

Rice Production in the Hậu Giang Province

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Hậu Giang is on the west bank of the Hậu River and adjacent to Cần Thơ, Sóc Trăng, Kiên Giang and Bạc Liêu Provinces. Many roads and waterways connect it with these provinces. Its natural area is 160,772 hectares and 85.64% of it (or 137,684 hectares) is farming land; 121 hectares are used for sea farming and 8,865 hectares (or 5.5%) are left unused. Of the farming land area, 63.84% is used for growing rice. The farming land in Hậu Giang is very good for cultivation because of fluvial deposits from annual floods. These conditions make rice growing a major business in this province.

1. Situation

a. Rice area

The rice area tended to decrease in recent years when agricultural authority tried to change the structure of crops by replacing rice with more valuable crops.

b. Productivity

Table 2: Average rice yield by crop in 2000 – 2004 (ton/hectare)

Crop	2000	2001	2002	2003	2004
Winter-Spring	5.417	5.179	5.829	5.495	5.498
Summer- Autumn	3.747	3.690	3.987	3.772	3.805
Autumn- Winter	3.216	3.329	3.441	3.639	3.645
Total	4.344	4.198	4.533	4.363	4.316

Source: Socioeconomic data of Hậu Giang and Cần Thơ City 2000 – 2004

Hậu Giang, and eight of them reach standards for export: OM 1490, IR 64, OM 2717, OM 2718, OMCS 2000 JASMINE 85 and VND 95-20. Their average yield varies between 5 and 9 tons per hectare, but not all peasants used them with the result that the average rice yield in Hậu Giang was only 4.3 tons, compared with 5.1 tons in Cần Thơ, because most peasants use rice strain from their last crop as seed instead of buying new strains.

d. Farming techniques

New techniques have been introduced and applied to a certain extent but the application is not widespread enough be-

cause of lack of drying machine, the rest is left to dry in the sun.

Regarding rice storage at family level, most peasants paid no attention to this matter and tended to sell their output after har-

vesting and put in some dry place in their house.

f. Rice processing

The total capacity of rice mills in the province is some 1,642,500 tons a year, which is high enough

Table 3: Farming machines in Hậu Giang by district

District	Drying machine	Cutting machine	Threshing machine
Châu Thành A	83	2	225
Long Mỹ	297	8	312
Phụng Hiệp	81	0	286
Vị Thủy	270	3	338
Vị Thanh	86	0	290
Town Châu Thành	22	2	267
Total	839	15	1,718

Table 1: Rice area in 2000- 2004 (hectare)

Crop	2000	2001	2002	2003	2004
Winter-Spring	85,135	86,954	86,204	82,918	81,224
Summer- Autumn	80,446	81,379	79,211	78,917	77,852
Autumn- Winter	38,301	50,736	62,685	65,254	64,287
Total	203,882	219,069	228,100	227,189	223,363

Source: Socioeconomic data of Hậu Giang and Cần Thơ City 2000 – 2004

The rice yield increased slowly and unsteadily and it even decreased in the past few years, because the agricultural authority didn't enough fund for technique transfer while peasants lacked money and knowledge to apply new technical advances.

c. Rice strain

At present, there are 15 rice strains in use in

cause many peasants couldn't break their old habits and relied too much on their experience, and above all, their knowledge and education level is very limited.

e. Post-harvest facilities

Farm machinery is not in wide use in Hậu Giang. Only a small part of the rice output is treated by

vest instead of waiting for the price to rise. According to the Hậu Giang Service of Agriculture and Rural Development, some 50% of peasants sell rice right after the harvest, which accounted for some 40% of the rice output of the province. They only store some rice as food (14% - 16%) and seeds for the next crop (2% - 4%). Their way of storage is to put rice in

to meet local demand. There are 410 mills in this business along with 12 private concerns. These mills are found in all communes because they serve both peasants (who want to husk their rice) and traders (who purchase white rice and resell to exporters).

Machines in these mills are made in Vietnam, and most of them are obsolete and of low capacity.

The system of warehouse for rice storage is still lacking. The storage and processing capacity of processing facilities in the province varies from 500 to 1,000 tons. And as a result, they have to sell rice, after processing, to major

rice trading companies and rice exporters. This situation comes from their lack of fund for building warehouses.

g. Capital

According to reports by Hậu Giang agricultural authority in 2004, investments in rice production were as follows:

- Irrigation system: VND6 billion.

- Price support for new rice strains: VND120 million.

- Some 480 technical training courses given to 15,190 peasants: VND600 million.

The peasants' demand for capital is very high. Official reports said that 80% of peasants were badly in need of capital. To produce rice, they have to buy farm materials (fertilizers, insecticide, etc.) on credit from local traders and repay debts plus interest after harvest. Because this interest rate is usually higher than the bank one, their income reduces remarkably.

h. Distribution

The better part of rice held by peasants is sold to private traders right after harvest. Private traders play an important role in the distribution of rice. They buy rice from peasants and sell to rice trading and exporting companies. Local consumers buy



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rice from the retail and wholesale network while other part of output is exported.

2. Problems to solve

The analyses show that the rice production in Hậu Giang faces many limitations. To develop this business in the coming years, the following problems must be solved.

- Developing and introducing new rice strains that are suitable to local conditions: the agricultural authority should zone large areas for growing these strains with a view to supplying rice of high quality and consistency in

large quantities to trading and exporting companies.

- Beefing up the technology transfer: agricultural extension offices at district level should carry out regular training courses. In districts specialized in high-quality rice growing, technology transfer groups could be established in order to give more technical assistance to peasants.

- Encouraging large-scale rice processing concerns: incentives of various kinds could be used for attracting both foreign and domestic investment in the rice processing business with a view to modernizing the rice production and adding more value to exported rice.

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- Upgrading post-harvest techniques: investment in this field could help improve the product quality, reduce waste and losses, and ensure better prices for local rice on the world market.

- Improving infrastructure in rural areas: the government should invest more in road networks, schools, electric grid, water supply and health care station in rural areas. Better infrastructure will help develop education service and ensure more opportunities to get access to information and technical advances.

- More capital for peasants: state-owned banks should adopt flexible policies to supply more loans to peasants; the public investment must be employed more reasonably and correctly; rice exporters and traders could be given incentives to invest in rice production, etc.

- Developing commercial farming: local authorities could encourage rice trading companies to sign contract with peasants. In addition, market information must be available for all peasants and local authorities must help them to get access to formal source of assistance.■

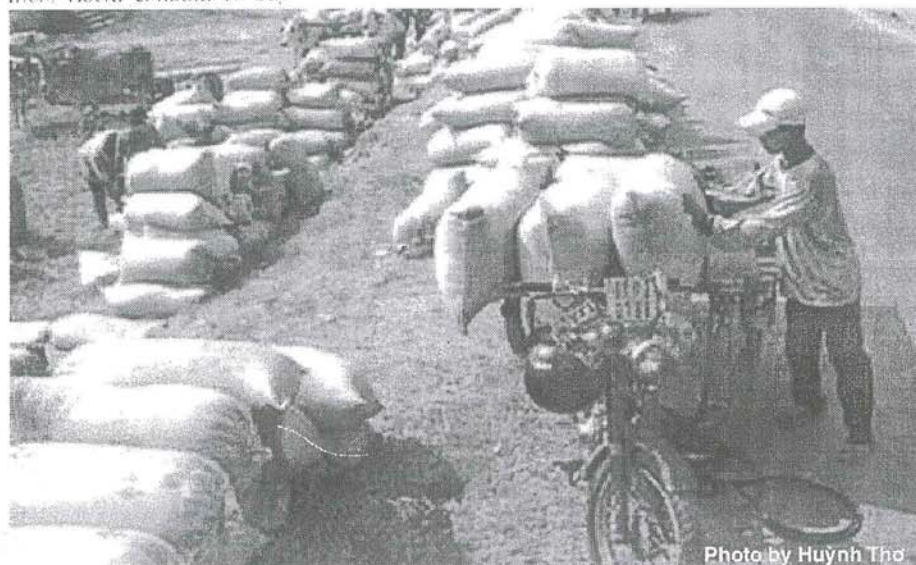


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