

Production and Distribution of Farm Products in the Eastern South

by Dr. VÕ PHƯỚC TẤN

Agriculture accounts for 30% of the Vietnam's export value, 25% of the GDP, main income for 76% of the rural population and has helped reduce the poverty rate to 12% in recent years. The Eastern South includes nine provinces and cities in the South (HCMC, Bà Rịa-Vũng Tàu, Đồng Nai, Bình Dương, Tây Ninh, Bình Phước, Lâm Đồng, Bình Thuận and Ninh Thuận) representing 10% of the national area and 15.6% of the population. This could be seen as the zone with good potentials and trading relations with both domestic and foreign markets.

The agriculture in this zone supplies farm products in large quantities and accounts for 70% of farm products exported to some 80 foreign markets.

1. Farm production in the Eastern South

Value of the farm output from this zone has rose by 6.5% per year for the last four years, from VND11,760.6 billion in 1999 to 14,756.77 billion in 2002. In 2002, it accounted for 12% of the national farm output.

This zone, unlike the Mekong Delta where rice is the staple product, produces many perennials needed for industries, such as rubber, coffee or black pepper.

In recent years, farming area in the Eastern South have been on the increase: maize 97,500 hectares, rubber 278,000 hectares, coffee 65,000 hectares, cashew nut 113,000 hectares, black pepper 18,000 hectares,

Table 2: Farming areas in Eastern South provinces

Province	Total area (ha.)	Grain		Annual		Perennial	
		Area (ha.)	%	Area (ha.)	%	Area (ha.)	%
HCMC	85,630	68,642	80.41	5,285	6.19	-	-
Đồng Nai	340,640	170,430	50.03	40,264	8.46	114,130	33.50
Bình Dương	215,171	60,091	27.93	31,646	14.71	112,116	52.11
Bà Rịa-Vũng Tàu	98,045	39,885	40.68	3,151	3.21	55,009	56.11
Bình Phước	280,363	26,082	9.30	8,806	3.14	240,681	85.85
Ninh Thuận	68,390	41,760	61.06	10,737	15.70	6,130	8.96
Bình Thuận	160,872	112,707	70.06	14,015	8.71	20,150	12.53
Tây Ninh	311,856	203,490	65.25	61,249	19.64	45,635	14.63
Lâm Đồng	80,384	49,970	62.16	4,920	6.12	18,890	23.50
Total	1,641,071	773,057	47.10	186,732	11.38	612,741	37.33

Source: Ministry of Agriculture and Rural Development

Table 1: Share of zones in the national farm output (%)

Product	Eastern South	Mekong Delta	Western Highlands	South Central Vietnam	Four zones as a whole
Rice	6.67	46.1	2.2	5.88	60.85
Vegetables	18.2	4.3	9.31	7.32	39.13
Maize	24.5	3.27	10.0	2.80	40.57
Manioc	14.0	3.0	13.0	19.0	49.00
Rubber Black	80-90.0	-	-	-	80-90.00
Pepper	40.0	-	20.0	-	>60.00
Coffee	30.0	-	60.0	-	>90.00
Peanut	26.4	5.93	7.88	9.91	50.12
Tobacco	51.6	4.24	3.89	7.77	67.50
Sugarcane	18.7	38.08	6.5	17.64	80.92
Soya bean	7.9	18.24	12.49	1.95	40.58

Source: Ministry of Agriculture and Rural Development

sugarcane 60,000 hectares and tea 23,000 hectares. Certain districts have been specialized in growing manioc, cotton and tobacco.

Besides farm products used for agro-industries, the Eastern South also includes some 90,000 hectares of tropical fruits, such as jackfruit, durian, mulberry from Bình

Dương; plum, avocado, persimmon, strawberry from Lâm Đồng; banana from Đồng Nai; and grapefruit from Ninh Thuận, etc.

However, in most provinces, large areas are still

used for growing grains with a view to meeting the local demand for food while farming area in industrial centers, such as HCMC and Biên Hòa, is on the decrease

2. Processing of farm products

Processing and storing farm products in the Eastern South are done rather well in comparison with other zones, which helps make this zone the leading exporter of farm products in Vietnam.

Big investments have been put in drying machines. Food growing dis-

from 500 tons to 15,000 tons a year. In tea processing industry, there are some 600 factories that could only handle some 60% of the tea output. The quality of processed tea, however, isn't high as expected. There are over 50 factories processing cashew nut that export some 80,000 tons a year (second only to India.) Sugar mills frequently face the shortage of raw materials and keen competition from foreign sugar because of their poor productivity. The vegetable processing industry in this zone has developed well but its ma-

A study conducted by the Japanese JICA in 1995 on vegetables, pig meat and coffee from Vietnam said that the domestic market, rather than the export ones, would become more important to these products as from 2003. This means that the population of 80 million people with increasing personal income will be essential to most farm products that have been less competitive on foreign markets.

Eastern South with populated cities in its nine provinces, especially HCMC, is a potential market for farm products.

have no ability to control and stabilize prices. All transactions depend on quantities transported by traders and there are no contracts between wholesalers and producers. Private businesses play the leading role in these exchanges while state-owned ones didn't pay full attention to this business.

Eastern South also houses many exporters who account for 69.22% of goods exported and imported by Vietnam and 65.4% of farm products exported by Vietnam. Proportions of farm products in exports by Eastern



tricts are applying drying techniques with suitable sizes and machines. At family level, drying machine handling from 0.2 to 0.5 ton of rice is very common. Big farms are usually equipped with bigger machines that dry from 6 to 10 tons a time. Many warehouses for commercial farm produce have been built.

In many coffee plantations and state-owned companies, there are processing lines that handle from 2 to 9 tons per hour. There are some 20 rubber processing factories. Their installed capacity varies

chines and technology are obsolete with the result that the export value is low.

3. Consumption and distribution of farm products from the Eastern South

A problem with the distribution of farm products from Eastern South is whether full attention is paid to local or foreign markets. This problem will affect programs to alter the structures of products and of industry, and it is also a challenge to economic policy makers as well.

Moreover, processing industries here also consume farm products in large quantities from other zones.

Farm products are usually purchased and transported by private traders (37%) and wholesalers (57%) from all provinces to large exchanges in HCMC, such as Tam Binh (Thủ Đức District), Tân Xuân (Hóc Môn) and Bình Điền (District 8) from which farm products are sent to small market, outlets or supermarkets. Most exchanges specialize in certain products.

Generally, farm product exchanges in HCMC

South vary remarkably over provinces: 6.25% in HCMC, 30.1% in Đồng Nai, 19.3% in Bình Dương, 6.7% in Bà Rịa - Vũng Tàu, 88.2% in Bình Phước, 10.4% in Ninh Thuận, 48.62% in Bình Thuận, 90.4% in Tây Ninh and 68.3% in Lâm Đồng.

The role of perennials, such as rubber, coffee, cashew nut and black pepper, in the export of farm products is increasingly important. At present, it accounts for some 66% of the export of farm products. This change encourages in the processing industry and helps improve the structure of industry. ■