

I'm of the opinion that the farm economy doesn't belong to any specific sector and it is developed by all economic sectors.

In each mode of production, the farm economy has changed in order to become appropriate to the current mode of production and the political system.

Under the French rule, the farm economy in Vietnam was developed by French colonialists, local landlords and mandarins. Under the Saigon government, the capitalism started to develop and agricultural production was linked to industrial production and local market. To supply food to the war machinery including millions of Vietnamese soldiers and expeditionary forces from America and its allied countries, a series of small farms with modern techniques and management were

of farms in HCMC:

- State farms.
- Collective farms.
- Private farms run by farmers.
- Private farms run by businesspersons.
- Private farms run by civil servants.

I want to discuss here the last three kinds of farms.

A rough estimate reveals that there are 332 farms of these kinds in HCMC now. Their areas vary from 1 to 30 hectares and farms of small size (from 1 to 5 hectares) represent a large proportion. There is only one farm of large size (200 hectares) run by a businessperson who has rented land from a state farm for a 30-year term and developed it into a commercial farm.

Most private farms run by farmers are of small size (from 1 to

by improving labor productivity and product quality. This is the first stage of the transition from subsistence farming to commercial farming. This is also an encouraging advance of productive forces and labor division in agricultural production. This advance is appropriate to the industrialization, modernization and urbanization processes, and to the policy to develop a green belt around HCMC. So private farmer farms deserve encouragement, preferential treatment and suitable policies from the Government to multiply their achievements.

The development of private farmer farms is partly due to the policy to allocate land and forest to farmers according to Directive 29 issued by the VCP Central Secretariat on Nov. 12, 1993. The HCMC government has allocated

## ON DEVELOPMENT OF FARM ECONOMY IN HCMC

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developed in the South, especially in Saigon environs. Hundreds of fish, pig, poultry farms and fruit orchards have made their appearance during this period.

After the Liberation Day, badly-devised policies on the agricultural production allowed only the public and collective sectors to develop, private farming was discouraged and the farm economy run by private persons lost the basis for its existence.

After the Resolution 10 made by the Politburo in 1988 and the Land Law of 1993, the farmer household was considered as an independent economic unit and was provided with rights to use, inherit, transfer, lease and mortgage the land he or she is allocated. These rights and the market mechanism created new conditions for the appearance of new farms. They are commercial farms run by well-to-do farmers, businesspersons (capitalists) and some civil servants. The appearance and development of farms in the market economy under the VCP rule is a problem that should be studied carefully based on realities of their development with a view to defining their role and orientation in the coming years. At present, there are many kinds

3 hectares). This size is suitable to ability of all ordinary farmer households. These farms specialize in a certain crop or animal husbandry product. Some of them are commercial farms that provide various agricultural products, even processed ones. The labor force includes mainly family members and some seasonal or full-time farm-hands. This force is kept suitable to current workload and their plans to expand production

land and forest to 167 farmers. The average area allocated is 100 hectares (the biggest is 250 hectares and the smallest 40). The allocation of tidal forest land in Cần Giỏi district has been a new development in relation of production in forestry field producing good effects on the task of restoring and protecting the forest ecology advocated by the VCP and Government. Contracts for allocation of land in a term







of 30 years (or more) have put farmers under obligations to afforest, protect and look after the piece of forest land allocated to them and allowed them to get bank loans to realize their production plans in the allocated land. This measure has helped to create new jobs, improve farmers' income and living standard and encourage commercial farming. Many experienced farmers have become owners of farms on land allocated by local governments. This new and useful achievement needs to be studied and popularized with a view to realizing the target of afforesting five million hectares set by the Government in the coming years.

As for private farms run by businesspersons, with the economic reform policy to develop the mixed economy in rural areas, many farms of this kind have made their appearance in HCMC environs. Most of them are commercial farms that supply to the market a wide range of agricultural products: milk, beef, pig, chicken, pigeon, pet fish, crocodile, boa, snake, turtle, shrimp and many plant and animal strains. These farms are of different sizes: from small (0.5 hectare) to large (around 200 hectares). Many of them are situated in abandoned areas where the land is sterile with no irrigation system and the infrastructure is poor, therefore they require well-devised development plans, determination and big investment. So the Government had better adopt appropriate policies to encourage the development of these farms (low land rental, preferential tax rates, etc.) in order to orient more private investment towards



to oppose the building of such farms and consider these officers as corrupt.

Generally, the farm economy in HCMC has developed rather fast in terms of size, goods produced and ownership. These farms, both publicly- or privately- run ones, have helped to make the best use of existing resources (land, labor, experience, idle capital, etc.) and develop the agricultural production and rural areas. The farm economy has also helped to change the structure of industry in rural areas, create more jobs, develop the commercial farming, accelerate the urbanization process and industrialize the agriculture. The resolution made by the 6<sup>th</sup> conference of the VCP Central Committee of the 8<sup>th</sup> term stated: "Conclusions about the farm economy in different provinces should



agricultural production and infrastructure development in rural areas in an effort to defeat poverty and improve farmers' living standard.

There are also private farms run by civil servants in HCMC, but most of them are of small size and produce only small quantity of goods and they are developed for owners' after-retirement life. Some of them also produce milk, flowers and pig. In our opinion, the Government could allocate more land to those retired civil servants who have ability and want to build their own farms. In addition, the Government had better prevent executive officers, especially high-ranking ones, from buying land from poor farmers or renting land from local governments to build farms because the public opinion tends

be drawn as soon as possible in order to develop the economic efficiency of these farms.", and at the 4<sup>th</sup> session of the National Assembly, PM Phan Văn Khải also said: "We should encourage the development of all kinds of farms and at the same time, make amendments to the Land Law. The size and ability to supply agricultural products in large quantities of farms require new cooperation between farms and private farmers, between farms and manufacturing, trading and service companies. The Government should keep up with this trend in order to direct their development." The HCMC government is trying to develop the farm economy in this direction.