



1. An outline of Bình Dương and Bình Phước

Bình Dương and Bình Phước are two provinces in the South Eastern Vietnam which was a place of fierce battles in the wartime. After the war, Bình Dương and Bình Phước were made into Sông Bé province. Sông Bé has an area of 9,560 sq.km (but it has only 100,000 hectares of farming land) and is bordered by HCMC; an important economic center; to the south, Đồng Nai; an industrial center; to the southeast, Tây Ninh and Cambodia; to the west, Lâm Đồng and Daklak; two highland provinces; to the north-east. Sông Bé population has increased from 750,000 to 1.2 million since the Liberation Day. The increase is partly due to flows of migrants from other provinces. Besides the Kinh people, there are 29 ethnic groups in Sông Bé.

On Jan. 1, 1997, Sông Bé was divided into Bình Dương (2,718.5 sq. km; pop. 646,317) and Bình Phước (6,814.2 sq. km; pop. 513,557). Regarding altitude, Bình Dương is lower than Bình Phước. Three rivers, Bé, Saigon and Đồng Nai flow across those provinces and supply water needed for farming. Favorable climatic conditions and high fertility of the soil allow production of many perennial crops (rubber, cashew, coffee, black pepper, etc.). Alluvial plains along Saigon and Đồng Nai rivers are favorable for growing rice, fruits and many other perennials.

Flows of migrants to Bình Dương and Bình Phước, especially in the 1980s, has helped to increase the working population. These migrants

Since the turn of the century, French colonialists have found that this province was suitable for the growth of many perennials. In 1912, they planted the first 100 hectares of rubber in Lộc Ninh. The amount of large-scale rubber plantations grew year after year employing a lot of workers who were recruited from all over the country. During this period, the province was still a remote area destroyed by malaria and other diseases. That is why this province was considered as an "earthly hell". According to statistics, 6% of workers in rubber plantations died in 1928. In 1929, 5.2% of workers died and 10% deserted. In 1937, 75% of workers fell sick and 50% of them with malaria.

Besides rubber plantations in Dầu Tiếng, Bình Long, Phước Long and Lộc Ninh, there were many ani-

DEVELOPMENT OF FARM ECONOMY IN BÌNH DƯƠNG AND BÌNH PHƯỚC

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brought with them new methods and experience of doing farming and different customs.

2. Formation of farms in Bình Dương and Bình Phước

In recent years, the agricultural production has been diversified and commercial farming has developed in many forms. One of these forms is the formation and development of farms.

Before 1975, many farms came into being in South Vietnam. Fifteen years after the Liberation Day when the economic reform was adopted by the Government, they started to make appearance again in many provinces. Sông Bé is one of the first provinces that witnessed the formation of farms. The development of these farms provided a precondition for changing the economic structure and carrying out the industrialization program of the province.

a. Before 1975

mal farms and fruit orchards built in the 1960s and 1970s in Dĩ An and Lái Thiêu (Bình Dương) and they kept on developing until the Liberation Day.

b. Twenty years after the Liberation Day

In 1976, three provinces Bình Long, Phước Long and Bình Dương were merged into Sông Bé province. As a big province, Sông Bé met with both advantages and difficulties. One of these difficulties was the task of producing enough food to meet the need of local residents. To carry out this task, the local government allowed people to exploit forest, and turn large areas of forest into rice fields. In this period, subsistence farming was predominant and most farmers had only small pieces of land while big plantations were under public ownership and turned into state-run farms. In these farms, however, the business performance was poor, their output was low and full attention wasn't

paid to interests of laborers, therefore most of state-run farms didn't develop well.

In the 10-year period after the Liberation Day, farmers found no attraction in working in collective farms. Smaller farmers tried to diversify their products by growing perennials besides rice and keeping animals, therefore they could make a better living in comparison with farmers who produced only rice. As a result, the provincial economy developed badly in this period. It failed to be self-sufficient in food, supply enough raw materials to agro-industries and produce goods for export. The annual growth rate of agricultural production was only

gating the Land Law, promoting export of agricultural products, and developing agro-industries in the private sector. These policies have played an important role in changing the face of rural areas, including Sông Bé province.

These policies also allowed the formation and development of farms. The local government also contributed to this development by carrying out many helpful programs to allocate farming and forest land to farmers, afforest bare land and hills, facilitate the formation of small rubber plantations, build settlements for ethnic groups, develop new economic zones and create new jobs for farmers.

per family). In Bình Dương, the average area of land for a family is lower (3.38 and 3.17 hectares respectively), however this average area of land per family is five to six times higher than the national average, and nine to ten times higher than the average found in the Hồng Delta.

After the Resolution 10 of the Politburo (1988), farmers in those two provinces started to accumulate land by buying from other farmers, reclaiming abandoned land or getting the tenancy of farming and forest land from the local government. The promulgation of the Land Law in 1993 made farmers readier to expand their business, and even to



4% on average in those years. During the third 5-year plan (1986-1990) the agricultural economy started to develop but its growth rate stayed around 5% a year. Farmers had to be self-sufficient in everything (capital, seeds, farming tools, etc.). There was no mechanization; officials responsible for agricultural production had poor knowledge; farmers weren't kept informed of technical developments and new farming methods, therefore their living standard hasn't been improved for a long time.

After the Resolution 6 of the VCP Central Committee of the 6th term and the Resolution 10 of the Politburo, new policies on agricultural production were adopted to encourage farmers with great potentialities to develop their business by allowing them to enjoy rights to use land at will and to decide on what crops to grow and where to sell their products, promul-

The formation of farms is not only a new stage of development in rural areas, but also a way by which farmers solve their problems, develop their production and adapt themselves to the market economy. The commercial farming allowed farmers to make the best use of their potentialities to improve the living standard and become rich. Large-scale farms also helped to supply more jobs to rural residents and reduce unemployment rate in rural areas.

Thus, the formation and development of farms has helped to solve social problems and change the face of rural areas.

3. Process of developing farms in Bình Dương and Bình Phước

As a province separated from Sông Bé, Bình Phước has a bigger area of land in comparison with Bình Dương: 6.65 hectares per family (or 2.64 hectares of farming land

rent land to build large-scale perennial farms. The amount of farms in those two provinces at present reaches 2,539 (some 2,000 of them are in Bình Phước). The total investment in farms is estimated at VNĐ150 billion.

In our opinion, a farm in Vietnam, and in Bình Dương and Bình Phước as well, is a business that produces agricultural products by employing farm-hands and has an area and income at least three times higher than the average found in the locality.

In Bình Dương and Bình Phước, most farms are in Bình Phước and some districts of Bình Dương (such as Bến Cát and Tân Uyên). Most of them are far from residential areas, towns and highways but they are still easily accessible. Farmers tend to build farm in districts with large areas of abandoned land and the size of farm depends on farmers' experience and their sources of finance

and labor. At present, an average farm has an area of 20-30 hectares, employs some five farm-hands and requires an investment of VNĐ70-100 million.

Farms with areas of over 30 hectares are usually situated in places that were formerly forest or bare hills. These farms usually meet with difficulty because of lack of infrastructure, therefore they require a lot of time, energy and money. However, there are also experienced farmers who could make the best use of their limited capital and succeed in developing their farms.

Our survey of seven districts of those two provinces shows that the common types of farm are as follows:

- Perennial farm: 80%
- Fruit growing farm: 3%
- Diversified crop and animal farm: 10%
- Crop and wood farm: 4%
- Farm with processing facilities: 3%

Most farmers prefer the perennial farm because the soil and climatic conditions in those provinces are suitable for many perennials such as cashew, coffee, rubber and black pepper. In addition, perennial farms don't require big investment at the beginning, farmers can grow annuals when waiting for perennials to bear fruit in three to five years after. Rubber and cashew farms are usually of large areas (up to hundreds of hectares) while most black pepper and coffee farms are smaller (5-10 hectares) because they require big investment at the beginning (from five to seven times higher than investment in rubber growing and 10-15 times higher than that in cashew growing).

Fruit farms have started to develop in the last three years. Although they represent only 3% of total farms but they are usually of large scale (up to one hundred hectares). Most of these farms also supply seedlings. This type of farm needs big investment but generates high return on capital (5-7 times higher than rubber and 10-12 times higher than cashew). At present, this type of farm is preferred to other types and they are even built on hills. This is a change in farmers' mind because they usually think that fruit trees can only be grown in alluvial plains. This experience allows local governments to make plans to develop agricultural production in these provinces.

Wood farms producing wood and other perennials have made their



appearance in Đồng Phú, Phước Long and Bù Đăng (Bình Phước). Size of these farms depends on farmers' ability to take part in the national afforestation program. Crop and wood farms developed mainly in Bình Phước while there are only a few of them in Bình Dương. Their size varies from 10 to 30 hectares. Farmers with small capital and poor technical knowledge prefer this type of farms because it requires small investment (but it is slow to produce profit).

Besides animal farms that were formed before 1975, most of the rest are diversified crop and animal farms. However, in the last three years, the importance of animal husbandry to the income of these farms tended to rise. Most of these farms keep poultry and pig on large scale while some others raise cattle if there is pasture nearby. In the last two years, some farms started to keep fish and soft-shell turtle.

Farms with processing facilities have also become more familiar. Many farmers, especially rubber-planters, have built processing factories of their own. However, these factories are of small scale. Most farmers put all their money in expanding the farming area. Some other farmers also supply services or engage in trading, they usually earn better income which can help them expand their farms.

Statistics and our survey of seven districts of Bình Dương and Bình Phước show that there are 2,539 farms; 1,780 of them have areas of 5-10 hectares, 533 of 10-20 hectares, 156 of 20-30 hectares and 70 have more than 30 hectares of farming land. There are some 2,000

farms in Bình Phước and 539 in Bình Dương. Districts with the biggest amount of farms are Bình Long, Đồng Phú, Phước Long (Bình Phước), Bến Cát and Tân Uyên (Bình Dương). Their main products are cashew and rubber. Of rubber farms, 720 ones have area of at least 5 hectares. Of cashew farms, 1,200 ones are of the same size, while there are only 36 fruit farms of the same size. The average size of a farm varies from district to district:

+ In Bình Phước, the average size of a farm is about 30 hectares in Lộc Ninh district, 35.6 hectares in Bình Long, 7.5 hectares in Đồng Phú, 14 hectares in Bù Đăng and 10.5 hectares in Phước Long.

+ In Bình Dương, the average size is 10 hectares in Bến Cát and 18.2 hectares in Tân Uyên.

About 40% of farms do both crop and animal farming to improve their income and make the best use of existing potentials. A rough estimate shows that there are 93 farms that keep over 30 head of cattle or more than 100 head of pig. Poultry farming has also developed in recent years. Hundreds of farmers could keep thousand head of poultry but they are usually subcontractors for foreign companies. Because subcontracted work isn't available all year round, these farmers have no chance to specialize in animal husbandry.

Most of farms in Bình Dương and Bình Phước have been built on regions that were formerly non-arable, abandoned or poorly cultivated land. The area of 80% of existing farms is under the size limit (30 hectares per farm) set by the Decree 64/CP issued on Sep. 27, 1993. Only 20% of farms in Bình Dương and Bình Phước have an area of over 30 hectares, some of them have 500 hectares or even 1,500 hectares.

Most farmers in Bình Dương and Bình Phước tend to diversify their products and try to gain high return on capital by investing in the most saleable crops or animals and employing members of the family instead of farm-hands, thereby developing their farms gradually. Their most important aim in the first stage of development is to expand the area of farming land, therefore they usually plant annuals (such as papaya and pumpkin) between rows of perennials (cashew or rubber). Income from annual crops can help them accumulate capital needed for further developments.