

Dồng Tháp Mười (DTM) is a vast plain and sunken land, bordering on Cambodia to the North, Tiền River to the South-west and Vàm Cỏ River to the East and National Route 1A. Its natural area is 696,949 ha, accounting for 17.72% of the Mekong River acreage. This area covers some towns and districts belonging to Long An, Đồng Tháp and Tiền Giang Provinces.

Until 1982, the whole Đồng Tháp Mười region had set up 27 state-owned farms. Since then, land reclaimers have step by step settled their living and established new villages. Until the 2002 winter-spring crop, the region's total food output had attained 3.2 tonnes.

in irrigation services but faces a bad debt of VND168 million in farm materials trading, so it has to stop this business to recover the debt. Bình Hoà Bắc AC reduces 173 members and loses VND36 million; and Thăng Long AC is not able to operate due to lack of equity capital.

2. ACs development in Đồng Tháp Province:

Since the promulgation of the Co-operative Law until 2000, the Đồng Tháp's ACs had shifted to new-style ACs. These ACs have used public works including water pumping stations and canals...

By early 2002, the Đồng Tháp Province was home to 73 ACs (61

Out of 49 ACs in this area, there are 9 newly founded ACs in Tân Hồng District in late 2001 unable to estimate their performance and 3 poor ACs (or 7.5%), and the rest attains medium or good results.

The district having the highest number of ACs is Tân Hồng (17 ACs). This rapid formation is just because the Đồng Tháp Food Company only signs contracts of product liquidation with AC members, not with individuals and families. The district having the least ACs is Hồng Ngự (1 AC). Cao Lãnh and Tháp Mười Districts have 3 ACs each.

In this area, some ACs possessed a great amount of working capital, for example, Phú Thọ AC (An Long, Tam Nông) owning VND1,097 billion, and Gáo Gông AC (Cao Lãnh District) VND1 billion. However, there are still ACs with small funds like Việt Hồng AC (Tân Hồng) with VND11 million.

With respect to activities, besides 9 newly-founded ACs in Tân Hồng District, there are 33/40 ACs providing irrigation services (accounting for 82.5%). It is noteworthy that profitable ACs develop from farmers' groups in the subsidy period or farmers' production needs. Some ACs contribute to electrification of rural ar-

DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN ĐỒNG THÁP MƯỜI FACTS AND SOLUTIONS

by Bùi Văn Sớm

I. DEVELOPMENT OF AGRICULTURAL COOPERATIVES (ACs) IN ĐỒNG THÁP MƯỜI AFTER PROMULGATION OF THE COOPERATIVE LAW

1. In Long An:

After promulgation of the Co-operative Law, Long An has changed old-style ACs into new-style ones. To date, the province has 12 ACs, including 5 in the DTM region. All ACs in Long An DTM region mainly provide farm materials. In addition, 2 ACs (Hoà Thạnh and Hậu Thạnh Đông) carry out services of irrigation and 2 ACs buy rice for the Long An Food Company (Bình Hoà Bắc and Hậu Thạnh Đông).

Like other ACs in Long An, ACs in the province's DTM remain small, their fixed assets poor, working capital low and they find it hard to take loans. Their activities depend mainly on state-owned enterprises (The Long An Food Company) or enterprises producing fertilizer and insecticide by materials purchase and deferred payment.

With respect to performance, there are only 2/5 ACs making profits (Thành Công and Hậu Thạnh Đông ACs). Hoà Thạnh AC succeeds



newly-founded and transformed 12 ACs). The province's DTM alone has 49 ACs (accounting for 67.2%).

The Đồng Tháp Mười area within Đồng Tháp Province is a remote and major rice producing area of the province. As a result, ACs have developed vitally and met requirements for ecological environment and farmers' production.

eas and many electrical irrigation stations have been established. Nevertheless, no AC engages in aqua-product processing; the number of ACs buying farm produce from members is small and the purchase value remains low.

3. AC development in Tiền Giang Province's DTM area

Until early 2002, this area had 5 ACs, including 4 in Tân Phước District and 1 in Cái Bè District (the location belonging the ĐTM region). All of them were established from 1997 to 2000.

With respect to scale, the AC with the highest prescribed capital is Hậu Mỹ Trinh (VND103.5 million) while Quyết Thắng AC attracts less capital (2.5 million) and Phước Thành AC has no prescribed capital. The number of members in the Hậu Mỹ Trinh AC tops the list (75) and the Nhơn Phát AC falls to the bottom (10). As such, the average prescribed capital of an AC registers VND43.72 million and the average number of members 57 persons.

Regarding operations, there are 2 ACs undertaking irrigation services, 1 AC providing clean water, 1 AC selling farm materials and 1 AC selling materials and pumping water. These ACs are set up in accordance with the principle of voluntariness to meet urgent needs of farmers.

In general, these ACs are still small and their operations face many challenges like Hậu Mỹ Trinh (incurring losses), Mỹ Thành and Nhơn Phát (not recovering debts).

II. MAJOR SOLUTIONS TO AC DEVELOPMENT

The survey on Đồng Tháp Mười ACs reveals:

- The Đồng Tháp Mười region is a major rice granary of three provinces of Long An, Đồng Tháp and Tiền Giang but the existing ACs is not compatible with the region capacity of over 3.2 million tonnes of paddy rice. The whole region has only 59 ACs against total 121 ACs of the three provinces. In particular, the ĐTM area of Long An Province has only 5 ACs out of 12 ACs of the whole province, the Tiền Giang's ĐTM area has 5/36 ACs.

- The whole region has 6 ACs with a working capital of VND1 billion and up each (accounting 10.16%), the rest possesses least capital, from 10 to 20 million. As a result, they cannot find the way to development. In particular, some ACs cannot mobilize capital as regulated. The region's ACs, on the whole, still lack working capital.

- Most ACs in the region supply only irrigation services or farm materials. Although their efficiency is not high, some ACs has helped settle production inputs and outputs for farmers such as: pumping water for sowing on time, supplying fertilizer and insecticide, and draining water for harvest in the flood season.

- The ACs' facilities remain poor (including ACs with high working capital). They must use houses for offices without charge. There are only a telephone and a few desks and chairs in their offices; even ACs has no office, filing cabinet, telephone, desks and chairs...

- The staff's management skill is still poor. Their ability are enriched only in short-term courses and not basically trained.

Based on the above evidence, the development of ACs in ĐTM region requires attention to the following problems:

- First, to widely disseminate and explain the model of new-style ACs to the people and cadres at all levels, the Cooperative Law, Government's decrees and new viewpoints in the Resolution 5 of the Party's Central

deny family business and farm economy, but in contrast making good conditions for the development of family business and farm economy.

- Second, to give training courses to AC staff. AC cadres must have knowledge about the market economy. The district and village authorities should grant budget to the training of AC cadres.

- Third, the People's Committees are required to soon implement the policies laid out in the Party Resolution 5 for AC development. The People's Committee of Long An, Đồng Tháp and Tiền Giang Provinces must decide and soon instruct the People's Committees of districts in the ĐTM region to carry out the following policies:

- To allocate land to ACs for building offices and warehouses.



Committee, Term IX on development of collective economy. The following points should be clarified:

- The trend of AC establishment and development is inevitable. When production of goods increases faster, competition will become fiercer. Therefore, small producers and family businesses urgently need cooperation to create favorable conditions for their businesses.

- AC is also an organism to receive the state assistance and enter joint venture with enterprises with the aim to solve pressing requirements in production and life.

- The model of new-style AC does not gather all capital goods as old-styled one. It operates on the basis of voluntary contribution of capital, capital goods, labor...when farmers feel that it is beneficial. ACs do not

- To soon help ACs take loans or set up the AC assistance fund, the fund for AC loan guarantee.

- To invest in upgrading rural infrastructure including roads, irrigation, medium-voltage electricity...

- To instruct relevant agencies to carry on tax reduction and exemption for farmers as regulated by the Party's Resolution 5

- Fourth, to make cooperation and form joint venture between businesses with ACs in the ĐTM region with a view to increasing ACs' capital, innovating technology and finding outlets for farmers' products.

- Fifth, the National Assembly and the Government should soon legalize the Party's Resolution 5 for agricultural and rural development on the whole and ACs in the ĐTM region in particular. ■