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FARMER GROUP PARTICIPATION AND MARKETING PARTNERSHIPS WITH AGRIBUSINESSES IN THREE VIETNAMESE PROVINCES

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ABSTRACT

This study examines whether farm households that participate in producer groups are more likely to report a marketing partnership with an agribusiness. It uses cross-sectional data from 1,183 households in six communes in Thanh Hoa, Dong Nai, and Vinh Phuc, Vietnam. Marketing partnerships were reported by 30.1% of participating households and 10.5% of non-participating households. After adjustment for province, respondent characteristics, and farming activities, participation was associated with higher odds of reporting a marketing partnership (adjusted odds ratio 3.67, 95% confidence interval 2.37-5.68). Model-standardized probabilities were 29.5% for participants and 11.3% for non-participants, a difference of 18.2 percentage points. The association persisted when the model adjusted for commune and when records with inconsistent responses were excluded. Most group participants nevertheless reported no marketing partnership. Group participation and access to a business partner should therefore be measured separately when assessing farmer organization and market linkage programmes.

Keywords: farmer groups; collective action; agribusiness; agricultural marketing; farm households; Vietnam.

1.0 INTRODUCTION

Farmers can organize with other producers to exchange information, coordinate work, or obtain services while continuing to sell independently. Conversely, an agribusiness can arrange to buy from a household that does not belong to a farmer group. Producer-group participation and collaboration with buyers describe different relationships. Understanding how often they occur together helps assess whether policies supporting farmer organization are reaching households that also have a business partner for marketing.

Research on collective action identifies several ways in which working together may facilitate market participation. Producer groups can pool output, share information on buyers, and coordinate deliveries. These arrangements are more likely to support marketing when members' products, incentives, and buyer requirements are compatible (Markelova et al., 2009). Horizontal coordination describes arrangements among producers. Vertical coordination connects producers with businesses at other stages of a supply chain (Khong, 2022). A group may engage in both types of coordination, and some groups may concentrate on production services.

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Vietnamese research illustrates why the distinction matters. Case studies of organizations supplying supermarkets identify quality coordination and support to growers as important to regular deliveries (Moustier et al., 2010). Research on specialty rice in the Red River Delta links collective marketing channels to the ways farmers manage uncertainty when selecting outlets (Pham et al., 2019). In the Mekong Delta, Nhan and Quyen (2024) distinguish between cooperative members who use their cooperative as a sales channel and members who sell through other channels. These studies motivate an examination of household-reported partnerships across several settings and farming activities.

The study asks whether participation in any surveyed form of producer group is associated with reporting a marketing partnership with an agribusiness. It also describes whether households report cooperation in production, marketing, or both. The analysis compares households with and without group participation and examines whether the marketing association persists after adjusting for observed characteristics and location.

2.0 METHODOLOGY

2.1 Data and analytical sample

The analysis uses a cross-sectional questionnaire survey on farming households conducted in 2023 for a study of farmer characteristics during agricultural and rural modernization. The available dataset contains 1,183 household representatives from six communes. It includes 396 households from Dong Khe and Dong Ninh in Dong Son district, Thanh Hoa, 403 from Binh Son and Binh An in Long Thanh district, Dong Nai, and 384 from Dinh Chu and Tien Lu in Lap Thach district, Vinh Phuc. Place names follow the source data. Household selection probabilities and survey weights were unavailable. The analysis is unweighted and describes the surveyed households.

2.2 Measures and coding

Producer-group participation is based on Question 17. The questionnaire lists a small group, a larger group, a production team, a cooperative, and no participation. Two categories have the same value label in the electronic dataset. All four participation responses were therefore grouped, and the reference group comprises households reporting no participation.

The primary outcome is a positive response to the marketing item in Question 18b, which asks whether the household or its group cooperates with an enterprise to market products. The adjacent item asks about cooperation during production. The two items are used to describe four profiles: production only, marketing only, both, and neither specific form reported. The survey does not identify whether the partnership belongs directly to the household or to its group. Nor does it measure sales volume, prices, written contracts, or partnership duration.

The main coding gives precedence to the specific activity responses. Eleven records mark “no cooperation” while also marking a specific form of cooperation. Another 13 mark none of the three options. The first sensitivity check excludes the 11 contradictory records. A stricter check excludes both sets of records.

2.3 Statistical analysis

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The analysis reports counts and percentages by group participation and province. Binary logistic models estimate the association between group participation and marketing partnerships. Model 1 includes group participation alone. Model 2 adds province. Model 3 adds respondent sex, birth year in ten-year units, education as an ordered four-level variable, and household indicators for crop cultivation, livestock keeping, and aquaculture. The three farming indicators can overlap. Birth year is taken directly from the data.

The models use heteroskedasticity-robust standard errors (HC0). For Model 3, standardized probabilities are calculated by predicting each surveyed household's probability under each group status and averaging over the observed covariate distribution. The delta method gives the confidence interval for the difference. The standardized contrast summarizes the fitted association. Further checks replace province indicators with commune indicators and exclude each commune in turn. Household-level robust standard errors do not address dependence among households in the same commune, and the survey covers only six communes.

3.0 RESEARCH RESULTS

3.1 Group participation and marketing partnerships

Of the 1,183 households, 888 (75.1%) reported participating in a producer group and 298 (25.2%) reported a marketing partnership. The marketing rate was 30.1% among participants (267 of 888) and 10.5% among non-participants (31 of 295). The unadjusted difference was 19.6 percentage points. Participants had higher observed rates in each province. Levels differed substantially across the surveyed areas, with the overall marketing rate ranging from 9.1% in Vĩnh Phúc to 41.7% in Thanh Hóa.

Table 1: Marketing partnerships by producer-group participation and province

Province	Non-participants		Participants		All households	
	n	%	n	%	n	%
Thanh Hóa	17	25.0	148	45.1	165	41.7
Đồng Nai	9	7.3	89	31.9	98	24.3
Vĩnh Phúc	5	4.9	30	10.7	35	9.1
Overall	**31**	**10.5**	**267**	**30.1**	**298**	**25.2**

Note. n is the number of households reporting a marketing partnership. Denominators are listed in the order Non-participants, Participants, All households. Thanh Hóa (68, 328, 396). Đồng Nai (124, 279, 403). Vĩnh Phúc (103, 281, 384). Overall (295, 888, 1,183).

Source: Author's analysis of the household survey.

3.2 Cooperation in production and marketing

The sample included 353 households (29.8%) reporting cooperation with an enterprise in production and 195 (16.5%) reporting both production and marketing cooperation. Among

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participants, 178 (20.0%) reported both forms and 140 (15.8%) reported production cooperation alone. Among non-participants, the corresponding counts were 17 (5.8%) and 18 (6.1%). About 54% of participants reported no specific form, and 69.9% reported no marketing partnership.

Table 2: Reported forms of cooperation with enterprises by producer-group participation

Cooperation profile	Non-participants		Participants		All households	
	n	%	n	%	n	%
Neither form reported	246	83.4	481	54.2	727	61.5
Marketing only	14	4.7	89	10.0	103	8.7
Production only	18	6.1	140	15.8	158	13.4
Production and marketing	17	5.8	178	20.0	195	16.5

Note. Percentages use column totals (295 non-participants, 888 participants, and 1,183 households overall).

Source: Author's analysis of the household survey.

3.3 Adjusted association and sensitivity checks

The odds ratio for producer-group participation was 3.66 in the unadjusted model and 3.45 after adjustment for province. The fully adjusted odds ratio was 3.67 (95% CI 2.37-5.68). Standardized probabilities in the fully adjusted model were 29.5% for participants and 11.3% for non-participants, a difference of 18.2 percentage points (95% CI 13.4-23.1).

Table 3: Producer-group participation and marketing partnerships across model specifications

Model	N	OR (95% CI)	Adjusted gap (pp)
1. Unadjusted	1,183	3.66 (2.46-5.46)	—
2. Province-adjusted	1,183	3.45 (2.28-5.20)	17.7
3. Fully adjusted	1,183	3.67 (2.37-5.68)	18.2
Commune instead of province	1,183	3.55 (2.26-5.58)	17.7
Excluding 11 contradictory responses	1,172	4.07 (2.59-6.40)	18.9
Excluding 24 contradictory or unspecified responses	1,159	4.05 (2.57-6.38)	19.0

Note. The outcome is reported marketing cooperation. The reference is no group participation. Model 3 adjusts for province, sex, birth year, education, crop cultivation, livestock keeping, and aquaculture. Sensitivity models retain the same covariates except for the stated change. OR = odds ratio. CI = confidence interval. pp = percentage points.

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Source: Author's analysis of the household survey.

The association remained positive with commune indicators (OR 3.55, 95% CI 2.26-5.58). Excluding the 11 contradictory records yielded an OR of 4.07, and excluding all 24 records with contradictory or unspecified responses yielded an OR of 4.05. When each commune was excluded in turn, point estimates ranged from 2.29 to 6.20. The direction was consistent, but the magnitude varied with the localities included.

4.0 DISCUSSION

The results show a clear association between producer-group participation and marketing cooperation within the surveyed sample. The pattern is consistent with a role for groups in pooling output, sharing buyer information, or coordinating deliveries. The survey does not identify which of these arrangements were present. Enterprises could also recruit households that are already commercially oriented, or an opportunity to sell to an enterprise could encourage households to organize. Geographic adjustment addresses measured differences between areas but cannot establish which relationship came first.

The coexistence of strong relative differences and modest absolute coverage matters. Nearly seven in ten participants did not report a marketing partnership. Some groups may meet production needs such as access to inputs or services, while households keep selling through their usual channels. The distinction echoes evidence from Vietnam showing that farmers' organizations take on different functions and that cooperative membership and use of a cooperative marketing channel are separate decisions (Moustier et al., 2010; Nhan & Quyen, 2024). The present results extend that distinction to reported cooperation with an enterprise, including both household-level and group-level arrangements.

For programmes that seek to connect farmers with enterprises, monitoring can track group participation separately from marketing cooperation. A follow-up survey could identify who negotiated the agreement, how much output the buyer purchased, whether the agreement was renewed, and whether farmers received the agreed payment. Information on farm size, commodity, buyer presence, and the timing of group entry would help explain which households form partnerships. These measures would also distinguish occasional transactions from regular supply arrangements.

The results are limited to six surveyed communes in three districts. The survey is cross-sectional and does not establish causal direction. The repeated value label prevents a dependable comparison of production teams with cooperatives. Respondents report cooperation at household or group level, and the survey does not specify the terms of cooperation. Estimates should be read as within-sample associations, with caution about uncertainty related to common local conditions.

5.0 CONCLUSION

Farm households that reported participating in producer groups more often reported marketing cooperation with an agribusiness than other surveyed households. The adjusted difference was about 18 percentage points, and the direction persisted across the sensitivity checks. Most participating households still reported no marketing partnership. For rural development

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programmes, tracking actual cooperation with buyers alongside participation gives a clearer account of how far farmer organization is accompanied by market linkages.

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