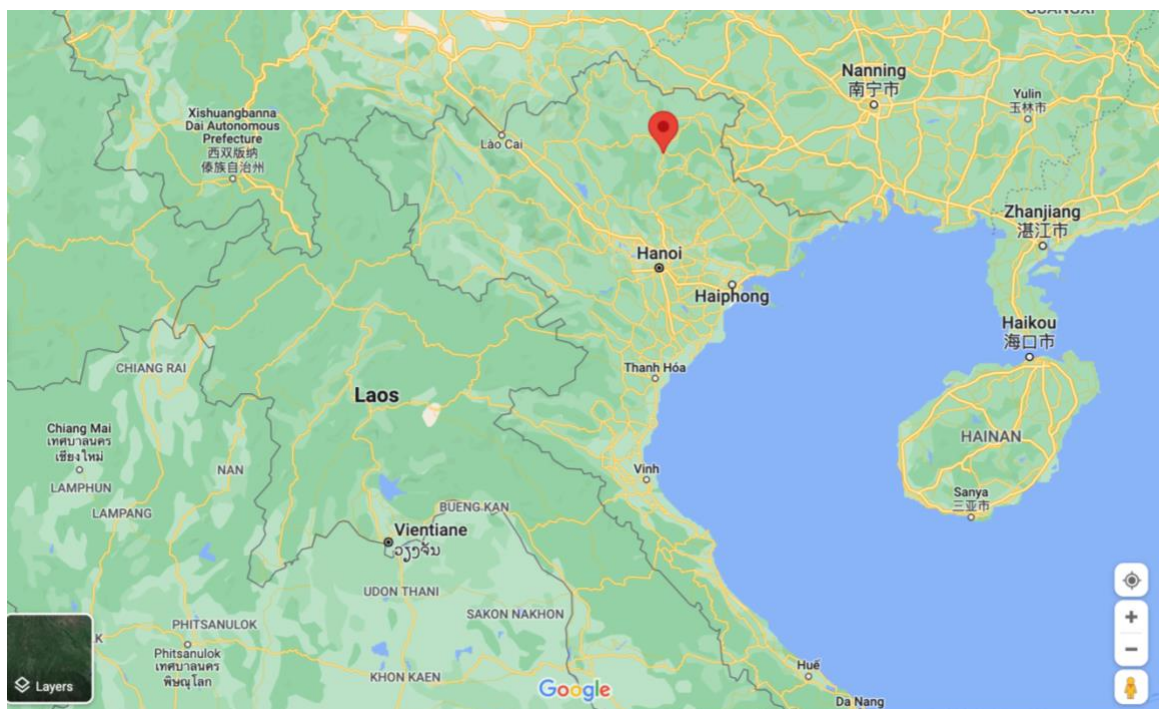


Image 2. Location of Bac Kan province (Source: Google map)

## B. The Cooperative

Yen Duong Cooperative, established in June 2018 with 7 members, was formed on the values of self-help, self-responsibility, autonomy, democracy and operating in accordance with the national law. Its formation was catalyzed by the Vietnam Farmers' Union with support from Forest and Farm Facility hosted by FAO. The cooperative has established a charter, operating regulations, and a basis for compliance and management to improve efficiency and economic outcomes. The number of members has gradually increased, with 25 members in 2019 and then 35 members in 2020. In 2021, the cooperative has 45 official members and 230 associated farming households (non-members but are engaged in the activities of the cooperative), in which women account for 80% of the total members. Ninety percent of members are from various ethnic minorities - Tay and Dzao groups. These mountain communities differ from one another in terms of their way of living and family life, including customs and beliefs related to building a home, traditional clothing, culinary culture and marriage customs.

The customs and cultural values are taken into account when setting the group's regulations or applying farm production techniques, and this approach has encouraged many people to join the production groups. The cooperative also integrates cultural and religious activities into farming activities, which has inspired the whole community to participate in the cooperative's activities in some way.

The cooperative has organized production groups and signed production and marketing contracts. The cooperative supports the marketing of all products produced by its members and production groups (except for cases in which households do not comply with commitments or products do not meet the requirements of quality). If there are issues regarding production and business process, the cooperative will take a survey to get opinions from members, organize a meeting to make decisions, then the Board of Directors will make the final decision. Some products of the cooperative have been awarded 3 stars in the OCOP program in Bac Kan province.

Yen Duong cooperative was established and operated on the basis of the Cooperatives Law (Vietnam), which ensures the benefits of its members. Besides, the cooperative actively seeks and participates in many programs implemented by other organizations such as the Forest and Farm Facility hosted by FAO, borrowing capital from Farmer Supporting Fund of Vietnam Farmers' Union, social activities conducted by VNFU and local authorities.

### **Mission, vision, goals**

To improve production methods, build infrastructure, improve management capacity and direction of cooperatives in order to maintain the agricultural area, quality of raw materials for organic products, and expand the scale of production area, develop production and business associated with a model of agricultural experience tourism based on exploiting the available potentials and advantages in the locality. The cooperative is committed to providing quality and safe products to increase the income of cooperatives and members.

### **Governance and management**

Currently, Yen Duong cooperative has the following staffing:

- Board of directors: 1 Director, 1 Vice Director, 1 member
- Business department: 2 members
- Administration and accounting department: 3 members
- Quality control department: 7 members
- Leaders of joint production group: 10 members
- Technical department (seasonal workers): 10 members

## **Capacity building program**

Training courses conducted by the cooperative has led to improved skills of members and participating farming households, changed agricultural practices and enhanced overall capacity. Here is a list of the training courses conducted for members:

- Market analysis and business development (MA&D)
- Development of organization and management of agricultural cooperatives
- Policy advocacy skills
- Project proposal writing skills
- Business incubation and risk management
- Organic agriculture and participatory guarantee system (PGS)
- Climate change and sustainable farming models adapting to climate change
- Using information technology and smartphones in production management, supervision and market access
- Techniques of afforestation and transformation of large timber forests, valuable timber trees, agroforestry farming, adaptation to climate change
- Skills to be a tour guide and tourism service

## **Services**

- Production to marketing support
- Technical trainings, learning and exchange visits for members
- Manages irrigation system, collect rain water from the mountain and distribute in farms
- Support in the collection of forest and farm products and selling it to the market/companies
- Training and marketing of handicrafts and furniture products using bamboo from the forest for all members and associated members
- Training and organizing of members engaged in community tourism and provision of agriculture experience

## **Current assets of the cooperative**

Cash: 3 billion VND (131,127.30 United States Dollar)

Land: 47ha, forest: 128ha

Office: 150m<sup>2</sup>

Equipment: processing machine, manual vermicelli making machine, weeding machine

## Advocacy outcomes

The cooperative actively participated in advocacy and policy-making activities in the locality. The cooperative was able to urge the local government authority to build 5 kilometers of village road and forest road, which will support community forestry tourism in the future.

## Recognitions

- Organic certificate/Participatory guarantee system (PGS)
- Certificate of Food Hygiene and Safety for cooperative's products



Image 3. Cooperative members during rice harvest (Photo: VNFU)

## C. Impacts

The cooperative, together with Vietnam Farmers' Union and related parties, organized training courses, visits and exchanges that led to skills and knowledge enhancements of cooperative members. The cooperative developed many strategies to build resilience of their farms, their business, their organization and their technology/infrastructure.

At the farm level, diversification was promoted. The cooperative starts with a production plan that follows organic farming principles and VietGAP production practices. It also promoted the conservation of traditional seed and adopts drought-resistant varieties; shrimp farming with rice, growing herbs, raising bees in the forest, agro-forestry tourism; processing of vermicelli noodle, squash tea, bamboo furniture, sticky rice cakes, etc.

For building resilience into their businesses, the cooperative established farmer groups under the coop production and business planning for different kind of products and product quality management system operation; diversified products, prepared documents for product certification submission (organic, VietGap, safe hygiene, OCOP), did market research and signed contract with buyers/supermarkets. The cooperative also runs tourism services offering people the chance to visit beautiful forest and farm landscapes and natural waterfalls in the area. Travelers can enjoy Tay and Dao people's cultural activities, including food, dances and costumes and buy local handicraft souvenirs.

For building resilience into their organization, the cooperative has well-educated cooperative management and Board, invested in capacity building for organization and members, mobilize development funds for activities related to human resources, market research, forest and farm piloting, etc. Yen Duong cooperative collaborates with other parties for network expansion and identification of opportunities with Farmers' Union, Cooperative Alliance, local authorities, related departments/agencies, scientists, buyer partners, etc.

For building resilience into their technology/infrastructure, the cooperative mobilized different resources to strengthen the technology and infrastructure, through roundtable discussion at all levels, engaged policy dialogue to address the cooperative's difficulties; learns and applies the new technology on farming and processing (rice farm terracing, fish raising, irrigation system to get rain water from mountain top for production).

The effective operation of cooperatives has helped promote economic development, create jobs, increase incomes, eliminate hunger and reduce poverty for members, and contributed to ensuring social security in the locality.

Through the advocacy activities the cooperative achieved the following:

- mobilized members and local government authorities to build 5km of village roads and forest road.
- collaborated with other parties to organize 7 technical training courses about agro-forestry production, handicrafts, tourism skills.
- build 15 agro-forestry models
- acquired a loan in the form of production capital from Farmer Supporting Fund (VNFU) and Cooperative Alliance with the total amount of 450 million VND.
- received 3 agricultural processing machines

## **D. Gender perspectives**

Yen Duong cooperative focused on creating an environment in which both men and women from all ethnic minority groups could flourish and benefit from agricultural innovation, sharing knowledge and helping each other implement their agricultural initiatives.

The decision-making process of the cooperative includes the following steps: 1) The cooperative would do a survey about the issue need to be solved to get opinions from members; 2) Organize a meeting for consensus voting; and 3) The Board of Directors make the final decision.

The cooperative focused on products mainly produced by women. For example, it has organized a group of 25 households, mainly women, working on traditional bamboo basketwork. The products are environmentally friendly, with high sophistication and utility, and can be used for a long time. This idea has helped create job and earnings for women, simultaneously restore and develop the traditional craft of the Dao ethnic group.

## **E. Key success factors, challenges, lessons**

The effectiveness and sustainability of the cooperative is due to a combination of internal and external factors. For internal factors, Yen Duong cooperative has capable cooperative management board, especially Ms. Ma Thi Ninh – the Director of the cooperative. All the members, including Ninh herself, are from various ethnic minorities - Tay and Dao groups. These mountain communities differ from one another in terms of their way of living and family life, including customs and beliefs related to building a home, traditional clothing, culinary culture and marriage customs. Understanding the customs and cultural values of the people in her area, Ninh actively makes this an important part of her cooperative and promotes these values in the development of Yen Duong cooperative. Besides, the unanimous consent of the members also made an important contribution to the growth of the cooperative. For external factors, Yen Duong cooperative got support from local authorities, Vietnam Farmers' Union, the Forest and Farm Facility program hosted by FAO. The collaboration with these organizations and programs helped the cooperative approach to technology and science achievement, get loan to expand production, improve infrastructure and transport system in the area.

Since its establishment, Yen Duong cooperative has not developed massively but exploited its potential strengths and available natural conditions, suitable to their production circumstances, focused on producing organic and safe agricultural products. The cooperative is divided into production groups based on its products, such as Nep Tai

sticky rice group, Group of producing and processing vermicelli noodle, Forest bitter melon group, bamboo craft group, etc.

Currently, the cooperative still faces many obstacles such as accessing to loans, members' abilities, etc. Due to the impact of Covid-19 pandemic, the consumption of products becomes more and more difficult. The tourism service has been closed temporarily due to lock down situation, which prevent the cooperative from service expansion.

## **F. Future prospects**

Yen Duong cooperative will focus on improving member capacity and organization management to provide better services, consultation to its members and ensure the democracy and fair benefit sharing. The cooperative intends to diversify forest and farm products for better income and for climate change resilience, including agricultural experience and community tourism services, complete product certification and quality control. Beside that the cooperative will invest in processing technology and packaging of products. For consumption, the cooperative has plan to do market research, seek and sign contract with buyers/supermarkets and develop selling on digital market. Related to the collaboration with other organization, Yen Duong cooperative attempts to strengthen linkage among the cooperative and Farmers' Union, local authorities, related departments/agencies, scientists, buyer partners, etc. for more resources for cooperative development. At the same time, the cooperative continues policy advocacy and increase solidarity in the community.

**For more information you may contact the following:**

Ms. Thu Ha Bui - [thuha.vnfu@gmail.com](mailto:thuha.vnfu@gmail.com)

Mr. Pham Tai Thang - [phamtaihang@gmail.com](mailto:phamtaihang@gmail.com)