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RAISING AN GIANG'S LIVING STANDARDS
with 8 photos.

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Farm credit and miracle rice . . .

RAISING AN GIANG'S LIVING STANDARDS

An experiment launched in one district two years ago to give low-cost credit to 203 Vietnamese peasants -- small landowners or sharecroppers of Thot Not district with neither capital nor collateral, but ambitious men willing to gamble on new crops and new methods -- has succeeded so well that the program now covers all four of An Giang's districts. This year more than 4,000 farmers have volunteered to grow crops new to this pacified province of the Mekong Delta.

The credit scheme, coupled with the introduction of field crops, vegetables and Filipino "miracle" rice grown under the guidance of experts from four nations, is raising living standards dramatically in An Giang. More prosperous today because of the supervised credit and crop-diversification program are such Thot Not farmers as these:

* Nguyen Van Hoa, 36, of Thanh Phuoc hamlet, Trung An village. Hoa paid 1,000 piasters interest for a loan "in kind" valued at 20,000 piasters. With it he planted soybeans on 6,000 square meters of the hectare of land he rents. He harvested 900 kilos, sold his seed crop for 50 piasters a kilo, paid off his loan and pocketed 24,000 piasters in profit. It was the first spare cash Hoa had earned in all his years of bartering his way from one rice season to the next.

* Nguyen Van Pham, 50, of Dong Thanh hamlet, My Thoi village. With his loan, Pham planted four-tenths of a hectare to soybeans. One hundred days later

he harvested 720 kilos, and sold them for 36,000 piasters. The profit was enough to start his son, Nguyen Van Lon, 21, at Saigon University, where he is now studying law -- the first member of the clan ever to go to college.

For both Hoa and Pham, the profit from soybeans came as a windfall, for the crop was planted on land ordinarily lying idle between rice seasons.

The plan that brought them prosperity is part of a long-term governmental effort to boost food production by inducing peasants, including those like Hoa and Pham who have no investment capital or collateral, to grow new crops and to use modern methods of agriculture. Ultimately the program is designed to transform these peasants from subsistence farmers feeding only their own families to commercial farmers marketing surplus food for urban and foreign consumption.

Twin Features

The credit plan, administered by five agencies with representatives in the provincial capital at Long Xuyen 150 kilometers southwest of Saigon, is characterized by two distinctive features:

- * The loans are not in cash, but in the form of seed, fertilizer, insecticide, sprayers, irrigation pumps and poultry;

- * The farmers' utilization of these "package loans" is closely supervised -- all the way from land preparation through planting and harvesting to marketing of crops -- by two dozen Vietnamese, Chinese, Filipino and American agricultural advisers.

This supervision, along with guarantees of an assured market for experimental crops, cuts credit risks so much that participating farmers need pay only one percent interest per month. That is one-tenth to one-twentieth the interest they would have to pay to local moneylenders even if they had collateral.

And with such expert guidance available to them, the farmers are reaping harvests so rich that repayment of loans is averaging well over 90 percent.

The original 203 An Giang farmers who took part in the pioneering credit and crop-diversification scheme in 1966 grew soybeans on 155 hectares, and some experimented with vegetables and watermelons. Within a year the program had grown twenty-fold. Many of the new recruits to the program did not require credit, but did avail themselves of the technical advice offered by the four nations' experts. The loans and the step-by-step guidance given An Giang's farmers helped them to plant more than 3,230 hectares to new crops in 1967. These included 3,000 hectares planted to soybeans, corn (maize) and other field crops, more than 100 hectares to watermelons, 120 hectares to IR-8 "miracle" rice, and 100 hectares to vegetables equally new to the Delta like onions, garlic, cabbage, cauliflower, cucumbers and "yard-long" Chinese beans.

This year some 4,000 farmers of Thot Not, Cho Moi, Hue Duc and Chau Thanh districts have agreed to participate in the crop-diversification program, though not all will require credit. Most of the 4,000 will be planting the IR-8 rice for the first time, and some will be experimenting with the even newer and more improved IR-5 rice, also developed at Los Banos in the Philippines. It is expected that as much as 2,000 hectares will be planted to these new rice strains, that 2,000 of the farmers will be supplementing their incomes by growing two crops of watermelons in this one year, and that 2,000 of the farmers also will be growing vegetables. Soybeans and other field crops will be cut back to 2,000 hectares this year to permit more emphasis to be placed on improved rice and to bring the province's production of soybeans more closely in line with local demand. The price of soybeans is dropping while rice is rising.

Twenty varieties of sorghum (known as kaoliang in its native China, where it is used for making bean curd, wine and even material for building huts) have been planted on two 500-square-meter demonstration plots. This test may induce some An Giang farmers next year to plant the versatile sorghum stalk in order to feed it to livestock.

Improving the Land

The program that has brought these new foods to the Delta entails land improvement and water control measures as well as crop diversification. In addition to utilizing idle land and idle manpower hours, the program is aimed at putting more protein into Vietnamese consumers' diets while putting more piasters into the farmers' pockets. As side effects, the program is expanding the peasants' knowledge and technical competence through the counseling it provides, and it is introducing the people to, or strengthening their ties to, governmental services and cooperatives sponsoring the program. And it is helping to decrease somewhat the overdependence by the farmers of An Giang on a single crop -- floating rice -- that is subject to the dangers of river flooding and rat infestation.

Before the crop-diversification program was launched in March 1966, 94 percent of An Giang's 150,000 hectares of cultivated land was devoted to rice paddies, but only 273 of those hectares were planted to two-crops-a-year transplanted rice. The rest of the paddyland was devoted to floating rice, the low-yielding "indigo" strain that produces only one harvest a year because the growing time is seven to nine months. A hectare gives only about 1,500 kilos, selling for eight to 12 piasters a kilo. The paddyland had always remained idle between rice seasons, and at least 30,000 hectares of this half-used land were deemed suitable for planting field crops during the off season because they had

sufficient elevation to shed the annual floodwaters many weeks before the rest of the province.

So the agricultural experts' attack on the problem took two courses: an effort to get field crops like soybeans and corn planted on unused paddyland during the dry season, and an effort to replace the one-crop-a-year floating rice with the two-crops-a-year transplanted rice. There was a sense of urgency about this mission, for year after year the rice crop in the Delta -- Vietnam's breadbasket -- had been declining as farmers left their lands, either because of war or because of the lure of better-paying jobs in the cities. The year 1964 was the last year that Vietnam exported rice; since then rice has had to be imported in ever-increasing quantities to feed urban populations.

Before the crop-diversification program had advanced very far, its sponsors realized that the number of farmers able to participate would be sharply curtailed unless some means were provided to obtain the necessary seed, fertilizer, insecticide and sprayers to grow their crops profitably, and unless they could obtain the equipment necessary to level their lands and pumps to irrigate them. Floating rice requires no irrigation; it is grown during the rainy season. Transplanted rice needs irrigation, particularly for its second crop of the year. Vegetables and field crops also require land-draining and irrigation. And before irrigation methods can be effective the land must be leveled. To give farmers without investment capital the chance to experiment with new crops, therefore, some form of credit had to be made available to them.

Sponsoring Groups

Five organizations teamed up to sponsor the credit and crop-diversification program. They were the Vietnamese government's Agricultural Development Bank (ADB), the An Giang provincial government's agricultural service, the local

cooperative called the Farmers Association, American and Filipino agricultural experts of CORDS (the U.S. Government agency for Civil Operations and Revolutionary Development Support), and the Chinese Agricultural Technical Mission to Vietnam (CATM/VN), a team of extension specialists brought from Taiwan under a U.S. aid contract with the Republics of China and Vietnam.

The plan they worked out in 1966 had proved effective, and remains in force today. For no-collateral loans, advisers from CATM, CORDS and the agriculture service inspect a loan applicant's farm to see if he is a suitable risk; they determine if he is likely to harvest enough of an extra crop to be able to repay the loan. These agricultural experts and the farmers' cooperative advise the farmer on what equipment and supplies he would need and can afford if he is to succeed in diversifying his crops. For each hectare he farms, the approved applicant has a loan ceiling equivalent in kind to 20,000 piasters. Up to that limit, the Long Xuyen office of the ADB issues credit tickets to the farmer. One ticket, for instance, the farmer delivers to a private merchant in exchange for a water pump. Another ticket he takes to a second merchant for an insecticide sprayer. The farmer takes a ticket to the agriculture service for seed, a ticket to the Farmers Association for fertilizer, another ticket to a private merchant for insecticide. Under a new project, the farmer now can take a ticket to a private poultry farm and get 50 layers.

The various recipients of the credit tickets redeem them for cash at the ADB. Two months after the harvest each farmer's loan falls due, and the agriculture service acts as the ADB's collection agent. The agriculture service, which needs abundant stocks of seed for the expanding crop-diversification program, buys at least half the farmer's crop. From the money due the farmer

for his crop, the agriculture service first deducts the amount of his loan plus interest, and reimburses the ADB.

Emphasis on Rice

As the program matures, emphasis is being shifted from soybeans to the improved Filipino rice, selected at Los Banos' International Rice Research Institute from 10,000 varieties studied. On the 120 hectares sown to IR-8 rice in An Giang during the 1967-68 growing season (with the last transplanting in December), some 600 farmers in 15 villages found their yields five to 10 times greater than the floating rice they had traditionally grown. Instead of the 1,500 kilos per hectare averaged with floating rice, those experimenting with IR-8 averaged 4,000 to 5,000 kilos. And they learned from the results of a demonstration plot test that a yield of 9,510 kilos was possible if all modern methods and heavy application of fertilizer were employed.

The An Giang farmer discovered that six-tenths of a hectare (6,000 square meters) planted to IR-8 could earn him 60,000 piasters, for he could sell his seed crop at 20 piasters a kilo -- twice the price of floating rice seed. IR-8 could be sold at a premium because it is the highly valued "white" rice, while floating or "indigo" rice is reddish in color. Instead of having to wait seven to nine months for his crop to mature, he reaped his first harvest of IR-8 within four months, including 20 days in the seed bed before transplanting. He found that IR-8's stiff, strong, short straw prevented it from lodging -- falling over -- when the plant was heavily fertilized or when it was buffeted by wind and rain. Hardy, adaptable, nutritious, IR-8, he agreed, was truly a "miracle" rice. And he could get two crops a year instead of one by draining and leveling his land, by using plenty of fertilizer and by installing an irrigation pump.

This year 26,700 hectares will be planted to IR-8 throughout South Vietnam (a target goal cut from 44,000 hectares by the communists' Tet offensive in February) and of that total An Giang farmers will be planting up to 2,000 hectares. To prepare so much land for the new crop, mechanization is necessary. The program's sponsors have brought in tractors and attachments imported by U.S. AID to level farmers' lands under a cooperative hire project. In addition to the IR-8 seed purchased by the agriculture service from An Giang farmers' last crop, 80 tons of seed are being shipped from Saigon to the province for this year's crop -- part of the original 1,500 tons that came from the Philippines in 1967.

Recently introduced to An Giang was Los Banos' latest "miracle" rice, IR-5, which shows qualities even better than IR-8's. While IR-5 has a growing period of 150 days to IR-8's 120 days, the additional maturing time is not enough to prevent double-cropping. IR-5 has a hardiness that withstands typhoons and monsoon rains, is more resistant than IR-8 to disease and infestation, and, according to consumers, it tastes better. During the last season, two hectares on a farm near Long Xuyen owned by two brothers, Tran Ngoc An, 31, and Tran Ngoc Diep, 30, produced more than 7,000 kilos of IR-5 seed in the first planting.

Progressive Farmers

An and Diep are among the most progressive farmers in the locality. With one million piasters provided by their father, an ex-government administrative clerk turned retail merchant, they bought six hectares of riceland in Tay An hamlet of My Thoi village in 1964. Today the farm is worth 25 million piasters. The brothers have been helped by the technical advice given them by the nine Chinese of CATM and the 13 Vietnamese experts of the agriculture service who are based at an adjacent demonstration farm. An and Diep have availed

themselves of a loan under the supervised credit program, but now have progressed so far that they are cooperating in the program as lenders instead of borrowers.

The two brothers dropped rice as a main crop when they bought the farm, retaining only two hectares for such experiments as their recent one with IR-5. The rest of the land they devoted to animal husbandry and to the crops needed to feed their animals, plus garden crops, bananas and mangoes.

In 1964 they traveled to Saigon to buy 500 chickens about three months old, including White Rock, White Leghorn, New Hampshire, Plymouth and a Japanese import, Da To. They crossbred the strains one with another, but did not include local strains. Today they sell 500 eggs a day in Saigon and have 5,000 layers. Six months ago the brothers had more than 10,000 chickens, but they sold 3,100 to the provincial government to stock New Life Hamlet resettlement farms and 2,000 to borrowers under the supervised credit program. In addition they are selling layers to private farmers throughout the province.

It was not until 1967 that the brothers went into the pig-breeding business. With a loan from the supervised credit program they bought 30 local pigs and went to Saigon to buy 100 Yorkshire pigs weighing about 20 kilos. They now have 100 crossbred pigs and have sold more than 1,000. The brothers' farm has become a showplace, and is as effective in teaching local farmers modern methods as is the provincial government's demonstration farm across the road.

Demonstration Results

The demonstration farm, run by the agriculture service with CATM and CORDS assistance and Ministry of Agriculture financing, has opened many farmers' eyes to the possibilities inherent in new crops. From the demonstration farm, they have learned that:

- * They can get 400,000 piasters from one hectare of onions;

- * They can get 90 times more money from "Sugar Baby" watermelons than from the same acreage planted to floating rice, and they can get two crops instead of one crop a year -- one before Tet, one after Tet, the holiday season when watermelons are in great demand;

- * They can gross up to 180,000 piasters per hectare from two crops of soybeans a year compared with 18,000 piasters per hectare from one annual crop of floating rice;

- * They can get 35 percent more of a harvest from "yard-long" Chinese beans and market them for three times as much as the local stringbean sells for;

- * They can get more than 10 times the return from planting IR-8 than from floating rice.

Not all farmers who came to the demonstration farm and saw these results were eager to try the new crops. For one thing, tradition opposed change. For another, consumers relished the familiar taste of floating rice. And, of course, new crops entailed more work. When irrigation has to be used, land preparation can be a back-breaking chore. When rice like IR-8 or IR-5 is planted, it cannot be broadcast in the field like floating rice. It must be transplanted by hand, plant by plant, after its 20 days in the seed bed. Like most of the new crops, it requires much fertilizer. Floating rice almost grows itself; transplanted rice must be nursed along. And two crops mean twice the work of one.

But for the 4,000 farmers of An Giang who this year will introduce IR-8 and other new crops, the extra piasters in their pockets after the harvest will reward them for the extra work they will have to put into their fields.

This year they will be taking the first step in the transition from subsistence farmers to commercial farmers. Says a CORDS agricultural scientist in Long Xuyen:

"Until the nation's farms are producing a surplus that can be marketed commercially in the cities and abroad, economic progress in South Vietnam will lag behind its potential. Commercial farming would enable Vietnam to produce its proper share of the world's food supply, create the wealth and foreign exchange needed by a growing national economy and, by increasing productivity of the individual farmer, would free underemployed farmhands to take jobs in an expanding industrial economy."

The farmers of An Giang taking part in the supervised credit program will be the pioneers to prove the truth of the maxim that a strong economy, including a strong industry, must have a strong agricultural base.

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