

Hanoi, 22 August 2000

**AGRICULTURE AND RURAL DEVELOPMENT
5-YEAR PLAN (2001-2005)**

Over the past 5 year (1996-2000), continue to implement renovation process, our Party and Government is always paying attention to development of agriculture and rural areas, considering agriculture and rurality as a foundation for industrialization and modernization of the country. Successes in agriculture and rural areas have contributed to bring the country to overcome difficult period, stabilize economy, society and politics, creating prerequisite for the country to enter into a new development phase i.e industrialization and modernization of the country.

Herebelow are evaluationas on achievements as well as constraints during the process of agriculture and rural development over the past 5 years; emerging challenges and development orientation for the period 2001-2005.

PART I

Situation of agriculture and rural areas

5 year plan (1996-2000) has been prepared under the context of having many advantages, most of targets of the 5-year plan for 1991-1995 have been achieved as planned and beyond the targeted plan, our country has got out of economic and social crisis and is shifting to a new period i.e. to push up industrialization and modernization process of the country. The plan required great efforts to implement simultaneously three socio-economic objectives high, sustainable and efficient growth; stabilize firmly macro-economy; prepare prerequisite for higher development steps after the year 2000, mainly development of human resources, sciences, techniques, infrastructures and perfection of institutions.

However, during the process of plan implementation, economic and financial crisis in the region from mid 1997 until 1999 together with successive and serious natural disasters which have placed national economy before fierce challenges.

In such circumstances, the whole Party and people have spare no efforts to overcome difficulties and challenges, maintaining GDP growth rate averaged at 6.7%/year; important achievements have been gained in socio-economic development cause.

I. Main achievements in the past 5 years (1996-2000)

(1) Agriculture has been quickly moved to produce commodities, becoming a key export sector of the country, many agricultural products have occupied an important position in international market.

1999 as against 1996, food production has been increased at 5 million tones, everagely about 1.3 million tones each year. In 1999, although very serious natural disasters took place, but, food

production of the whole country has still reached at 34.25 million tones, of which rice production was 31.4 million tones, increasing 2.2 million tones as compared with 1998. Crop structure has been changed to the direction of increasing area for Spring Winter and Autumn Summer rice crops. New rice varieties have been applied over 87% of the planting area. Average food per capita has increased from 379 kg in 1995 to 435 kg in 2000, while population is still fast increased, this is a great effort.

Many concentrated producing areas of agricultural products and commodities linked to processing industry have been initially set up and agricultural products are more diversified. As against 1995, area of some industrial trees has been considerably increased : coffee increased doubly, rubber at 43%, sugarcane 33%, cotton 30%, cigarette over 18%, forests for supply of raw materials 66% etc. Some industrial tree species of high productivity have been introduced for extensive planting.

Agricultural production value increases averagely at 5% per year as compared with the target of 4.5-5% and on one unit of agricultural land increased from 13.5 million VND/ha in 1995 up to 17.5 million VND/ha in 2000.

Animal husbandry continues to be developed. Estimated production of live pigs of different kinds in 2000 is over 1.7 million tones, increased 1.3 times against 1995.

	Unit	1996	1997	1998	1999
Yearly food crop growing area	1000 ha	8,217.3	8,330,4	8,586.8	8,868.4
Of which rice	1000 ha	7,003.8	7,099,7	7,362.7	7,648.1
Food production	1000 tones	29,217.9	30,618,1	31,853.9	34,253.9
Of which rice	1000 tones	26,396.7	27,523.9	29,145.5	31,393.8

For export: proportion of commodities of agricultural sector has quickly increased, in 1995, export equivalent to 37% of agriculture GDP, in 1999 about 40%. Of which proportion of export agricultural products compared with the production as follows : rice increased from 12% to 25% (second ranking in the World), coffee at 95% (third ranking), rubber 85%, tea 42%, cashew nut over 90%, pepper 99%. In 1999, export turnover of agricultural and forestry products was estimated at about 3 billion US\$ accounting nearly 30% of total export turnover of the whole country, of which rice export reached about US\$ 1 billion, coffee US\$ 550 million, rubber US\$125 million. Total export turnover of agricultural products in 5 years (1995-1999) has reached US\$ 12.13 billion, averaged at 10% yearly increased.

(3) Forestry sector has progresses in establishment of new forests and forest rehabilitation.

Great efforts have been made by forestry sector in protection of natural forests and establishment of new forests. Protection of 9.3 millions ha of existing natural forests. Within 5 years, 1.120 million ha of concentrated forests has been planted in the whole country, averagely nearly 230,000 ha of new forests has been established each year. 700,000 ha has been naturally

regenerated, averagedly 140,000 ha/year. 1999 is the first year for implementing 5 MHRP, there still existed many constraints in terms of institutions, however, 200,000 ha of new forest has been planted, of which 70,000 ha of protection forest. The forest cover has increased from 28,2% in 1995 to 33% in 2000.

Annual deforestation area has decreased from 47,200 ha during period 1991-1995 to everagely 11,000 ha during period 1996-1999. Similarly, area with forest fire has reduced from 8,723 ha/year to 8,091 ha/year.

(4) Improved rural infrastructures

In recent years, capital construction investment resources allocated from State budget to agriculture activities are as follows

Unit price: (billion VND)

	1996	1997	1998	1999	2000
1. Investment capital (billion VND)	1538	2247	2772	3127	2506
- Managed by Ministry,	1043	1558	1502	2477	1806
- Managed by province	495	688	771	650	700
2. Irrigated area for whole year (1000 ha)	5920	6105	6320	6505	6690
- Spring Winter rice crop	2457	2579	2688	2751	2860
- Autumn Summer rice crop	1780	1817	1921	2088	2190
- Summer rice crop	1682	1709	1712	1668	1640
3. Crops and industrial crops (1000 ha)					

For irrigation, thanks to a great investment by the Government and contribution from the people, irrigation capacity has been increased to 240,000 ha, creating water resources to create water resources for 210,000 ha, preventing from salinity water 150,000 ha, draining water for 250,000 ha, towards the year 2000, targets set forth by 8th Party congress will be achieved. As a result, irrigated area has been increased from 6.6 million ha in 1996 to 7.5 million ha in 1999.

Programme on fresh water supply in Mekong river delta, construction of reservoirs and dams in the Central region and Central Highlands, upgrading of hydraulic resources structures in Red river delta area, and upgrading of small hydraulic resources structures, have been implemented. Many water resources investment projects have gained high efficiency such as ODA loan projects: water resources rehabilitation and flood control : like Hanoi dyke, Do Luong (Nghe An province), Bai thuong dam (Thanh Hoa province). Water resources project in Red River delta comprises of 30 sub-projects, water resources project in Central region comprises of 7 sub-projects and other water resources projects like Quan Lo-Phung Hip, Nam Mang Thit, O Mon-Xa No (Mekong river delta, Quao river (Binh Thuan province), Thach Ham (Quang nam), Truc kinh (Quang tri), Ayun ha (Gia Lai), Hong Dai (CaoBang), Rac river (Ha Tinh)..

Rural infrastructure programme : ADB loan resources are being used to assist 23 poor provinces with total budget of 150 million USD for construction of rural road network, small irrigaton projects, safe water and rural sanitation targets for the year 2000 are that 100% of districts and

80% of communes and pincints throughout the country will have electricity, 95% of communes have roads accessible to the communal Centers, over 60% of rural households have safe water and 98% of communes have health station.

(5) Production relation in agriculture has been considerably renovated

Economy of farmer households continues to be strengthened and developed, many new factors have arized like 100,000 farms of households engaged in diversified production and business with average area of 3-5 ha/ each household. This result is thanks to the programme on transferring the right of long term use of rice fields and land sources to farmer households actively engaged in production. About 500,000 ha of land has been exploited and used (mainly in hilly, mountainous and coastal areas) by farms, with 300,000 permanent labourers, 30 million man/days as seasonal labour are hired each year, mobilizing over 20,000 billion VND, every year, producing an value of 10,000 billion VND (nearly 10% of total production value of agriculture, forestry and fisheries sector), of which, value of commodities occupies 87%. 1.5 million households earn turnover of 15 million VND/year.

After 2 years of implementation of Cooperative Law, by July 1999, 5346 agricultural cooperatives have completed procedures for transforming to new style cooperatives (accounting for 59% of total existing cooperatives); 1037 new cooperatives have been set up; and tens of thousands of diversified groups of cooperatives of different forms have been set up. Cooperatives and diversified cooperatives have changed their activities into services and agriculture extension activities which can provide direct support to cooperative household members in economic development.

State agricultural enterprises have gradually renovated their mode of operation to respond to market mechanism. Contracting mechanism has been applied widely in forest and agricultural enterprises. 18 Corporations have been established (90/91) as core units for implementation of the programmes of the Party and Goven invent in terms of socio-economic development of rural areas, equitization of 30 enterprises have been performed with initial results.

(6) Livelihood of farmers have been improved, agriculture has contributed actively to create jobs, increase income and eradicate hunger and reduce poverty in rural areas, ensure firmly political stability and order security in rural areas.

In 1995, 23.52 million labourers work in- agricultural and forest sector, in 1997, 24,81 labourers and it is estimated that there are about 26 million people in 1999, everagely increases about 600-650 thousand people per year over total number of 1.2 million people. According to the survey of General Statistics from 1992/1993 to 1997/1998, income of rural population increases everagely at 12%/year, of which agriculture contributes 81 % of total increased income resources, contributing actively to hunger eradication and poverty reduction in rural areas. Rate of poor and hungry households has reduced from 20% in 1995 to 10-11 in 2000. Average consumption per capita at present price has increased from 2.6 million VND in 1995 to 4.3 million VND in 2000. Vietnam is one of the countries, evaluated by the World, with fastest increase in reduction of poverty rate.

Population growth rate has reduced from 2% in 1995 to 1,53% in 2000 compared with the planned target of below 1.8%. Proportion of malnutrition aged under 5 has reduced from 50% in 1990 to 33-34% in 2000.

Although in some areas where existed an indication of no democracy, corruption, complaints from many farmers, but generally, democracy in farmers has been improved, order security and political stability has been maintained in rural areas.

The above-mentioned achievements have contributed importantly to stabilize political and social situation and bring Vietnam to overcome difficulties of financial and monetary crisis, maintain general growth rate at 6.7%, creating a new power and new resources for implementation of socio-economic targets adopted by 8th Party Congress.

Reasons for above-mentioned achievements

Firstly, thanks to renovation policy of the Party, to continue to develop achievements, new policies and mechanism have entered into agricultural and rural life, liberating production forces of tens of millions of farmers, raising highly big potentials in agriculture and rural areas of Vietnam.

Many scientific and technical progresses have been applied in production, especially programme on breeding of new plant and animal species of high productivity.

Develop investment achievements gained by the State and people from previous decades, particularly irrigation projects to ensure irrigation, water supply, flood control and mitigation of natural disasters.

Close leadership and guidance of Party and administrative organizations at all levels.

II. Difficulties and new challenging issues

(1) Agricultural production has not yet been linked to market, heavily depending on quantity, high production cost, less competitive capacity, difficult consumption of products, all these have become a regular worry of producers.

Over the past years, efforts have been made to increase in production, but in many cases, production has not been connected to market demands, some products have low quality (chiefly vegetables, fruits, meats) or high production cost (like sugar) leading to difficulties in marketing. Some products have domestic demand like fibers, milk, vegetable oils ... but production of these products is unable to meet such demand. Animal husbandry and forestry sectors have been increased in scope but economic efficiency is low not corresponding to available potentials.

Due to low quality, agricultural products and commodities of Vietnam are sold to international markets with lower price than international price such as for rice lower than international price US\$ 5-15 per ton, coffee US\$ 150-200/ton, rubber US\$ 30-50/ton, tea US\$ 150-200/ton and so on, in this regard, no support mechanism has been efficiently made at a time unexpected disadvantages in domestic and international market occur so as to reduce difficulties for farmers.

Many great potentials in agriculture and rural areas have not yet been exploited.

At present, there are still more than 10 million ha of open land and barren hills of which a partial area can be used for agriculture and forestry production, but has not yet been used efficiently. Over 8.1 million ha of agriculture land is being catteredly used, not yet becoming a commodity agriculture sector, low income, everagely at US\$ 1000/ha/year.

Working force increases naturally at about 1.2 million people each year, while employment rate in urban area at 7.4% (about 1 million people). In rural areas, there are more than 25 million working people, every year adding more 0.6 million labourers, while only about 70% of their working time is used, unemployment rate is rather high, about 9 million people lack of jobs, low labour productivity ...giving more pressure on cities and towns...

Economic growth rate is declined, in 1996 GDP increased at 9.34%, in 1997 at 8.15% in 1998 at 5.8%, in 1999 at 4.8%, in 2000 estimated at about 5.6 %.

Leisure fund among people is relatively big approximately about 30,000 billion VND kept in the forms of deposits, cash, gold, US Dollars, rice ...this amount has not yet been invested to production, business and rural construction.

(2) Technical and material infrastructures of agriculture are very poor

Although many progresses have been made, but, in practice, only 38% of agricultural land is irrigated and remaining areas depend on rainfall. Road system in almost rural areas is very poor, up to 50% of commune roads and 30 % of district roads are inaccessible by cars in rainy seasons and 500 communes have no roads leading to commune centers. Drought in early 1999 has caused nearly 2 million people lack of drinking water and difficulties to their daily life. Floods and storms over the past 3 years have caused 2,600 people. Capacity to control natural disasters is very limited, damages caused by natural disasters to livelihood and properties of the people and State are very heavy.

Science and technologies in agriculture have gained much progresses, however, are generally at low level, productivity of many plant and animal species of Vietnam is generally low as compared with average productivity of the Region and the World. Processing industry and preservation of agricultural products and foodstuff is backward and almost machines, equipment, processing technologies introduced from 1960-1970, only 50% of sugarcane, 60% of tea 10% of vegetables and fruits etc are processed. As an agricultural country, but material basis of agricultural sciences and technologies is very backward and weak not relevant to the requirements of modern and sustainable agricultural production.

(3) Production relation in rurality is slowly changed, thus, has not yet developed highly capacity of different economic sectors.

Cooperatives in many places are transformed in formalities but not in contents and mode of operation, therefore, operation efficiency of most of cooperatives is not high.

Process of renovation of State enterprises including agriculture and forest enterprises is slow as compared with requirements. Most of State enterprises are too small (71% of enterprises have capital less than 10 billion VND) and competitive capacity is low.

Resolution of Party Congress No.4, No.6 (1) and Resolution No.06 of Politbureau have recognized and have programme on development of farm economy. However, the State has not yet adopted specific policies, therefore, it remains much worries in society. Farmers dare not to invest for a long term development of production, of farms, professions and application of sciences and technologies.

(4) Income and livelihood of farmers is generally low, gap in terms of income and living standards between urban and rural areas and between regions tend to be wider, status of lacking of jobs in rural areas is more fierce

GDP per capita in agriculture averages at only 1.5 million VND/year. Poverty proportion in many places is still high, in 1997 37% in Lai Chau province, 36.5 % in Son La, 34% in Ha Giang, 33% in Cao Bang, 36,5% in Quang Binh, 50% in KonTum, 35% in Gia Lai. Nearly 2 million people still practice shifting cultivation and spontaneous migration still takes place at a high degree. Rate of using labour time of farmers only reaches at 71.4%, seeking jobs for their children is the biggest worries and has become a vital aspiration of farmers at present.

During the period 1993-1998, Ratio of average expenditure per capita between urban and rural areas increased from 1.8 to 2.2, Rate of poverty in rural areas is 45%, much higher than as against 9% in cities and over 90% of poor people live in rural areas.

(5) State management system towards the Sector still has much weaknesses, chiefly

State management on water resources projects, seeds, veterinary, plant protection drugs, agricultural materials, forest protection and agricultural products quality. Sectoral management forces in each district has only 5-6 people, while almost no sectoral managing officers in commune level leading to difficulties in scientific and technical transfer, instructions, organization of farmers in production, chiefly in mountainous, ethnic, and remote areas.

Weaknesses and unsuccessful matters in the past due to many subjective and objective reasons, in which subjective reason is important, 3 groups of reasons can be considered as follows

Firstly, steering and management work by Ministry and local administrative levels is still not updated, lacking of control, supervision and no regular and close coordination, so, efficiency and effectiveness are not high.

Secondly, lack of measures for creating a strong driving force for overcoming difficulties and promotion of economic development. Some mechanism and policies tend to be back to subsidized system like debt cease, debt forgiving, tax reduction, tax exemption, interest rate supporting, price subsidy and forms of excessive protection of the State making business enterprises dependent, lacking of dynamics and creative .

Thirdly, slow administrative reform, less - efficiency; consciousness for responsibilities, disciplines and capacity for implementation organization at different sectors and levels are still weak, still bearing in mind regionalist spirit, afraid of responsibilities, lower level awaiting, pushing up to upper level.

In addition, objective reason from financial and economic crisis in the region and seriously natural disasters in many areas of the country also cause many difficulties to the economies of the country, slowing down development process, causing many problems for implementation of planned targets.

PART II

AGRICULTURE AND RURAL DEVELOPMENT PLAN (2001-2005)

CONTEXTS AND FORECASTING INFORMATION

Entering the first 5-year plan of a new century, in-country situation and international settings have much advantages, big opportunities mixed with many difficulties and big challenges.

1. In the country : potentials of economy after 10 years of renovation have increased doubly with new quality which has created a new position and power for development steps in first years of 21 st century.

Position and power of the country is much more stronger than before. Politics and society continues to be stable; production relation has been changed more appropriately; economic and market institutions have been formed and initially operating efficiently. Appropriate legislative system and policy mechanism have been actively developed in economic development and social life. Economic structure has been actively changed. Economic and diplomatic relation of the country has been widen in international arena.

In 2000, economic growth rate has been regained and relatively good, creating impetus for development incoming years.

However, starting point of our economy is still low; infrastructures, quality, efficiency and competitive power are poor and weak, production scale is small; income rate and consumption by people is low about 400 USD, not enough to create a new momentum for production and market development. Social

2. Outside the country : Forecasting showed that international situation is still changing with complex and difficulties, although tends to be restored but not steadily.

Scientific and technical revolution in the World, especially information technologies; globalization tendency; capacity of stabilization and rehabilitation of the regional and international economy in next century is positive, creating conditions for our country to open up economic cooperation capacity, exploit comparative advantages, gain external resources to develop more efficiently internal resources, to create synthetic forces for national construction. At the same time, there are disadvantages, increasing competitive pressure towards the economy

of the country Therefore, it should be always wise and ready to respond to complicated situations.

Regarding the markets: after more than 10 years of renovation, Vietnam gradually integrates into regional and international economy: in 1995 joining in ASEAN, in 1997 normalization with USA, in 1998 participating in APEC, in 2000: signing Vietnam - US Trade Agreement, creating conditions for Vietnamese agricultural products to participate in regional and world markets.

- Regarding investment

+ ODA project :continue to implement ODA projects from previous years like : water resources projects in Central zone and Ho Chi Minh city, water resources projects in Mekong river delta, agricultural diversification, rural infrastructures, forest protection and rural development, Southern coastal wetland conservation project, Cat tien national park...

Speed up to sign projects : Phuoc Hoa water resources, AD133 (Red river delta), Tan Chi, agricultural and forestry projects...

+ FDI : attract foreign direct investments : continue to implement existing projects, to seek new projects.

Try to increase 10% for ODA projects as compared with plan (1996-2000)

It should develop highly strengths of the entire nation, especially knowledge and labour skills of Vietnamese people; resources of all economic sectors, overcoming difficulties and weaknesses; making use of advantages and opportunities for quick and sustainable socioeconomic development according to socialist orientation.

GENERAL OBJECTIVES, DUTIES AND MAIN CONTENTS OF SOCIOECONOMIC DEVELOPMENT FOR 5 YEAR (2001-2005)

1. General objectives and main duties

General objectives of 5 year plan (2001-2005) are specific steps of orientation, guidance, development views and strategic objectives for next 10 years, while concentrating on implementation of 3 strategic duties: sustainable development, high efficiency, basic construction for socialist oriented market mechanism in Vietnam, creating position and power for successful integration, more specifically:

High and stable economic growth. Quickly transfer economic structure, labour structure according to orientation of industrialization and modernization. Raise highly quality, competitive power and efficiency in economic development. Socialist oriented market economy institutions should be constructed further steps. To make quick changes in terms of development of human factors education, training, sciences and technologies. To settle urgent matters in job generation, basically eradicate hunger and reduce largely poor households, prevent and push back social evils, stabilize and improve further people's livelihood. Continue to strengthen socio-economic infrastructures, creating prerequisite for development of followup phases. To maintain political

order, social security and to protect firmly independence and integrity sovereignty, and national security.

2. Economic objectives

Average GDP growth rate at least at 6-7%. Total GDP in 2005 will be nearly double as compared with 1995.

- Production value of agriculture, forestry and fisheries will increase at 4-4.5%/year - Production value of industry will increase more than 12%/year.
- Value of services over 7%/year.
- Total export turnover will increase 12-14.5%/year.
- Estimated Inflation 5-6%.

Economic structure in GDP by the year 2005 expected to be:

- Proportion of agriculture, forestry and fisheries 20-21 - Proportion of industry and construction about 38-39%
- Proportion of services at 41-42%

Estimated structure of labour in total of labourers who have jobs by the year 2005.

- Labour in agricultural field at 56-57%
- Labour in the field of industry and construction at 20-21
- Labour in the field of services at 23-24%

3. Social objectives

Rate of pupils going to basic secondary schools is 80%, rate of pupils going to secondary popular schools is 40% by the year 2005. Implement programme on universalization of basic secondary education.

Reduce annually average birth rate to 0.4-0.5%, speed for development of population by the year 2005 about 1.23%.

Generate jobs for 7.5-8.0 million labourers, averaged 1.5-1.6 million labourers/year; raise ratio of trained labourers up to 30% by the year 2005.

Basically eradicate hungry households, reduce poor households (according to Vietnamese standards) down to 5% by the year 2005.

Meet 40% of demand of medicines produced in the country; reduce number of malnutrition children down to 20-25% by the year 2005.

Raise average age life-span up to 70 years old by the year 2005.

Supply safe water to 80% of rural population.

VIEWPOINT AND OBJECTIVES FOR AGRICULTURE AND RURAL DEVELOPMENT

1. Development viewpoint

- Agriculture and rural development is the foundation for industrialization and modernization process of the country, therefore, it should be taken into account the implementation of

industrialization and modernization of agriculture and rural economy, bringing agriculture and rural economy to large scale production, acting as a basis for economic, political and social stability, consolidating worker-farmer intellectual alliance during industrialization and modernization of the country.

- Develop diversified, strong and sustainable agriculture, on the basis of developing competitive advantages of each ecological zone and the whole country; continue to change structure of agriculture and rural economy linked to processing industry, profession, domestic and export markets; apply scientific, technological and management advanced achievements, with productivity, quality and high efficiency.

- Develop agriculture and rural economy with many forms of ownership and forms of enterprises, of which State economy plays a leading role to get with cooperative economy as a basis in the process of development of the national economy according to socialist direction:

2. Objectives 2001-2005

Duties for 2001-2005, to create strong changes in terms of material and technical basis, production relation, organization of sectoral system, create favorable conditions to both continue maintaining agricultural growth rate at 4-4.5%, ensuring steadily national food security and develop basing on requirements of domestic and international markets, so, production of commodities should be stable with high productivity, quality and competitive power, create jobs, improve quickly livelihood of rural population and eradicate hunger and reduce poverty.

Specific objectives include:

- Ensure national food security with a population of up to 85 million people by the year 2005, meeting diversified requirements of food and foodstuff, raise highly security of foodstuffs.

- Push up production of agricultural and forestry products and commodities for export; export turnover of agricultural and forest products will reach 4.5 billion US\$ by the year 2005.

- Raise quickly livelihood of rural population. By the year 2005, increase 1.5 to 1.7 times of income for farmers as compared with income rate in 2000; provide employment; no hungry households, reduce considerably poor households in accordance with current criteria; upgrade rural infrastructures, almost communes have roads accessible by cars up to commune centers, schools, health care stations; ensure social security; implement democratic regulation in rural areas.

- Ensure ecological environment, mitigate natural disasters for sustainable development, raising forest cover rate to 38-39% by the year 2005.

MAIN CONTENTS

1. Change sectoral economic structure in line with development of competitive advantages of each region in connection with markets, implement industrialization and modernization of agriculture.

1.1 Orientation for development of production activities

(1) Food production

Continue to develop for ensuring firm food security at national level, towards ensuring food security at household level and increasing food resources for export. In 2005, rice production will reach at 33 million tones, export about 4-5 millions tones of rice.

Continue to develop irrigation, combine with seed production, post harvest storing and processing technologies, seeking for stable markets in order to encourage farmers to invest to intensive farming, increased productivity, producing much rice with high quality and low price.

Invest to small irrigation structures, transfer new varieties and advanced farming technologies in order to supply farmers in upland areas, expanding areas for rice production, raising capacity of food supply on the spot, reduce and gradually stop deforestation for slash and burn cultivation (but rice production should not be done at any cost).

Development of production of maize, cassava, sweet potato with new varieties of high productivity for animal food and raw materials for industry, by the year 2005, to reach a production of 5-6 million tones equivalent to rice.

(2) Development of industrial trees

Expand areas for production of industrial trees in order to meet the requirements of raw materials to supply to processing industry in the country and for export. Concentrate highly on products which Vietnam has comparative superiority, markets and competitive capacity like coffee, cashew nuts, pepper. All other products also need to be invested to raise quality, reduce production cost for increasing competitive force.

It is planned to establish 2 million ha of perennial industrial trees and 1 million ha of yearly industrial trees. By the year 2005, area of main industrial crops will be: coffee: 400,000 ha, production: 600,000 tones /year; rubber: 400,000 ha, production: 600,000 tones of latex/year; tea: 100,000 ha, production: 100,000 tones/year; cashew nut: 500,000 ha, production: 100,000 tones/year; peanut : 500,000 ha, pepper : 50,000 ha, 100,000 production tones/year...

Detailed plan should be made to guide farmers to arrange tree crops properly, to promote irrigation work to irrigate industrial trees, chiefly coffee in Central Highland, tea in Northern mountainous areas.

Continue to invest to research work in order to create different varieties of Cotton, cigarette, soybean of high productivity, to select oil bearing trees for increased production of oils in the country in replacement of imported products.

(3) Development of vegetables, fruits, flowers and ornamental trees.

Develop vegetables, fruits and flowers, ornamental trees aimed at exploitation of advantages on climatic conditions, ecological diversity (tropical, sub-tropical, temperate) of different zones, to produce foodstuff having high nutritious value for people, contributing to generate jobs, regreen open land and bare hills, create environmental landscapes.

Development of vegetables; fruits and flowers, ornamental trees should be linked to market demand, capable to compete with domestic and world markets immediately and in the future.

Development of vegetables, fruits and flowers, ornamental trees in all regions in the country, especially in some areas having special ecological conditions like : Mekong river Dalat, Lam Dong, Red river delta (particularly winter crops), in Northern upland areas; combined with transforming of mixed home gardens intensification of existing gardens and planting new trees according to the direction : both develop widely among people and develop specialized area for key trees, intensive farming, gradually modernization; use of traditional technologies and clean technologies to protect environment, to protect health and life of the people, raise quality of export commodities.

To attach special importance to develop some special fruit trees : Dragon fruit, longan, litchi, pineapple ... high grade vegetables, beans, maize, bambooshoot, mushroom for domestic consumption and export.

Quickly satisfy the demand of livelihood by people on vegetables, fruits, flowers and ornamental trees (common and high level) of which to stipulate production processing of soft drinks with cheap price, gradually replace alcohol soft drinks at present.

Create jobs for 5 million people. Export turnover by the year 2005 will reach at 0,5 billion US\$/year.

(4) Animal husbandry

Promote raising of pigs, cows, poultry, encourage to develop large scale breeding households or agricultural farms; invest to improve animal herds; develop production of milk to replace partly imported milk; develop some cattles and poultry of special quality for export (like chickens free raising in the gardens, rare and valuable animals); prepare conditions for competition for export of animal products on a large scale in the future.

Objectives for 2005: to produce 24 million pigs; 10 million of cows and buffaloes, 300 million poultry, production of live meats of 2.5 million tones, fresh milk is 120,000 tones.

Strengthen breed work, veterinary so as to ensure prevention of epidemic diseases for cattles to create favorable conditions for circulation and marketing of breeding products for domestic consumption and export. Construction of free epidemic areas (large-scale commodity producing areas in service of export). Develop food producing and processing industry with low production cost in order to raise quality of breeding products, lowering production cost, increase competition force in the world market.

- Basing on stable production of 4.2 million ha of rice, attach special importance to develop secondary crops (maize, soybean) to reduce rate of imported animal food, reduce production cost of food (because food occupies 60-65% of produced meat cost) increase competition force in the market.
- Formulate veterinary law, strengthen material basis for disease diagnosis centers, testing drugs, veterinary sanitation, foodstuff safety.

(5) Forestry

Strengthen State management effectiveness on forests; disseminate and educate people so that they understand and observe forest protection and development Law in order to protect existing forest areas, particular nature reserves and protection forests.

Speed up natural regeneration activities, reforestation and greening open land and barren hills and mountains, increase quickly forest cover; develop efficiently protection functions, protect ecological environment, develop and conserve biodiversity; create conditions for sustainable development of the country; establish 1.3 million ha of new forests; concentrate to raise forest cover to 38-39% of the total land area of the country. Natural regeneration, forest protection and reforestation work should be linked to direct benefits and generating income for farmers.

Create concentrated raw material areas connected to processing industry, soon bring forest products processing industry to become an important industry, contributing to speed up industrialization and modernization. Firstly, ensure pitprops, raw materials for production of artificial boards (chipboards, fiber boards), timber and fuel wood for household use.

Generate employment, increase income for mountainous people, eradicate hunger and reduce poverty, make rich basing on exploitation of natural resources and labour, contributing to socio-economic development, political stability, and national security. Basically complete fixed farming and sedentarization and stabilize livelihood of people in mountainous areas.

Implement strictly allocation of forest land according to Degree No. 163 CP of 16/11/1999 of the Government and Decision 187/TTg of 16/09/1999 on restructuring State forest enterprises. This is a driving force directly impacting on forest development plan, therefore, there is a need to make a detailed plan for practical implementation from Ministry down to localities.

(6) Salt production

Develop, produce, process and circulate salt in the whole country from now until the year 2005, ensure enough supply of high quality salt for domestic use of the people, meeting demand of salt for production and industry and export.

Transform existing salt fields in effective operation in the North, the Central and the South; use effectively coastal land areas, low effective agricultural land areas in the central to build new salt producing and processing areas for industry in the provinces of Binh Thuan, Ninh Thuan, Quang Nam, Da nang ...

20,500 ha of salt fields will be established in the whole country, of which 14,000 ha in the Central, by the year 2000, producing 0,7 million tones of salt for eating and industry; by the year 2005, producing 1.1 million tones of salt and post salt products.

(7) Development of post harvest technology and processing technology

Developing agricultural and forestry products processing industry on the basis of ensuring firmly raw material areas with appropriate scale and technologies, meeting requirements of the markets, forming cooperation economic organizations, creating industry-service centers, adjust policies in order to create favorable conditions and encourage different economic sectors to take part in processing and preserving of forest products.

Main direction for development of processing industry.

Raise capacity of drying, preservation, husking of rice, meeting the demand for export and domestic consumption, with a rate of processing of 90%. Raise 14,000 tones of stores available and construction of 650,000 of new stores being equipped with modern equipment for preservation of rice linked to concentrated commodity producing areas.

Expanding processing capacity of coffee, rubber, tea, cashew nut, pepper in parallel with production of raw materials, developing further processing of coffee, rubber, cashew nuts, pepper. Ensuring 100% of coffee, rubber, cashew nuts; 70-75% of dry tea buds to be processed. Combine small scale processing, mainly semi-processing in households with large scale processing, mainly finish-processing of products in concentrated raw material areas.

Develop, preserve and process vegetables, fruits including fresh vegetables and fruits; preservation of canned vegetables and fruits, condensed fruit soft drinks, dried vegetables and fruits. Efforts are made to process 20% of vegetables, 25% of fruits by modern technologies, with diversified products, satisfying the taste of consumers.

Expand processing capacity of animal food. In 2000, demand for animal food is expected to be 8.5 million tones, in 2005 will be 11 million tones, of which food for industry is 50-60%. Together with construction of industrial animal food processing institutions, production of raw materials should be pushed up, chiefly maize, soybean, fish powder, until, sufficient for domestic use, not need to import.

Raise quality and reduce production cost of sugar. Develop post-sugar processing industry, make full use of secondary products to produce products like alcohol wine, animal food, fertilizer.

Develop and process meat, milk, meeting the domestic demand and export in the future; installing slaughtering lines combined with veterinary control, cooling, raw material transporting vans, processing technologies of different foodstuff, diversified products ...

Support from the Government should be given to mechanic and engineering development. Firstly ensure to supply enough to domestic demand in terms of hand tools and small farm tools for use in households and clusters of households.

Create conditions for rehabilitation and development of traditional profession and trade, handicrafts, fine arts in rural areas like : furniture, rattan, bamboo, knitting, weaving ...to generate jobs and increase income for farmers.

Soon complete construction of two factories, MDF board factory in Gia Lai and chipboard factory in Thai Nguyen so as to expand to other localities under the programme on production of 1 million m³ of artificial boards.

Orientation for development of agriculture and forestry by regions

Northern hilly and mountainous areas

Develop strengths on forests and land; change structure of plantation tree species, increase the area of industrial trees, fruit trees, breeding of big games and poultry linked to processing. Develop strongly farm economics. For regions where food crops can be developed, investment provided to small irrigation, introducing new varieties suitable for ecological areas in the region to develop food on the spot.

Rehabilitate forest growing stock combined with development of raw material forest areas for industry, pitprops. Reforestation and greening of open land and barren hills, especially watershed areas of Da river and forming raw material areas for industry purpose along Da river in connection to protection of landscapes and watershed forests. Implement the programme on hunger eradication and poverty reduction, fixed cultivation and resettlement, combined with greening of open land and barren hills.

Developing forest products processing industry, construction materials industry; exploitation and processing of minerals, large scale hydropower stations to provide electricity to the whole country, at the same time, to develop small size hydroelectric stations, consumer goods production industry and small industry and handicrafts in urban and rural areas.

By the year 2000, efforts are made to establish 60,000 ha of tea, for following years, establish about 20-40 ha of tea, mainly new tea varieties of high productivity and quality; develop 100,000 ha of coffee (Robusta), 200,000 ha of fruit trees; 16,000 ha of sugarcane . Develop animal husbandry, mainly buffaloes, meat cows, milk cows, especially in Moc Chau (Son La province); develop herds of chickens freely raising in the gardens. By the year 2000, establish new forests and protect forests for natural regeneration of 2.4 million ha, of which protection forest is 1.0 million ha, production forest(paper raw materials, fiber, pitprops, special fruit trees providing canopy) is 1.3 million ha; forming concentrated raw material areas in connection to processing industry.

Red river delta

Develop commodity-oriented agriculture; planning of high yielding rice areas, forming export rice producing areas in the provinces of Hai Duong, Ha Tay and other provinces in south of Red river delta. Continue to develop strong force of Winter crops, develop fruit trees, longans, litchi, banana and animal husbandry linked to processing industry and advanced technologies; establishing specialized areas for production of vegetables, meats, fruits, flowers ...in service of

tourism and export. Exploit and use properly coastal areas in the delta area, develop aquaculture and fishing activities.

Maintain waterlogged rice producing area of about 1 million ha. Promote intensive farming of rice and secondary crops, develop strongly hybrid rice, hybrid maize, producing subtropical vegetables and fruits, special fruits like longans, litchi, bananas of high quality. Develop production of pigs, bringing a population of pigs of 3 millions of pigs at present up to 4 millions of pigs by the year 2005 and 5.5 millions of pigs by the year 2010.

Former 4th zone

Parallel with rice intensive farming , continue to change structure of relevant crops and seasons in order to avoid natural disasters; concentrate on development of secondary crops, industrial trees like groundnut : 100,000 ha; sugarcane : 76,000 ha; 35,000 ha of fruit trees like orange, mandarin, pomelo; develop breeding of buffaloes, cows, pigs in suitable conditions, protect existing forest area, establish 330,000 ha of new protection forest, 500,000 ha of production forest.

Develop short-term industrial crops such as groundnut, sugarcane, mulberry, cigarette, sedge... and long-term industrial trees like pepper, coffee, rubber in the ecological areas suitable for growing. Planting windbreak and sand moving protection forest along coastal area, forming green belts around cities, towns, industrial areas.

Central coastal zone

Food production in the zone is aimed at supply food to localities in the zone; establish a fruit growing area of 60,000 ha, of which some special fruits like dragon fruits, sugarcane (50,000 ha) and industrial trees having strong force like cashew nut, pepper, cacao, small holder rubber. Develop to raise cows, goats; protect and develop protection forest in big catchment areas having big reservoirs in order to avoid and control flash floods; establish coastal forest to prevent from sand invasion to agricultural areas and inhabited areas.

Central Highland

With abundant land resources, it should develop quickly export industrial trees(coffee, tea, rubber, cashew nut, pepper...) and other industrial trees like cotton, silkworm mulberry, medicinal plants, fruit trees, raw material forest for paper making and special products trees... establishment of new forests, industrial trees, fruit trees should be linked to rehabilitation and protection of forests, protection of ecological environment and increasing quickly forest cover. Expand the area and intensive farming of maize, develop short-term industrial trees, reduce towards stopping forest destruction or hilly cultivation. Develop production of cattles and poultry; develop* economy...

Develop processing industry of coffee, rubber, sugarcane, foodstuff industry, especially selection of some modern technological production lines to turn out finished products of industrial trees, forest products, products from animal husbandry... in order to raise efficiency.

Concentrate on intensive farming of existing 300,000 ha of coffee, ensuring production of 350,000 tones /year.

Expanding further rubber area by additional planting so that by the year 2010, the whole area will have 250,000 ha, mainly rubber grown by people.

Pushing up intensive farming of rice, secondary crops, sugarcane, cotton and developing vegetables and fruits for export (in Lam Dong), raising cows and buffaloes.

Protection of existing forests, strictly prevent from deforestation; support farmers in planting forests in raw material areas belonging to processing industry areas; promoting the establishment of industrial forest so as to raise the area of industrial forests up to 300,000 ha in the whole zone.

South-Eastern part of the South

Develop the strengths of land resources to develop vigorously industrial crops (rubber, coffee, cashew nut, sugarcane...) fruit trees, raw material trees. Develop forestry, greening open land and barren hills (focus on Ba Ria - Vung Tau, Dongnai); increase quickly and soon stabilize coastal protection forest, especially mangrove forest areas in Can Gio district, Ho Chi Minh city and along coastal area of Ba Ria-Vung Tau, with emphasis on paper raw material forests, national parks and watershed forests of Tri An hydroelectric plant.

Concentrate on rice development. Attach special importance on intensive farming, research on changing of seasonal crops of some plants to avoid drought and floods. Forming specialized rice producing area and some short-term industrial crops of high productivity and quality. Concentrate on exploitation of Long Xuyen quadrangle, Dong Hap Moo, West of Ah river and Ca Mau peninsular.

Restore coastal protection forest; maintain the area of Meulaleuca forest, the area of water coconut; protect mangrove forest and protection forest in Bay Nui area

Construction of export rice producing area with an area of 1 million ha. Develop the area of fruit trees of 180-250,000 ha, corresponding to the demand of the markets; construct sugarcane raw material area of 33,000 ha. Develop a population of pigs of 5-7 million pigs, raising poultry, mainly ducks to provide to cities and export. To step up planting of 200,000 ha of coastal protection forest and protect mangrove forests.

2. Strengthen infrastructures and agricultural services

(1) For water resources

For successive years, the State and people have spent much efforts and investment for construction of 75 medium and large irrigation structures, 745 reservoirs, 1,017 dams, some 2,000 pumping stations, 5,000 water gates, 8,000 km of embankment, creating capacity for irrigating 3 million ha of cultivate land (approximately 6 million ha of growing area), draining 1.4 million ha, preventing salinity intrusion of 700,000 ha, transform 1.6 million ha of acid sulfate soil.

During the period of 2001-2010, continue to develop highly existing capacity, at the same time, to continue investment to guarantee water supply of 124.3 billion m³, of which, water used for agriculture is 100 billion m³; for daily use is 3,1 billion m³; for industry and service 28 billion m³, creating condition for exploiting fully 15.8 million ha of land, of which, food crop area is 10 million ha; industrial trees and vegetables and fruit trees of different kinds are 5.8 million ha.

Investment policy in each zone as follows:

In Mekong river delta : continue implementation of programme on fresh water development, construction of canals for creating fresh water from Tien river, Hau river, at the same time, construct water gates, sea dykes to prevent salt water, dykes for prevention of early floods and increasing capacity of discharging floods to the Western sea dn. Tien river, Vam co river ...step by step bringing fresh water to the areas which are still affected by salt water like in Ca Mau, coastal districts like Bac Lieu, Soc trang, Tra Vinh and Ben Tre.

In Red river delta: continue the programme on rehabilitation and upgrading existing irrigation structures in, order to actively provide water to serve production and requirements of daily use. Government supports partial investment to people to "concretize" canals.

In the Central provinces, investment should be concentrated to build large scale water reservoirs in catchment areas like Cua Dat (Thanh Hoa province), Ta track (Thua thien Hue), Dinh Binh (Binh Dinh) to control floods, supply water, aquaculture... and improve ecological environment.

In coastal plain areas, to construct dams and water gates for prevention of salt water, draining floods, retaining fresh water like Duy Thanh (Quang Nam), Thao Long (Thua thien Hue), Nghen river (Ha Tinh), Len river (Ha Tinh). Residential areas should be replanned to minimize damages to human being and production when natural disasters take place.

In hilly and mountainous provinces : to make a master plan on water resources development, speed up to construct small irrigation schemes or clusters of irrigation structures connected to agroforestry production areas, terracing fields; implementing targets of hunger eradication and poverty reduction, fixed cultivation and sedentarization, national and border security.

In Central Highland : priority is given to construct water reservoirs to retain water for irrigating industrial trees : coffee, pepper, water, rice, vegetables; to develop strong force of this zone.

Renovate irrigation work inline with diversified targets; socialize methods; modernize on scope; conduct decentralization; raise efficiently to manage and exploit different structures. .

(1) Dykes and flood control issues

Continue to consolidate system of dykes of Hong river, Thai Binh river; raise and ensure safety of dyke structures so as to fight against the flood level at 13.3 m in Hanoi, 7.21 m in Pha Lai; to ensure dykes in former 4th zone against historical floods.

Raise and enforce the system of sea dykes, salt water prevention dykes along the coastal areas in order to ensure against storms level 9-10 with medium tides. Construct a sea dyke system to protect Autumn Summer rice in Mekong river delta.

Use different measures to treat properly soil erosion of river rims, seashores to avoid damages to properties and life of the State and people.

Prepare manuals for operation of water reservoirs in watershed areas which can cut and diverge floods like in Da river, Thac Ba, Coc mountain, Cam son ...at the same time, to study to construct some large water reservoirs in combination with electricity generating, flood control in upstream areas: Dai Thi in Gam river, Son La in Da river.

Liberate river beds, river mouths, to discharge floods; observe strictly ordinance of management of dykes and flood control.

Strengthen planting watershed forests, increase forest cover to retain water, conserve soils to control flash floods...

Research on measures for flood diverge and discharge to ensure safely for dyke system of Red river delta.

Promote flood forecasting and warning work; increase the capacity for prevention, control and mitigation of natural disasters.

(3) Development of infrastructures and other services

Appropriate investment combined with mobilization of contribution from the people to develop a network of transport and communication, water supply system, electricity, information in rural areas, creating conditions for reduce production cost and circulation of goods. Priority should be concentrated on concentrated commodity producing areas. Attention should be paid to invest to construct landing areas, stores, markets, transaction centers for trade promotion.

By the year 2010, to ensure road system to be operated throughout the year down to all communes, 100% of rural population has electricity and safe drinking water; 100% of communes have schools, health care stations; and telephones.

Consolidate public services like agricultural extension, veterinary, plant protection, forest protection, agricultural products quality control and agricultural materials should be corresponding to requirements of large scale commodity production, reducing risks for farmers.

3. Strengthen scientific and technological potentials and transferring of advanced progresses.

With urgent requirements on increasing of productivity, quality of products and competitions capacity of agricultural sector, it should strengthen quickly scientific and technological potentials. On the one hand, it needs to renovate and strengthen system of scientific research and transferring of technologies, first and foremost, to rearrange research institutes, on the other hand, it should invest properly to research work. It should direct to build up a modern and sustainable

agricultural sector; first priority is given to key fields like biotechnology, clean and safe agriculture .

The State should have a preferential policy for investment for modernization of scientific and technological research institutions, ensuring these institutions(chiefly key institutions) to be equipped with modern equipment, building a synchronous group of scientific and technical staff Especially, having leading staff in the Sector, guiding our scientists to integrate into toe World.

Scientific system of the whole sector should focus their research on big and urgent matters of agriculture and rural areas in terms of production structure, building of rurality according to socialite orientation. With limited funds and resources, it should focus on implementing key programmes aimed at creating " a sudden attack" in agriculture of Vietnam, firstly study crop plant, animal and forest seeds; application of biotechnology in production.

Programme on plant varieties animal breeds

Implementing this programme will impact actively on raising productivity, production, quality and competitions capacity of agricultural and forestry products. During the period 2001-2010, firstly for 5 years 2001-2005, programme on plant and animal seeds should be efficiently implemented under Decision No 225/1999/QĐ TTg of 10/12/1999 by Prime Minister, specifically

Ensure sufficient and good quality seeds to supply to the requirements of production development, firstly, key production sectors relating to income of all farmers and capable for export, like rice, coffee, rubber, tea, cashew nut, pepper, fruit trees, sugarcane, pigs, meat cows, milk cows, poultry, and important forest trees.

Application of modern biology and biotechnology, using hybrid technology to select and create new varieties with high productivity and quality.

Forming a system of production and services of plant, animal and forest tree species in accordance with market mechanism.

Encourage all organizations and individuals in the country and abroad to take part in research, breeding and production of good varieties and supplying to production demand.

4. Training and development of human resources for agriculture and rural area

General and long-term objective for next centuries is to provide enough jobs to labourers in rural areas (estimated about 33 million people by the year 2010; in 1998 is 24 million people) and training for development of human resources, meeting the demand of industrialization and modernization of agriculture and rural areas of Vietnam.

Some specific targets can be summarized as follows

(1) For labour and structure of labour

	1998-1999	2010
Population (million people)	76-77	90
Number of people at working age	43	60
of whom: in rural area	32.7	31.8
Number of labourers at work	30	31.8
+ Agriculture	20.4	14.3
+ Services	4.2	9
+ Industry and handicraft	5.4	8.5

(2) For training and development of human resources

Basing on requirements of industrialization and modernization cause of agriculture and rural areas and implementation capacity from now until the year 2010, it is planned to train and foster :

Technical workers training	168,000 people (15,000 people/year)
Professional technicians training	52,000 people (4,800 people/year)
University and high school training	36,000 people (3,300 people/year)
MSc degree training	2,800 people (240 people/year)
Doctor degree training	1,400 people (120 people/year)

5. Renovation of production relation

(1) For household economic development (including household farms)

Continue to implement policies to support households in development of production of commodities such as completion of land allocation and issuance of land use right certificates; develop infrastructures and services; strengthen to provide credits, agricultural extension, development of markets.

(2) For cooperatives and cooperative economy

Guidance should be concentrated on implementation with firm and appropriate steps of converted cooperatives according to the Law. Continue to support already converted cooperatives to solve problems relating to properties, funds (including abolishing of old debts), providing loans, training of professional and management officers in order to raise efficiency of operation. Dismiss weak cooperatives and mobilize farmers to form other suitable economic cooperatives. Support farmers to build new cooperatives and diversified groups of cooperatives, directing to business and services, production and processing, products marketing and construction of rural infrastructures (electricity, transport, communication, information, housing construction).

(3) For State enterprises

Streamline and restructure State enterprises; consolidate enterprises engaged in public interest services or playing a leading role in key fields.

Push up the process of renovation of State owned enterprises; support enterprises to change technologies; raise competitiveness capacity, chiefly Corporations 90,91; treating with harmony relations between Corporations and member companies, between corporations and localities, between boards of directors and managing boards. Conducting equitization, contracting, selling, leasing ... to enterprises according to the plan and programme applied for each type of enterprise.

Continue to renovate 449 State farms and forest enterprises in order to raise effective use of 5.6 million ha of land, 2.7 million ha of forest and other resources managed by State farms and forest enterprises; State farms and forest enterprises are really technical, social and economic centers in difficult rural areas.

6. Policies

(1) Land resources

To protect 4 million ha of rice land; develop and protect 9 million ha of special use forest and protection forest in order to ensure national food security and environmental sustainability as a long-term strategic task.

Organize to implement efficiently the Land Law; promulgate under-law regulations to solve correctly and strictly land allocation, issuance of land use right certificates, land leasing, supporting landless farmers to have suitable jobs to earn stable incomes. Planning and guiding farmers to change structure of tree crops on low effective paddy land; create favorable conditions for farmers to change tree crops on different soil forms according to market demand in order to raise higher income from land resources.

(2) Investment and credit policy

- Encourage farmers and different economic sectors to invest to agriculture and rural areas.

To create favourable conditions for experienced people who have funds and working knowledge in agriculture and rurality, by land allocation, land leasing, supporting to construct infrastructures, providing credit, removing constraints from collection of raw materials and consuming of products, ensuring safety of properties ...

- State investment capital (including State budget, investment credit and investment of State enterprises). Increase proportion of investment capital for agriculture, forestry, fisheries and water resources upto 20% of total investment capital of the State (about 6000 billion VND/year). Renovate investment structure, concentrate on development structures, chiefly key programmes of the whole sector like irrigation structures, processing industry, varieties and breeds. Active measures should be made to raise effective use of investment capital right from sorting, formulating, project evaluation, bidding, basic construction management and management of structure exploitation.

- Credit: expand rural credit for farmers to continue to access to loans from the banks, particularly medium and long-term loans to invest to agricultural, forestry and fishery

production; develop processing industry, profession, small industry and handicrafts and rural services.

- Encourage foreign direct investment (FDI): to implement effectively the Incentive Law on Foreign Investment and complete all relevant policies. Gain and use effectively international aid sources.

(3) Market development

Measures for market development under responsibilities of the State include

- + Implement uniformly the policy of smooth circulation on domestic markets ; to create favourable conditions for all enterprises to participate in exporting directly agricultural products; abolish inconvenient administrative procedures at all levels which prevent from circulation or increased circulation fees.
- + Develop and raise effectively market services including market information, loading, storing, transporting, plant quarantine, quality control, providing credits, accounting... with the aim at reducing risks on the markets and circulation fees.
- + Construct infrastructures for marketing : markets, landing places, warehouses, harbours, information and communication system. Upgrade and construct a system of new warehouses, ports in Mekong river delta (Can tho province), Red river delta (Hai Phong); Central zone (Da Nang) in order to provide the best service to requirements of storing, loading, unloading of export and import agricultural products and commodities and imported materials.
- + Implement measures to support farmers when World market price has dropped to too low price which causes losses to farmers like application of mechanism of flooring price for a number of vital and sensitive products (like rice, salt), support to preserve and export coffee, rubber, tea, groundnut, cashewnut, sugar...
- + Negotiate and sign Government contracts on trading of commodities; negotiate on trade preferential tax with foreign countries; promote and sign agreements on veterinary, plant protection with some countries in (Latin America for rice, South Korea, Singapore for meat...) aimed at creating conditions for agricultural products of Vietnam to enter other markets easily and stably.

For farmers and enterprises : need to monitor closely market changes so as to develop production on the basis of market demand; actively seek markets, cooperate and create a system for consuming commodities on a regular and continuous basis; to take measures for diversification of products in order to prevent from market risks; stabilize income and life.

7. Hunger eradication and poverty reduction

Until now, the whole country still has 1.7 million households, of which 8.5 million people belonging to poor and hungry households, lacking food and foodstuff, of which 90% in rural area, mostly concentrating on upland area and ethnic minority areas.

By the year 2005, taking effective measures to eradicate basically the status of food shortage and reduce considerably proportion of poor households. Basic orientations include

To create conditions for poor people who themselves engage in production of food and foodstuff as well as to do other jobs to generate income enough for buying food when needed and ensuring life stability. Main measures include allocation of land and forests, supporting to establish permanent cultivative fields; small irrigation structures, road network, support to supply seedlings, seeds, materials; marketing products; create conditions for development of professions and other non-agricultural jobs.

Ensuring equality : to create conditions for poor people to enjoy benefits from social service, health care, education, information, culture... and to participate in community activities as other people in order to protect their benefits; priority is given to women and ethnic minority people.

Reduce risks, prevent and control natural disasters : having measures to assist farmers in preventing and controlling natural disasters in prone areas and organize to rescue timely when natural disasters take place; support to prevent and control epidemics and diseases; minimize natural disasters; guide to define a proper structure of crop trees and animals to reduce changes in terms of price and market.

8. Strengthen State management

- Review and promote system of State management agencies on agriculture and rural development, clarify and adjust functions and duties properly; strengthen decentralization of management to local administration; manage production enterprises, chiefly State farms and forest enterprises, processing units, water resources structures in order to connect between production, services and processing activities. Attach special importance to staff training; strengthen facilities ensuring effective operation, chiefly at grass root levels (districts, communes).

- Continue to complete legal basis, enhance organisational work to implement promulgated laws and policies.

- Take into account training of agricultural extension staff for local level, with emphasis on remote communes so as to provide instructions and transfer of technologies to producers.

9. Strengthen the leadership of the Party and develop democracy in rural areas

- Strengthen capacity for comprehensive research on agriculture and rural areas; monitor closely and discover timely new factors.

- Regularly educate and train officers and Party members to raise higher their knowledge to catch up with the speed of industrialization and modernization.

- Conduct research, build up and sum-up models on appropriate organization and management to act as a basis for guidance and implementation of industrialization and modernization of agriculture and rural areas.

- Party leads in organization and implementation of democratic regulation, develop strengths of masses, of socio-politic organizations and mass organizations in rural areas.

In the past years, agriculture and rural areas of our country have recorded important achievements, contributing actively to stabilize social, economic and political situation and improve livelihood of farmers in the whole country. Entering into a new millennium and stage of construction of industrialization and modernization of the country, agriculture needs to have strong changes aimed at creating favourable conditions and supporting actively farmers and enterprises to turn out products having higher productivity and quality; support enterprises to raise their competitiveness and profitable trading on domestic and world markets; maintain high growth rate of agriculture; develop industry, professions and services; at the same time contributing to hunger eradication and poverty reduction and all-sided rural development.