

The Mekong Delta is the Vietnam's main supplier of rice, aquatic products and fruits for domestic consumption and export. After years of development, however, the Delta failed to reach its full potential. The average output per hectare is still low in comparison with neighboring countries. In some provinces, peasants meet with difficulties in distributing their produce with the result that they couldn't improve their living standard even if their output increases. That is why the quality of life in this Delta is of the lowest in Vietnam in spite of their great contribution to the national wealth.

To deal with this problem, the Government issued Decision 09/2000/QĐ-CP on June 15, 2000 on "Policies to change the structure of, and ensure market for, farm prod-

In the crop farming business, the share of vegetable increased at the expense of rice.

c. The use of land also changed. More and more rice-farming land was used for growing fruits and raising fish. The following table reflects this tendency.

was found in An Giang and Tiền Giang Provinces.

e. Peasants paid more attention to new techniques, strains, product quality and production cost when they learned that these factors helped them sell their produce at higher prices. In many districts,

Table 1: Changes in the use of land in 2000-03

Kinds of land	2000 (ha)	2003 (ha)	Change (ha)	Change (%)
Rice farming	2,082,662	1,894,084	-188,578	-9.1
Sea farming	229,352	541,536	+312,184	+136.1
Fruit growing	197,320	234,210	+36,890	+18.7

Source: Ministry of Agriculture and Rural Development

d. New production models of performance made their appearance: peasants tried to specialize in certain products (mango in Hòa Lộc,

## Initial Results of Changes in the Structure of Farm Products in the Mekong Delta

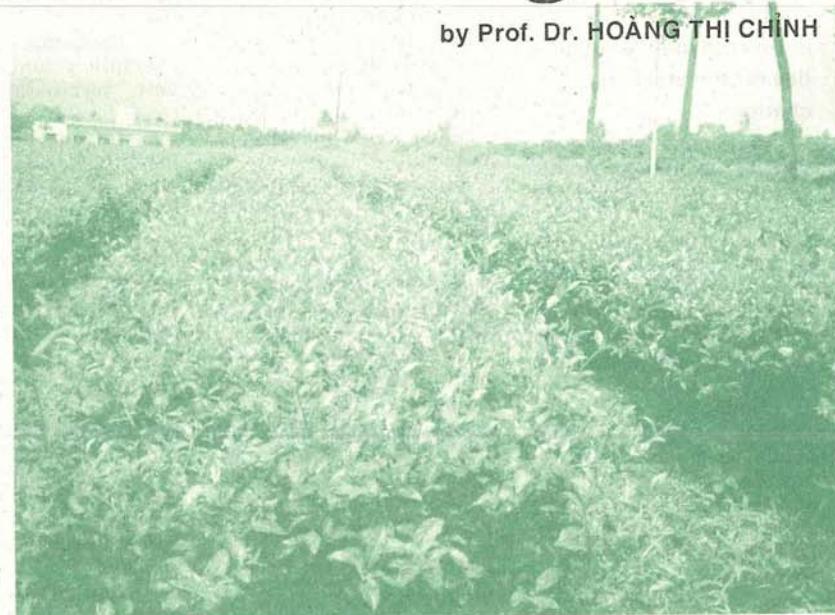
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ucts." This Decision started a movement to adopt new farming techniques and launch new farming projects. The structure of farm products in the Delta witnessed great changes.

### 1. Initial results

a. The agricultural production increased fast. In the years 2002-03, its output rose by 7% a year compared with a growth rate of 5% in the 1996-2000 period. The sea farming developed well in coastal provinces (Cà Mau and Bạc Liêu for example) while animal husbandry and crop farming gained high growth rates in inland provinces (An Giang, Đồng Tháp and Vĩnh Long).

b. Structure of products of the whole sector and in each industry changed positively. Shares of crop farming, forestry and sea farming changed from 74.34%; 1.62% and 24.04% respectively in 2000 to 73.5%; 1.5% and 25% in 2003. Particularly, the sea farming became a key industry in many provinces. The general tendency is to reduce the share of the crop farming and increase that of the animal husbandry.



fruit-specialized ones in Tiền Giang; rice-vegetable ones in An Giang; rice-sea farming ones in Sóc Trăng, Cà Mau and Bạc Liêu; garden-fish pond-stable in An Giang, etc. In the whole Delta, 12% of agricultural land provided an income of VND50 million per hectare a year and most of it

grapefruit in Bình Minh and star apple in Cái Bè, etc) and started to think of brand names for their produce (Năm Roi grapefruit from Bình Minh, Vĩnh Long, for example.)

f. The living standard of peasants was enhanced to a certain extent. The proportion of poor families re-

duces while that of rich families rose by 130%. Infrastructure was improved in terms of health stations, schools, roads and power supply. Changes in the agricultural production created some 100,000 new jobs and facilitated the development of the service sector. The average income for a family in the Delta rose from VND21 million in 2000 to some 25 million in 2003.

## 2. Shortcomings

a. Slow speed of change: Only 12% of land produces some VND50 million worth of goods per hectare a year, and the average income from a hectare in this Delta was VND27.64 million in comparison with VND37.23 million in the Hồng Delta. Only the sea farming business made good changes while rice farming still played an important role in peasants' life. Crops used as raw materials for manufacturing industries, such as soyabean, maize, cow milk, etc., haven't developed as expected.

b. High degrees of risk: Natural disasters and diseases caused a lot of damage while precautionary measures were not effective enough. In 2002, 31% of shrimp raising area was lost totally. In 2003 40% of the shrimp raising area in Sóc Trăng and Bạc Liêu suffered the same fate. Various diseases also attacked fruit orchards in many provinces because disease control authority was slow to take action.

c. Competitiveness of farm products from this Delta is poorer in comparison with their counterparts in regional countries. According to the Ministry of Agriculture and Rural Development, only rice, aquatic products and some fruits from this Delta could compete on the regional market while the rest suffered high production cost (from 20% to 30% higher in comparison with regional countries) and poorer product quality.

d. Prediction of the market demand and trade promotion are very poor with the result that peasants were put at a disadvantage. Problems with markets for their produce have made peasants reluctant to change the structure of their farm products. In many provinces, peasants frequently cut down fruit trees and replaced them with others because prices of these fruits fell too much or they couldn't be exported.

e. Pollution and other environmental problems have constituted great threats to the Delta. Changes in the structure of production weren't linked with infrastructure development, especially the irrigation sys-

tem, with the result that sources of water were polluted seriously. In Cà Mau, Bạc Liêu and Sóc Trăng where a boom in shrimp raising business has taken place recently, peasants couldn't control the source of water for their shrimp ponds with the result that diseases spread, shrimp was killed in large quantities and farmers lost everything. The boom in the shrimp raising business also affected badly the eco-system when peasants killed other aquatic species and pumped seawater into their shrimp ponds.

In the crop farming business, overuse of fertilizers and other chemicals also polluted sources of water. In coastal areas, forests were burned in order to make land for shrimp ponds.

## 3. Some measures

a. A master plan for changes in the structure of agricultural products is necessary to prevent unruly developments. The plan must take into consideration sustainable development for the whole Delta. Based on this master plan, specific plans for businesses, provinces and districts could be worked out. Changes must be based on resources and market demand and carried out with care.

b. Increasing investment in the infrastructure, especially irrigation systems, has become an urgent task. In recent years, the investment has increased but failed to cope with rapid changes in the agricultural production, especially ones in the shrimp raising business. Irrigation system in districts specialized in the shrimp business must ensure the supply of clean seawater to shrimp ponds, treat effluent from shrimp

ponds, and prevent seawater from damaging rice-farming areas.

c. Sources of capital of different terms are essential to changes in the farm products. In fact, sources of bank credits in the Delta have been very limited in recent years because procedures were complicated and time-consuming, the value of the land use right was kept low when it is used as a security for bank loans, and there is no fiduciary loans for peasants. Branches of state-owned commercial banks had better supply more loans to peasants based on their business projects and their title deeds.

d. The quality of the labor force in the Delta is not high enough. Realities show that successful farmers are persons who got good education and knowledge, which allows them to adopt new techniques and bold projects. For the time being, local authorities had better give free short-term training courses to young peasants in order to prepare them for coming changes in the structure of agricultural production.

e. Trade promotion and market development are two measures to ensure markets for farm products from the Delta, especially when they are produced in large quantities. In this matter, cooperation between peasants, scientists, traders and local authorities is of great importance.

In short, changing the structure of agricultural production is a right direction for the Delta in an effort to integrate into the regional market. Initial results of the past three years support this argument. The Delta, however, has a long way to go before succeeding in competing against rivals from regional countries. ■

