

Tran Hoai Thao Trang 2014: Adoption of Aromatic Rice in Mekong Delta, Vietnam. Master of Science (Agricultural and Resource Economics), Major Field: Agricultural and Resource Economics, Department of Agricultural and Resource Economics. Thesis Advisor: Assistant Professor Orachos Napasintuwong Artachinda, Ph.D. 79 pages.

Vietnam is the one of three largest rice exporters, accounting for 22.71% of world's total rice export in 2013. Nevertheless, the majority of exported rice is of low to medium quality. While rice consumption throughout Asia is experiencing a downward trend, particularly among higher income countries, aromatic rice (AR) is still highly demanded. The increase of high quality rice area and reduction of low quality rice area will not only increase farmers' income but also improve quality for Vietnamese rice exports. This study investigates factors contributing to aromatic adoption based on Random Utility Theory. In addition, Contingent Valuation Method is used to estimate price premium for aromatic rice adoption in Mekong Delta (MD) – the main rice area of Vietnam.

The result from binomial logit model reveals that not only communication with extension officers and knowledge transfer from attending field demonstration but also connection with private companies through contracts and access to seeds are positively related to aromatic rice adoption. Furthermore, the probability of willingness to switch to AR production among LQR growers increases with the increase of market price difference between LQR and AR. The mean of their willingness-to-accept price difference between AR and LQR is estimated at 1,085 VND/kg, which is higher than the current price difference of 731 VND/kg. The findings of this study suggest that in addition to the increasing on-farm demonstrations and strengthening the linkage between farmers and private companies, a sufficient increase in market price premium for AR could be one of the ways to create more incentive for AR adoption and reduce LQR area in MD.

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