

# LONG AN FARMERS IN THE STRUGGLE AGAINST POVERTY

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**L**ong An province is along the National Route connecting the Mekong Delta with HCMC and the Eastern South. This province has a diverse ecosystem, especially in Đồng Tháp Mười. Quality of natural resources in Long An, however, isn't high. Long An has no mineral resources, land in northern districts is sour while in the southern ones is saline. A lot of land is usually swampy while the supply of water needed for agricultural production is still lacking.

## 1. Features of private farming in Long An

### a. An overview:

- The average family consists of five persons but a laborer usually has to cover needs of more than five persons. This is the main cause of their poverty.

- Education of surveyed farmers is low, 93.35% of laborers receive no technical training. They live on farming but they could spend only 56% of their working time on it (equaling 80% of the average of the Mekong Delta).

- The average farming land for a family is 0.9 hectare (this figure in Đồng Tháp Mười is 2 hectares) while land is both the main means of production and the basis for diversification of their business. Of surveyed families, 41.2% of them have a capital of under VND10 million, 36.9% of them can live above the poverty line and only 2% (those who have a capital of over VND100 million) can engage in farm economy.

The mechanization starts to take place in families with large area of farming land or a capital of over VND50 million. Over three quarters of families are in need of capital and they usually fall prey to usury. Regrettably, these borrowings are mainly used for covering other expenditures instead of production activities.

At present, most farmers are trying to apply new techniques with a

view to increasing output and average yield of crops.

### b. Main features of farmer families:

- The most noticeable feature is the purely agricultural production that could be found in 77.9% of families; only 1% of them do industrial production or other services. The agricultural activities provide 59.4% of their income and they are trying to diversify their activities.

- The annual income per capita among farmers in Long An is VND1.6 million on average (34.6% higher than the poverty line set by the WB for rural residents in the Mekong Delta). The average income of the wealthiest group of families is from four to five times higher than that of the poorest. Most farmer families spend more than 70% of their income on basic needs. That is why the capital accumulation is slow here (lower than VND2.3 million per family). Most poor families can't save more than VND1 million a year (equaling personal spending in a year) and they will fall below the poverty line if there is one more person in their families or they have to

cover an unusual expense. Each wealthy family can save some VND10 million a year and the savings allow them to expand their production and become richer.

c. Recent developments of the private farming:

After the economic reform was introduced, Long An agriculture was oriented towards commercial farming. Farmers have tried to make the best use of their farming land and they are ready to make more invest-



ment in their business. The commercial farming also encourages development of non-farming businesses.

The monoculture has been replaced by the mixing culture and farmers are diversifying their produce. Many of them have developed new farms and supply farm products in large quantities, but the majority are still struggling against poverty.

These data show that the farming business in Long An is still of small scale and farmers are meeting with great difficulties in improving their income and living standard as well. The policy to develop the socialism-oriented agriculture should aim at helping them overcome these difficulties.

## 2. Measures to help farmers escape poverty

### a. Enhancing farmers' independent abilities:

At present, there are two factors that can help increase farmers' income: efficiency of land use and diversification of farming activities.

To perfect techniques of improving yield of crops and quality of farm



products is the basic measure to enhance the efficiency of land use. Common and efficient methods are: (1) making the best use of factor inputs, (2) improving farming techniques, and (3) developing a wider range of crops and animals.

The diversification of farming activities aims at increasing farmers' income, that is, providing them with more employment opportunities based on other resources besides land, such as accumulated capital and labor skills. Measures to develop other resources are: (1) developing the multi-purpose animal husbandry business, (2) developing sustainable farming systems (rice-fish; rice-shrimp; rice-duck models for exam-

the essential measure to enhance communication between Long An and other provinces in the Mekong Delta, Eastern South and Cambodia.

Another measure is to develop after-harvest techniques with a view to improving the quality of farm products. For the time being, the provincial government should create the following conditions:

- Supplying information about new techniques, markets and policies on agricultural development.

- Offering technical assistance and training courses.

- Helping farmers reduce business risk by adopting appropriate policies on rural credit and industrial development in rural areas.

+ The farm economy is, in fact, the agricultural production on large scale by private farmers. It is the main way to do commercial farming. The provincial government had better take measures to encourage the development of private farms, and at the same time, control the process of accumulating the farming land with a view to making it suitable to the process of changing the structure of industry, that is, to the development of manufacturing and service industries. To ensure the sustainable development for farms, new technologies and good policies on trading business are needed.

d. Reducing poverty and hunger

This is the basic and urgent



ple), etc.

Increasing farmers' income based on non-farming activities in Long An originates from improvements in infrastructure. At present, the service industry has just developed in towns or along main roads. The trading business hasn't developed in rural areas. A better road network and urbanization can help farmers find new jobs or improve their labor efficiency. Encouragement to investment in the food processing industry is the most important measure to expand the market for farm products.

b. Creating conditions for development of private farming:

Realities show that improvement in the infrastructure and public utility service helped farmers increase the output and learn new trades. Of the infrastructure, development of road and waterway networks will be

- Making separate plans to transfer new techniques to each group of farmers (poor, medium or wealthy).

- Making bank credit available for all farmers and instructing them how to use bank loans effectively: For the time being, the State Bank of Vietnam-Long An Branch can pay full attention to the three following problems:

- + Making the lending rate more flexible and offering more long-term loans.

- + Encouraging credit unions, commercial banks and branches of the Bank for Agriculture to increase their deposits and loans.

- + Beefing up inspection in order to ensure that bank loans are used for production only.

- c. Helping good farmers develop their own farms:

measure to solve most social problems in rural areas. An analysis shows that 70.9% of families living below the poverty line because they lack skills, capital and knowledge; 17.5% because of the lack of determination and 11.6% because of risk or natural disasters. Therefore, this measure should be carried out in different ways appropriate to each group of families.

Top priority, of course, should be given to families suffering poverty because of external factors. For the time being, the government had better make plan to provide them with soft loans and technical assistance. As for farmers engaging in developing farms, tax incentives could be used for encouraging their business with a view to creating more jobs in rural areas■