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AGRICULTURAL SECTOR DEVELOPMENT FOR THE EARLY 6 MONTHS AND THE PLAN FOR THE LAST 6 MONTHS OF THE YEAR 2011

As reported by the Planning Department at the preliminary review meeting on agricultural sector achievements over early six months of the year held on 28.6.2011, agro-forest and marine production was estimated to attain 107,065 billion, increasing by 3.74% over the same period last year. In which agriculture reached 77,793.5 billion (increasing by 3.25%), forestry reached 3580.4 billion (increasing by 5.29%) and marine products reached 25,691 billion (increasing by 5.05%) over early 6 months.

Over early six months in 2011, despite so many harder difficulties as harsh weather conditions, dramatic economic fluctuation, the government's inflation control measures, the agricultural sector has achieved significant attainments, especially including dramatic export increase and trade surplus of US\$4.3 billion. The agriculture sector is expected to contribute to greater overall national economic growth, inflation control and social security.

Despite remarkable achievements, Minister Cao Duc Phat stressed that



the growth of agriculture was not high (1.9% against the target of 2.6% for the entire year). The sector is facing up many burning issues. The Minister pointed out that the most current pressing problems include animal diseases, illegal logging, poor food quality as well as fake fertilizers and pesticide.

Under the production plan over the last 6 months, as guided by the Minister Cao Duc Phat, the plan is

required to be highly concentrated on food production and a staple crop production of 8.5 million ha, including 7.37 million ha of rice cultivation, striving for a total annual rice production of 41 million tons, exceeding 1 million tons against 2010. Livestock industry to quickly recover the number of cattle is reduced to bring total annual production of meat increased from 7.5 to 8% over 2010. The husbandry is required to recover the number of

cattle in order to increase the meet production by 7.5 – 8% against in 2010. The forest sector is expected to continue guiding and instructing provinces to fulfill their tasks of forest protection and development and attain the target of afforesting 200 – 250 thousand hectares of forest.

It is required to further stimulate trade promotion and tackle with technical barriers against the trade of agro-forest and marine products with aims to increase the annual export turnover to US\$23.5 – 24 billion in 2011

MARD shall focus on dealing with urgent issues to ensure sustainable development, especially food safety. MARD-attached agencies are required to develop and take measures in improving the quality control of agricultural material inputs and food



safety of agro-forest and marine products by means of improving and finalizing the regulation and norm system. In the coming year, the agricultural sector is shifting its focus on quality and efficiency and stimulating higher increase in value added .

MARD shall take initiative in adaptation to climate change and response to the world’s “new vision in agriculture” with the target of a percentage of 20% increase in agricultural production, 20% decrease in poverty and 20% CO2 emission reduction in each future decade. (ISG)

RICE DEVELOPMENT STRATEGY FOOD SECURITY AND FARMER BENEFITS

“Rice is definitely seen as a backbone of the national food security. Vietnam’s rice production sector is required to have great changes to create new developments for the period 2011 - 2010 and vision 2030...”, emphasized Mr. Bui Ba Bong, Vice Minister of MARD at the workshop “Rice, farmers and rural development in Vietnam: from successful growth to sustainable prosperity” held on 13rd June 2011 in Can Tho.



Over the last 20 years, the rice production sector has very impressive achievements. As forecasted by MARD, rice export is estimated to be 7.1 - 7.4 million tons. However, according to Ms. Victoria Kwakwa – World Bank Director in Vietnam,

Vietnam’s success in rice export is the dream of many countries, however, before the new period, rice production and export have changed. In which, formulating incentive policy on rice production and improving value chain etc...are immediate tasks to be fulfilled. In fact, although Vietnam’s rice export volume is

remarkably high, the revenue is relatively low due to poor quality and absence of brand name and geographical index of products and absence of small supply for market segments as well as absence of business joint-ventures and linkages since provinces are taking separate and independent actions in production and export.

As emphasized by the Vice Minister Bui Ba Bong, Vietnam is required to develop new strategies for rice development for the next coming 10-20 years and beyond. It is also required to develop a large-scale rice production pilot area based on the VietGAP standards as well as further develop high quality and large-scale paddy fields with aims to

improve export and improve the value chain of rice product. It is planned to increase from 20,000 to 40,000ha of total area of the large-scale rice production pilot site in 2012 and 50,000-80,000 in 2013.

At the conference, participants show many different opinions of such following issues as food



security, paddy land area reduction, climate change and sea level rising, upstream Mekong dams, rice trade efficiency, agriculture and rural development, and farmers' income from rice production...

According to Dr. Vo Tong Xuan, with aims to support farmers to become rich, it is required to issue "The 2nd Renovation Policy on Agriculture". Provided that the State and the Party are supposed to change policy on agriculture, farmers are enabled to enjoy benefits.

Based upon the analyses undertaken, the Research Consortium offers the following recommendations:

■ Recommendation #1: Adopt a more flexible approach to land use planning

- Distinguish 'core/specialized' from 'non-specialized' rice growing areas based upon agro-ecological suitability, productivity, likely CC impact, and viability of specialized production. Apply spatial zoning and land use planning.

- Lessen rigid land use designations. Maintain conversion limits only in the 'core' areas -where specialized production may remain economically viable, while facilitating conversions elsewhere. Adjust downward the protected 'rice land' area (perhaps to 3.3 million hectares). Monitor trends and make adjustments over time.

- Re-examine farm size limits and the duration of land use rights to encourage investment and the realization of (limited) economies of scale

- Rely more on incentives and support, rather than restrictions to encourage farmers to continue to grow and invest in rice.

- Support development of mixed farming and suitable crop (and crop/fish) rotations in the locations which are less ideal for rice production

■ Recommendation #2: Implement differentiated support strategies at regional and provincial levels and among varied households

- In the 'core rice areas' implement a Rice Competitiveness and Sustainability Program, involving the '4 houses'. Promote GAP among specialized rice producers, improved seed systems, mechanization, strengthened producer groups, PPPs and farmer-agribusiness partnerships. Concentrate efforts to improve quality management, logistics and other value chain upgrades in these zones

- In most non-core rice areas, emphasize diversified rural economic development (i.e. New Rural Areas), with emphasis on infrastructure upgrading, skills development, diversified production systems, and labor mobility. The specific mix/focus would vary and be determined at district and local levels. Rice

production would be supported as part of integrated farming systems.

- In the 'core rice areas' there will be some HHs with smaller landholdings for which support should be given for diversified livelihoods; in the non-core areas, there will be some HHs for which specialized rice production will be viable.

■ Recommendation #3: Intensify a multi-sectoral strategy to address household food insecurity and substantially reduce child malnutrition

- Will require close collaboration between MARD, MOH, MOLISA, MPI, MOE, local governments, the private sector, and civil society organizations

- Need to refine understanding of vulnerable households and groups, and contributing factors

- Need to enhance and supplement traditional household and community food security strategies

- Scope to modify scope/nature of safety net programs and other measures to mitigate the impact of food price spikes or volatility

- For child malnutrition, emphasis may be needed on maternal health, breastfeeding practices, dietary balance, disease control, and safe water supply. Rice fortification may have a role in improving the nutrition of older children.

■ Recommendation #4: Completely separate commercial and 'social' rice export strategies and systems

- Adopt a Vietnam Global Food Security Initiative committing to supply a stated proportion of annual production (10%?) to supply public distribution/safety net programs abroad. These would be governed

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by MOUs and G2G transactions with oversight provided by the Ministry of Trade and Commerce

- All other exports would be on a fully commercial basis with a 'level playing field' between SOEs and the private sector. Exports would not be restricted by a quota but instead be subject to a variable export tax. Revenues from the VET could be channeled back to support the Rice Competitiveness and Sustainability Initiative
- Set a goal to reduce the share of SOEs in the commercial export trade by a specific amount in order to stimulate private sector investment in a modernized value chain. Consider dividing certain companies into two:

(i) a purely commercial company and (ii) an entity serving social objectives, with distinct financing and reporting.

■ Recommendation #5: Government to re-direct its focus from commercial functions to focus primarily on social objectives, 'public goods', and risk mgmt

- Strengthen food security information systems, esp. for crop forecasting, weather early warning, pest surveillance and reporting, domestic market monitoring, and rice stock inventory monitoring
- Draw upon international best practices to design and implement a transparent and 'rules based' system

to mitigate extreme and weather and food price volatility-involving public procurement, inventory management, and targeted safety nets

- Intensify efforts to manage and reduce the environmental imprint of intensive rice production, especially in the delta regions. Have Vietnam become a global leader in reducing GHG emissions related to rice. Promote widespread application of '5 reductions; 1 must' based upon applications of S&T.
- Further study the possible impacts of medium-term factors (i.e. upstream hydropower investments), develop response strategies, and work with stakeholders to implement these.

2nd AGRICULTURE RENOVATION PROCESS



The National Target Program on New Rural Development (NTP-NRD) is likened to the 2nd renovation process of the agriculture sector in order to heighten the agriculture sector to higher position.

In 2011, the total investment allocated to agriculture, rural areas and farmers has reached VND101 trillion, equivalent to 51.5% of the total capital investment in the country development, attaining an increase of 7.1% over the year 2010.

This figure was announced by the Deputy Minister of the Planning and Investment Mr. Cao Viet Sinh at the review meeting to evaluate the 1-year implementation of the NTP-NRD held 14th June, 2011 in Hanoi and chaired by the Deputy Prime Minister Nguyen Sinh Hung, Chairman of the Steering Committee of the Programme.

As stated by the Minister of MARD, 100% provinces, 516 out of 609 districts and 8.404 out of 9.121 communes established their Steering Committee of the national target program for new rural development as of late February, 2011. All 63 provinces, cities completed a preliminary evaluation of current new rural conditions based on 19 criteria, serving as a basis for next steps. 47 provinces out of 63 (6,500 communes) sent their baseline study findings to the Coordination Office for data

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incorporation. Approximately 55% of communes are designing their new rural development project proposals, in which 700 communes (equivalent to 7.6%) are being finalized.

Provinces conducted a vocational training needs assessment with aims to develop training programs for farmers. More than 9,000 training courses both in agriculture and non-agriculture with the participation of nearly 300 thousand trainees were organized over the whole country. Infrastructure construction infrastructure has created good models.

As emphasized by the Minister Cao Duc Phat on key tasks in 2011, training and communication will be focused. Planning is required one step ahead under the motto “No planning, no infrastructure investment”. The targets of 100% communes which are enabled to finalize their master plan and 30% villages which are enabled to complete their detail planning. And approximately 3,000 management staff at all levels are to be provided with training and refresher training courses.

Having judged the national target program for new rural development, the Deputy Prime Minister Nguyen Sinh Hung considered it as a comprehensive program including a series of fields and targets. The program has created profound

changes in agriculture and rural development. The Deputy Prime Minister confirmed that out of the 19 targets, the leading prioritized targets which are to be fulfilled are those related to education, health care, national security and order. In which, the target of education shall be a top priority since this is a key issue affecting other targets.

According to the Deputy Prime Minister, ministries, sectors and provinces are requested to be flexible and simple to implement the program conditional on provincial characteristics and local situations, enabling local people to implement, act as actors and get benefits.

As requested by the Deputy Prime Minister, ministries and agencies shall report the new rural development program in the way that the program is highlighted to be developed into a national movement, a political task of the Party and the people and for the

sake of rural population and especially poor farmers.

This is a long-term, sustainable and practical program. It is required to early develop a project for individual commune and complete the planning. It is required to well implement the propagation and replicate best practices which can be incorporated into sets of standards to be disseminated to communes and districts over the whole country. In addition, ministries and sectors are requested to improve criteria and recommend the Government on criteria amendments to provide instruction and adapt to current situation. Simultaneously, it is required to focus on criteria guiding the criteria relating to their ministries and sectors. Job assignment is needed to supervise the implementation at the local level in order to avoid the local level not being embarrassed.

It is supposed to clarify key works for further instruction and identify targets and priorities such as centralized production, people’s awareness improved, shelter demolition, health care and security. Furthermore, measures in mobilizing resources, taking advantages of local strengths and applying simple procedures for budget settlement are to be taken to create the most favorable conditions to implement the program.

(NTT)



ANIMAL DISEASE CONTROL AND FOOD SAFETY FROM FARMS TO FORK



Not only the health care sector takes responsibility for Avian influenza and emerging infectious disease control but also the synergies of all relevant sectors and levels are needed. Especially, people's awareness is required to be improved to control animal diseases.

Consultation Workshop on the Vietnam Integrated Operation Program on Avian Influenza, Pandemic Preparedness and Emerging Infectious Diseases (AIPED) was held on 21st, June 2011 in Hanoi to facilitate the implementation of the Program on Avian Influenza, Pandemic Preparedness and Emerging Infectious Diseases for the period from 2011-2015 which extends the Vietnam's National Integrated Operational Programme for Avian and Human Influenza also known as the Green Book proactively and efficiently endorsed by the Government of Vietnam and international partners over 5 recent years.

As reported by USAID, approximately 75% of emerging, outbreaking or recurring diseases which have negative impacts on human in the early 21st century are

all derived from animals. Under the context of climate change affecting ecological environment and more severe climate conditions, higher risk of new pathogen has threatened to human health, which is very concerned by the international community. Southeast Asia including Vietnam is considered a "hot spot" in the risk of outbreaks of emerging diseases.

Currently, a list of 28 infectious diseases which transmit from animals to humans is required to be supervised in Vietna. This is indeed a serious problem posed to the livestock industry in order to get high quality products meeting food safety requirements. The big challenge is the under-qualified process to manage livestock, animal quarantine, slaughters and meat consumption, which causes high risks of infection

Food safety law enforcement, infectious livestock disease control and food safety are also very important issues as well as challenges in management and control mechanism, job assignment... and in regulations, quality and safety standards from farm to fork.

The draft program on the Program on Avian Influenza, Pandemic Preparedness and Emerging Infectious Diseases (APEID) proposed a total cost of VND8.058 (approximately US\$383,7 million) for the veterinary and livestock disease control for the period 2011 – 2015, including US\$198 million for the activities and projects that PAHI is coordinating.

ODA which needs endorsement by governments and international organizations for veterinary and livestock disease control is expected to reach US\$203.3 million in the 5 coming years. The United States is



currently a leading bilateral donor in this field for the period 2011-2015. The United State Agency for International Development (USAID) is supporting activities against bird flu and pandemic threats in Vietnam through United Nations technical agencies, international non-government organizations and private contractors; The United State Center CDC is implementing the joint-programs for bird flu analysis and regular monitoring of diseases transmitting from animals to humans. Second to the United States, many other donors are also closely working with Vietnam's veterinary services. The credits from the Assistance Fund for International Development, sponsorship from the World Bank (WB) and grants from the Fund AHI for the VAHIP project are conducted from 2011-2014.

(ISG)

INTERNATIONAL COOPERATION AND INTEGRATION OVER FIRST 6 MONTHS AND FUTURE TASKS FOR THE LAST 6 MONTHS OF THE YEAR 2011



According to the the review report developed by the International Cooperation Department for the first 6 months, the Ministry of Agriculture and Rural Development (MARD) has approved 11 projects worth a total US\$175.1 million ODA equivalent to 146% over the same period in 2010 (US\$120 million), having reached 58.3% of the annual plan (US\$300 million). The volume of investment project disbursement reached 1.184 billion VND (only the programs and projects which have project reports submitted are counted) or equivalent to 56% over same period in 2010 (VND2.000 billion). 09 projects endorsed by foreign NGOs worth US\$2.26 million have been approved, increasing by nearly 100% over the same period in 2010 (US\$1.15 million)

However, since Vietnam is classified as middle income country, some donor countries shifted from sponsorship cooperation into partnership cooperation for the sake of mutual benefits. Some other countries stop providing ODA for Vietnam. This also affects the projects of the Ministry of Agriculture and Rural Development

A number of cooperation agreements have been signed with African countries. MARD organized many consensus workshops to collect comments on the draft in terms of a number of mechanisms and policies to implement the project for agricultural cooperation with African countries. MARD submitted an official request to the Prime Minister to issue the Decision on this mechanism. However, this decision is still awaiting for an approval.

Regarding international economic integration over the first six months, many activities as specified in the work plan have been well implemented. Many emerging issues such as disputes over agro-forest and fisheries trade are required to be further promoted and stimulated.

Under the recommendation part, the report clearly stated that Japan is the country providing the most ODA for bilateral cooperation. It is a likelihood that Japanese ODA might be either narrowed or reduced in the coming years. Thus,

it is required to expand cooperation programs with other countries such as Germany, Holland, France, the United States as well as make the best use of new ODA resources from China and India.

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Strengthening bilateral cooperation with the Middle East countries aims to mobilize financial investment in Vietnam through investment projects and joint ventures in agriculture, thereby increasing export turnover of

agro-forest and marine products in these markets. Promoting the trilateral cooperation between the Middle East, Vietnam and Africa aims to establish investment projects in Africa. The Ministry of Foreign Affairs is requested

to soon propose the scheme for setting up representative offices in foreign countries and nominate agricultural representatives in some prioritized areas.

(ICD-MARD)

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As a result of conference on “Vietnam rice, farmers and rural development: From successful growth to sustainable prosperity” held on June 13, 2011 in Can Tho, Vietnam, a number of recent researches supported by Worldbank, following recommendations have been put forward for MARD policy makers’ and relevant stakeholders’ consideration . (Please see page 2-3 in this issue).

The hot and exciting discussion in the conference in Can Tho proves a need for discussion continuation on this topic. Therefore, in coordination with Worldbank, ISG has created an E-Forum on Food security for

more people to talk their view points and policy recommendations on the theme. Please, kindly you are invited to participate in this forum and make your valuable contribution into policy making improvement for the assurance of national food security in Vietnam at the ISG E- forum at: www.isgmard.org.vn/VHForums/Agriculture.

Your further comments and recommendations would be highly appreciated and synthetized and shared with the policy makers for policy improvement toward the assurance of national food security in Vietnam.

Thank you very much for your active and productive participation !

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