



Much of the wealth of Viet-Nam is agricultural: Fields and fields upon fields of rice.

# VIETNAMESE AGRICULTURE

*Viet-Nam Info Series No. 44*

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Viet-Nam is an agricultural country with over 60 percent of its population engaging, partly or full-time, in farming. Every year, the contribution from the agricultural sector constitutes about 30 percent of the gross national product. Being still at an early stage of industrial development, Viet-Nam has to rely on its agriculture not only to feed its population, but also to draw from it 90-95 percent of the total value of export products.

Yet, looking back over the ten years spanning between 1959 and 1969, one must admit that the overall record is far from encouraging. The war imposed upon us by the aggression from the North has brought about severe disruptions and adversely affected agricultural production in several areas: insecurity in outlying areas led to abandonment of land, mobilization created shortage of manpower, disrupted communications brought about difficulties in agri-input supply, limited the dissemination of improved farming techniques and severely restricted wood-cutting operations. The results of this economic warfare are clearly visible in such indications as the decreased cultivation acreage and the low production figures. In ten years, the cultivated area of food crops increased only by 7 percent (2.6 million ha vs. 2.4 million ha) while industrial cropland decreased by 5 percent (175,625 ha vs. 185,184 ha). Food crops output increased only 3 percent in ten years and industrial crops decreased by 55 percent. Rubber, sugarcane, coconut and pineapple production was most severely affected.

	Production		Percentage of decrease
	1959	1969	
Rubber	65,000 T	28,000 T	- 58 %
Sugarcane	1,000,000 T	464,000 T	- 54 %
Coconut	118,000,000 fruits	99,000,000 fruits	- 16 %
Pineapple	41,000 T	33,000 T	- 19 %

The production of rice--the staple food of the Vietnamese people--went up only 1 percent in these ten years (1959-1969) while the population multiplied by more than 20 percent in the same period. The rice situation would have been even more critical if the government had not taken positive measures introducing the IR Rice Program.

In the field of animal husbandry, application of modern techniques and large-scale operations in secure areas somewhat compensated for the lower production of the countryside. In ten

years, animal production increased 40 percent or a yearly average of 3.5 percent, a still modest growth rate. The fisheries obtained a somewhat more encouraging growth rate of 9.8 percent annually, but this is not sufficient to allow much surplus for export purposes. (In ten years, only a modest 6,068 tons was exported to Singapore.)

The exploitation of industrial wood also registered sharp decline, with but irregular upward trends and with the exception of the year 1969. Lumber production was barely enough to meet domestic demand, thus rendering exportation impossible in spite of an abundance of valuable forest resources that exist. The quantity of charcoal produced also knew a sharp downturn as insecurity prevailed at production centers and as kerosene came to be used more and more as a substitute for charcoal (7,499 tons of which were consumed in 1969 as compared with 105,605 T in 1961).

The extent of these disruptions due to the war can also be gauged in the amount of foreign exchanges used in importing agricultural products which in 1969 totalled US\$ 197,533,543 as compared to US\$ 38,495,057 in 1960, representing an increase of 513.1 percent. On the other hand, the amount of foreign exchanges earned from agricultural exports dropped from a peak of US\$ 81,640,970 in 1960 down to US\$ 10,001,864 in 1969, or a decrease of 87.6 percent.

#### THE TREND UPWARD

With the improved security conditions over the land, the year 1969 marks the end of the decline and the beginning of an upward turn. The rice output, after five consecutive years of decrease from 5.2 million tons in 1963 to 4.4 million in 1968 (- 15.5 percent), rose to 5.1 million tons in 1969. This represents a 17.1 percent increase over 1968. Other agricultural products such as peanut, coffee, tea, tobacco and pepper also showed considerable gains. Altogether, the 1969 crop production index increased by 11.8 percent in one single year.

As for animal husbandry, the production index shows an increase of 13.4 percent as a result of concerted efforts in every field, especially in poultry and swine raising. Fishery production increase 13 percent in 1969 (463,000 tons against 410,000 tons in 1968) owing to the progress in motorization of the fishing fleet and the curfew-lifting of formerly restricted fishing areas. But with the security situation improved, the most spectacular jump was achieved in the production of logs. In 1969, 463,000 cubic meters were cut as compared with 286,500 cubic meters in 1968--an increase of 61.6 percent. This represents the largest amount of timber ever cut in the Republic of Viet-Nam.

The following table summarizes the percentage increase in agricultural production between 1968 and 1969:

Products	Percentage increase 1968-1969
Crop products	+ 11.8 %
Animal products	+ 13.4 %
Fishery products	+ 13.2 %
Forest products (logs)	+ 61.6 %

For 1970, preliminary reports show that agricultural production continued to make good progress. Rice production went up to 5,651,000 tons, surpassing the 1969 season by more than 500,000 tons (10.5 percent increase). This was the highest annual production since 1955. This was also the result of better security, improved seed and modern farming techniques. Rice shipment to Saigon in 1970, for instance, was equivalent to 417,000 tons of milled rice, the highest figure in five years since 1965. This represented a 27 percent increase over 1969.

As for secondary crops, the hectareage and production both show an upward trend in comparison to the previous year. Corn production increased 3.9 percent, soybean 26.9, banana 18.8 and fruits 15.3 percent. The production figures for almost all industrial crops also went up: Rubber increased 7.7 percent, tea 15.3, coffee 26.7, coconut 5.9 and sugar cane 37.5 percent.

Livestock production in 1970 declined somewhat: the number of water buffaloes decreased by 9 percent (from 626,500 head down to 571,900 head), cattle by 7 percent (from 940,100 head down to 878,000 head). Swine population, however, showed an 8 percent increase from 3,771,800 to 4,087,000 head. As for the production of poultry, the number of ducks increased by 16 percent (from 14,102,000 to 16,306,000) but the number of chickens slightly dropped.

The reasons for the decrease in the number of large animals are:

- 1) The mechanization of agriculture has replaced the draft animals by power-tillers and tractors.
- 2) The several floods in Central Viet-Nam killed a significant number of them.

In the domain of fishery, there was marked progress in several aspects, reflected both in the increased numbers of fishermen and fishing boats and resulting in a sizeable increase in the catch. In 1969, the number of fishermen was 277,118, but it shot up to 317,442 in 1970, representing an increase of 15 percent. The number of fishing boats also increased from 81,956 to 88,215, an 8 percent increase. Of this total, the motorized fleet has gone from 39,001 to 42,603 boats, a 9 percent increase. Fishery production rose from 463,884 tons in 1969 to 577,450 tons in 1970, an increase of 24.4 percent.



present increase from 4,791,800 to 4,987,000, and for the production of poultry, the number of ducks increased 2.19 per cent (from 14,100,000 to 14,390,000) and the number of chickens slightly dropped.

The reasons for the decrease in the number of fish and birds are:

- 1) The mechanization of agriculture has increased the use of power tillage and tractors.
- 2) The number of fish and birds in Central Viet-Nam has slightly decreased.

In the future, it is expected that there will be a further increase in the number of fish and birds. This is due to the fact that the government is taking measures to increase the production of fish and birds. For example, the government is building more fish ponds and is providing technical assistance to fish farmers. It is also encouraging the production of birds by providing them with better feed and housing. These measures are expected to result in a significant increase in the production of fish and birds in the future.





The distinguishing feature of the Republic of Viet-Nam's land reform program is that land forms only part of the comprehensive program. Together with it, the farmers receive government assistance in credit, fertilizer, seed and machinery. Here, the farmers are receiving power-tillers in a ceremony held in Lam Dong Province November 18, 1970.

Rubber production increased 7.7 percent, but the volume exported (as shown on export authorization requests) rose from 20,831 tons in 1969 to 24,069 tons in 1970, a gain of 15.5 percent. Besides rubber, exports of other products such as cinnamon, rice paper, fish sauce, and duck feathers also climbed significantly. The total volume of agri-products exported in 1970 increased by 12.9 percent; yet, there was a slight decrease in value due to the decline of rubber price on world markets.

Comparison between 1970 and 1969			
	1969	1970	% of increase
Paddy (tons)	5,115,000	5,651,000	10.5 %
Corn (tons)	30,535	31,730	3.9 %
Soybean (tons)	5,965	7,570	26.9 %
Banana (tons)	183,760	218,460	18.8 %
Fruits	222,885	257,075	15.3 %
Rubber	27,650	29,780	7.7 %
Tea	4,900	5,650	15.3 %
Coffee	3,550	4,500	26.7 %
Sugar cane	321,445	442,125	37.5 %
Fishermen	277,118	317,442	14.6 %
Fishing boats	81,956	88,215	7.6 %
Motorized fishing boats	39,001	42,603	9.2 %
Fish catch	463,884	577,450	24.5 %

#### VAST POTENTIALS

The progress achieved in agricultural production in Viet-Nam during 1969 and 1970 demonstrates the capacity of Vietnamese agriculture to make a comeback once the conflict is reduced to manageable proportions, allowing a certain degree of sustained security. Should this situation be maintained over the next few years, it is not unreasonable to think that Viet-Nam will make a breakthrough comparable to what has been achieved in Taiwan and Japan in the past decades. This is because, for a small country, Viet-Nam possesses great potentialities in agriculture that few other countries of comparable size can boast of:

- The area presently under cultivation comes to less than 3 million ha, whereas the total arable land area is about six million ha, or about 35 percent of the national territory. Both soil and climate are favorable for growing a great variety of agricultural products in the Mekong Delta and lowlands of Central Viet-Nam, and industrial crops in the provinces east of Saigon and in the Highlands. With available pasture land and probable surplus of agricultural products, Viet-Nam is richly endowed for the development of large-scale livestock industry.

- With 2,000 km of coastline and 4,000 km of rivers and streams, with half of its boats motorized (and the trend is continuing) and with offshore fishing largely left untouched, the future of Viet-Nam's fisheries is promising indeed.

- The forests of Viet-Nam cover an area of approximately six million ha with a reserve of 500-600 million cubic meters of all kind of valuable and common timber, yet only less than half a million cubic meters were cut in 1969.

- Finally, another important factor that should not be overlooked is the eagerness with which the Vietnamese farmers and fishermen have come to understand and accept modern techniques. Their responses to all innovations introduced (planting of high-yield varieties of rice, greater utilization of chemical fertilizers, mechanization of tilling and motorization of fishing boats) are concrete examples of this spirit.

To visualize the potential development of Vietnamese agriculture, let us take the example of Taiwan which in several ways is comparable to Viet-Nam. In size, Taiwan is only about one fifth of the Republic of Viet-Nam (35,961 km<sup>2</sup> vs. 172,102 km<sup>2</sup>). In 1968 Taiwan had only one million ha of planted area. Its forest area was 2.3 million as compared with nearly 6 million ha of Viet-Nam. Its coastline was 1,600 km long as compared to 2,000 km in Viet-Nam. In sum, Taiwan is in a much more modest situation as regards its natural resources, yet its agricultural production is way ahead of Viet-Nam in several instances, as shown in the table below:

Products	Taiwan (1968)	Viet-Nam (1969)
Sugar	846,572 tons	(Imported) 182,400 tons
Banana	645,467 tons	183,760 tons
Pineapple	311,364 tons	33,255 tons
Fish	531,170 tons	463,844 tons
Wood	1,100,000 m <sup>3</sup>	462,722 m <sup>3</sup>

With less natural resources than Viet-Nam, Taiwan is beyond self-sufficiency in the main agricultural products. Besides, it was able in 1968 to export rice (14 M US\$), sugar (51 M US\$), pineapple (19 M US\$), banana (57 M US\$), tea (12 M US\$), lumber (36 M US\$), and plywood (55 M US\$). These are all products that Viet-Nam can produce. In that same year, Taiwan earned 284 million US\$ from its agricultural exports whereas in 1960 it exported only 115 million US\$. In 1960, Viet-Nam also exported 81,640,970 US\$ worth of agricultural products. Thus, a decade ago, Viet-Nam was not far behind Taiwan on this score.

Comparison of the values of agri-products  
exported by Viet-Nam and Taiwan

Year	Viet-Nam (1)	Taiwan (2)	Ratio of (1) to (2)
1960	81,640,970 \$US	115 million \$US	71.3 %
1968	10,555,339 \$US	284 million \$US	3.7 %





President Thieu trying his hand at an automatic reaper, distributed to the farmers of Bien Hoa Province on November 21, 1970.

With few natural resources than Viet Nam, Taiwan is a young self-sufficiency in the main agricultural products. Besides, it was able to export rice in 1960, (51 M US\$), pineapples (19 M US\$), bananas (17 M US\$), US\$), lumber (36 M US\$), and plywood (35 M US\$). In that year, products that Viet Nam can produce. In that year, Viet Nam earned 284 million US\$ from its agricultural exports. In 1960 it exported only 115 million US\$. In 1970, Viet Nam exported 81,600,000 US\$ worth of agricultural products. A decade ago, Viet Nam was not far behind Taiwan in agricultural exports.

Comparison of the values of agricultural products exported by Vietnam and Taiwan

Year	Viet Nam (M US\$)	Taiwan (M US\$)	Ratio (Viet Nam/Taiwan)
1960	10,700,000	115 million	0.093
1970	81,600,000	115 million	0.709



Prime Minister Tran Thien Khiem is passing out land titles to the farmers in Go Cong Province during a visit on December 5, 1970.

AGRI-PLAN: OPTIMISTIC  
OUTLOOK

Basing itself on a sober reading of the initial progress achieved during 1969 and 1970 and on accurate analyses of the country's agricultural potentials, the Ministry of Land Reform and Agriculture and Fishery Development has drawn up a vast specific and action-oriented plan for the next five years, which hopefully will be approved by the National Assembly and President Nguyen Van Thieu. Meant to satisfy all of the country's agricultural needs, to produce extra for export purposes, and thus to bring back extra income for the agricultural producers (farmers and fishermen), the Five-Year Agricultural Development Plan (1971-1975) chose the basic avenues of agricultural diversification, intensive cultivation and modernization of techniques (besides the mechanization of agriculture and fishery, the construction of the basic infrastructure like roads and irrigation works, warehouses, fishing ports, etc. and the building of rural institutions to support development activities and especially to improve marketing, have also been contemplated).

Drawn up after several months of intensive study and discussion, this 3,500-page document consists of a Master Plan, 25 general development projects for agriculture, forestry and fishery, plus 48 localized Development Plans for the provinces and cities of the country.

Together with the Five-Year Plan drawn up at central level, the Ministry has also prepared a Two-Year Plan for Agricultural Development of Gia Dinh Province that served as a study model for other provincial agricultural services. The 48 local Development Plans for the country's cities and provinces all share with the Gia Dinh Plan the following breakdown:

- A description and analysis of the present situation and the agricultural potential of the city or province in question. (Valuable data for anyone who wishes to study or use them for reference are provided in this part.)
- The 1971-72 Development Plan with all the production targets, support activities, and estimates of input requirements.

Combined with these 48 local plans are the 25 general development plans dealing with 25 different projects, grouped into three categories: 11 main production projects as regards crops (rice, sorghum, corn, banana, tea, vegetable crops, tobacco, sugar cane, fruit trees, rubber and secondary crops), the animal husbandry program, the fishery program and the forestry programs; the support projects (rural engineering and irrigation, agricultural mechanization, institutional organization of farmers, agricultural extension, research, plant protection); and the food processing projects.

Once approved and carried out fully, the Agricultural Development Plan will anticipate an annual increase of 12.9 percent on the average for the next five years as far as overall agricultural production is concerned. The crops are contemplated for an increase of 13.4 percent, fisheries 12.2, forestry 38.3,

and livestock 11.4 percent. In comparison with other developing countries with an annual growth rate of 7-9 percent, the figure of 12.9 percent for Viet-Nam may seem rather high but it is believed by experts to be feasible. This is because in addition to the common rate of developmental increase, there must also be an appropriate increase to compensate for the decline registered during 1963-1968.

Should the plan be carried out to the full extent, therefore there will be an increase of 78.8 percent in total value for agricultural between 1970 and 1975 (160,007,850 M piasters  $\rightarrow$  300,580,530 M), 71.85 percent for animal husbandry (67,088,647 M piasters  $\rightarrow$  111,106,090 M), 406.1 percent for forestry (1,128,780 M piasters  $\rightarrow$  5,713,660 M) and 78.2 percent for fisheries (30,175 M piasters  $\rightarrow$  53,775 M).

The projected annual production increases in agriculture, forestry and fisheries for the 1971-75 period will be as follows:

<u>Projected percentages of annual increase in revenue</u> (Base year: 1970)						
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Annual Average</u>
Crops	16.97	8.38	15.68	13.07	13.27	13.43
Fisheries	13.92	12.82	12.03	11.53	10.95	12.24
Animal husbandry	8.68	9.71	10.59	12.99	15.31	11.43
Forestry	<u>41.75</u>	<u>42.84</u>	<u>40.00</u>	<u>35.71</u>	<u>31.58</u>	<u>38.38</u>
Total....	14.64	19.43	14.18	13.08	13.67	12.98

The gross domestic product coming from the agricultural sector will increase by 84 percent between 1970 and 1975, averaging 12.9 per year (255,700,575 M piasters  $\rightarrow$  470,175,237 M).

# Statistical Appendix

## AGRICULTURE

### 1. Rice Production (Total)

<u>Cropping Season</u>	<u>Cultivated Area</u>	<u>Production</u>	<u>Percentage Increase</u>
1968-1969	2,393,800 ha	4,366,150 tons	} 17. % 10.5%
1969-1970	2,430,000 ha	5,115,000 tons	
1970-1971	2,520,000 ha	5,651,000 tons	

### Miracle Rice (IR varieties)

1969-1970	203,000 ha	} 156. % 44.2%
1970-1971	520,000 ha	
1971-1972	750,000 ha (projected)	

### 2. Other Crop Production

	<u>1969</u>	<u>1970</u>	<u>% of increase</u>
Fruit trees	222,885 tons	257,075 tons	15.3 %
Rubber	27,650 tons	29,780 tons	7.7 %
Sugar cane	321,445 tons	442,125 tons	37.5 %
Coffee	3,550 tons	4,500 tons	26.7 %
Tea	4,900 tons	5,650 tons	15.3 %
Banana	183,760 tons	218,460 tons	18.8 %
Soybean	5,965 tons	7,570 tons	26.9 %

## FISHERY

### 1. Fish catch

1968	410,000 tons	} 13. % (increase) 24.5%
1969	463,844 tons	
1970	577,450 tons	

### 2. Fishermen and Fishing Boats

#### - Fishermen

1969	277,118 persons	} 14.6% (increase)
1970	317,442 persons	

#### - Fishing boats

	<u>Total</u>	<u>% of increase</u>	<u>Motorized</u>	<u>% of increase</u>
1969	81,956 boats	} 7.6 %	39,001 units	} 9.2 %
1970	88,215 boats		42,603 units	

## ANIMAL HUSBANDRY

### 1. Animal Production

	<u>Total/Pigs</u>	<u>% of increase</u>	<u>Total/Chickens</u>	<u>% of increase</u>
1968	3,553,000 heads	} 9 % 8 %	20,005,000	} .21% 9. %
1969	3,771,800 heads		20,048,000	
1970	4,000,200 heads		22,050,000	

2. Animal Protection (Doses of vaccine produced and sold to animal raisers)

1968	11,913,087 doses	}	28 % (increase)
1969	15,213,945 doses		
1970	17,788,260 doses		12 %

Footnote: The actual result of this animal production development program has been the stopping of importation of frozen pork and frozen chicken since the end of 1968.

FORESTRY

Actual exploitation

1969	463,000 m3	}	- 12 % (decrease)
1970	406,000 m3		
1971	700,000 m3 (projected)	}	72 % (increase)

PRODUCTION SUPPORT 1. Agricultural Hydraulics

	<u>Water projects completed</u>	<u>Benefited area</u>
1969	35	33,070 ha
1970	61	42,163 ha
1971	38 (projected)	52,316 ha

2. Farmers' Organizations and Cooperatives

	<u>1969</u>	<u>1970</u>	<u>% of increase</u>
Number of District Farmers' Associations	76	82	7. %
Number of members	95,415	112,150	17.5%
Number of cooperatives	587	625	6.5%
Number of coop. members	186,548	190,249	9. %

3. Agricultural Machinery (Agricultural and fishing machinery of all kind, imported and sold to farmers and fishermen)

1968	117,000 horse powers
1969	433,000 horse powers
1970	350,000 horse powers

4. Agricultural Credit (Loaned to farmers and fishermen for development)

1969	4,614 million piasters	}	45.5 % (increase)
1970	6,715 million piasters		
1971	9,000 M \$VN (projected)		34. %

Information for Reference  
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*In Southeast Asia, the problems of the land are many. There is a need for water, fertilizer, pesticides, machinery, crop diversification and new strains of rice, as well as land reform. Vietnam is trying a solution recommended by many economists: tackle all the problems at once.*

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# ATTACK ON THREE FRONTS

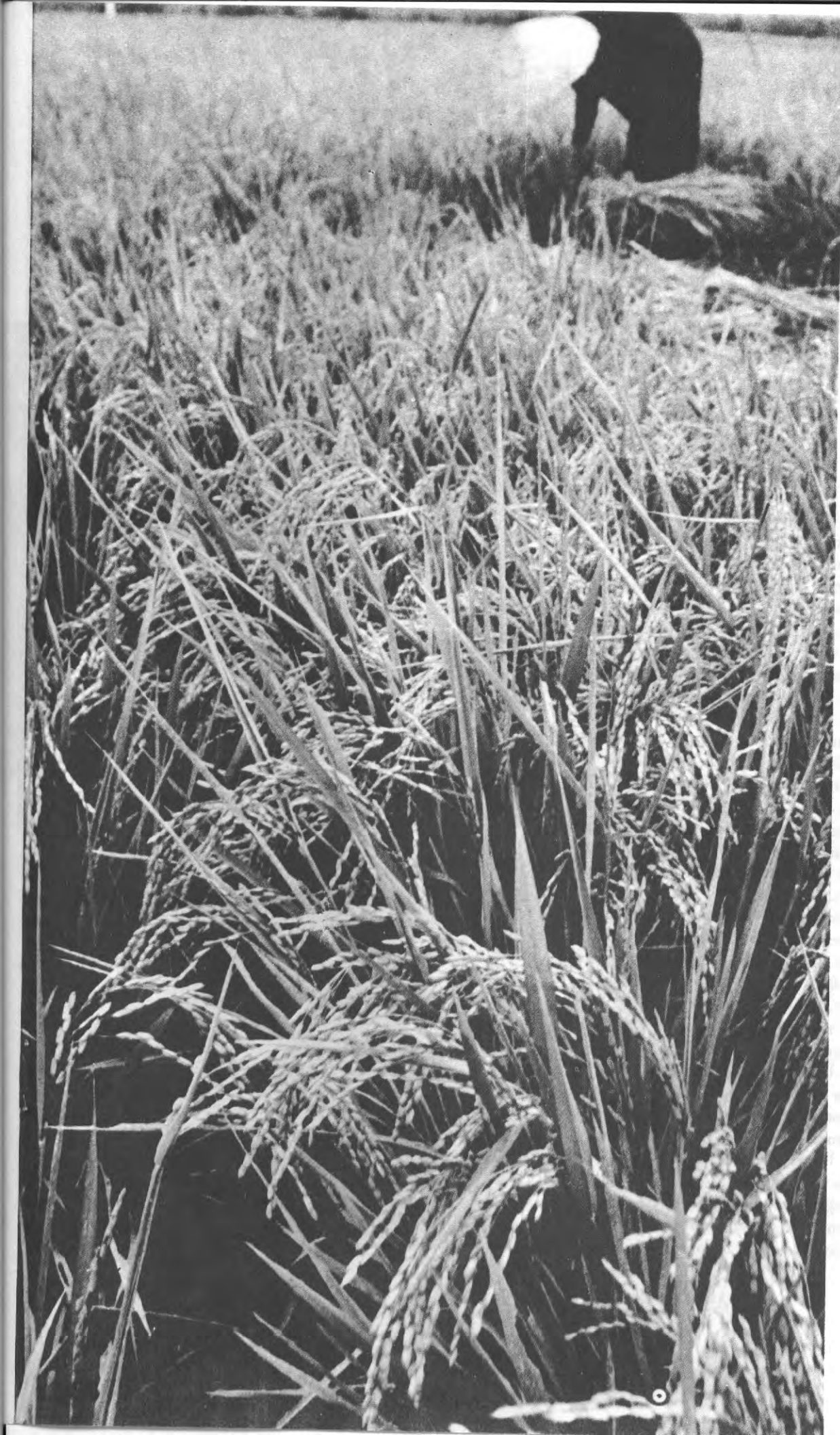
THE FARMER IN THE FIELD of rice at right is one of 11 million South Vietnamese who depend on the land for their living. Like millions of other Asian farmers caught up in the revolution of rising expectations, he wants more from his land than the mere subsistence living that his ancestors endured for centuries. How can he get it?

South Vietnam has a three-pronged program to help him: increasing the productivity of his land by higher-yielding rice strains; giving him title to his land through one of the most massive land reform programs in history; giving him access to low-interest loans that will enable him to buy the many things needed for modern farming—fertilizers and tractors, pumps and pesticides.

The new strains of "miracle rice"—IR-8, IR-5, IR-20 and IR-22—are making Vietnam self-sufficient in Asia's staple grain. Pham Huy Lan, Vietnam's director-general of agriculture, says there were many ways the nation could

have attempted self-sufficiency in rice, including extension of the area of cultivated land or increased irrigation capacity. "We chose to concentrate on the new rice strains and better agricultural methods," he says, "because these are the fastest ways of increasing production."

He has the statistics to back him up. Vietnam's traditional rice yields were about two tons per hectare. The new strains average five tons per hectare and sometimes as high as 16 tons per hectare. Some farmers call the new strains "Honda rice" because they're using the profits from the big bumper crops to buy Honda motorcycles. Whatever they call the new rice, the farmers of Vietnam want it. The news of its yields has spread throughout the country, from Da Nang to the Delta, and many farmers are buying the seeds themselves without even waiting for the Government's new rice program to reach their village.



"MIRACLE RICE" in South Vietnam awaits harvesting. Traditional strains of Vietnamese rice yield about two tons per hectare; the new miracle rice yields about five and sometimes as much as 16 tons per hectare.

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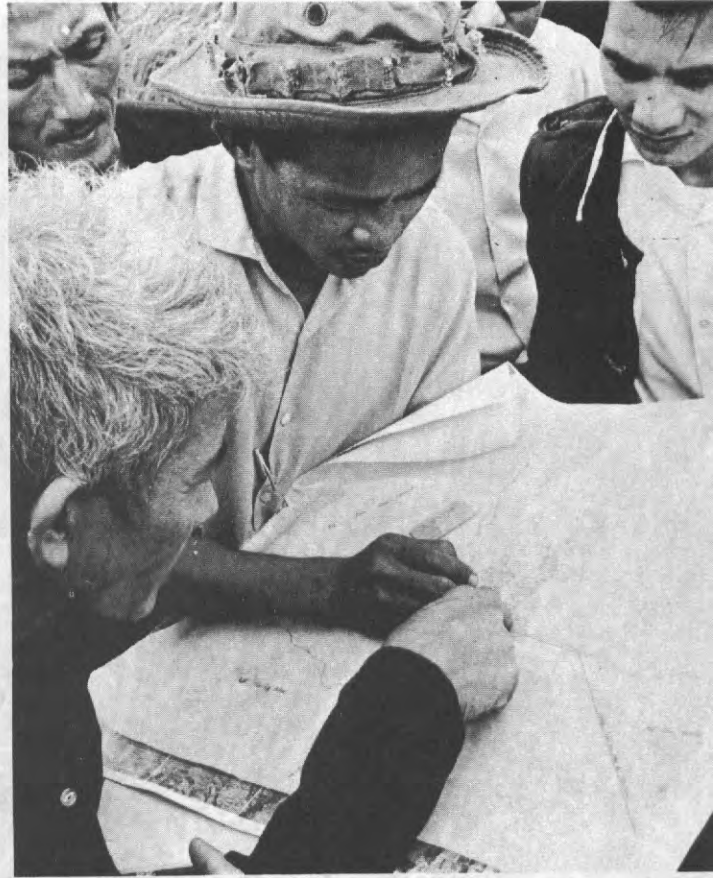
*'Land to the Tiller' is the name of South Vietnam's new land reform law, which ensures that the nation's farms will be owned by the men who till the soil.*

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THE NEW LAND REFORM in South Vietnam has been described by some foreign observers as the most innovative and comprehensive of its kind in Asian history. In 1969 and 1970 the Government redeeded 150,000 hectares of land to those who actually farmed it—former tenant farmers who got on the average two-and-a-half to three hectares each. It was only last December, however, in the coastal province of Go Cong, that the first compensatory payments were made to former landowners. At the Go Cong ceremonies, Prime Minister Tran Thien Khiem also gave Government checks for a total of 22 million piastres [US\$185,000] to 24 former landholders. The checks represented 20 percent of the assessed value of the surrendered ricelands. The "land to the tiller" law, passed in March 1970 by the National Assembly, prescribes that 20 percent of the purchase price be in cash and the remainder in eight-year Government bonds bearing 10 percent interest annually.

Eventually the Government will transfer one million hectares from absentee ownership to 800,000 rural families who actually till the soil. South Vietnam's Directorate General for Land Affairs estimates total cost of landlord reimbursement at 195,000 million piastres [US\$1,650 million], of which the United States has pledged US\$40 million over the next three years.

Acquiring title to land, South Vietnamese officials say, will create an entirely new social class of small landholders with a vested interest in improving and protecting their holdings (tenant farmers pay from 25 to 35 percent of their crop in rent). Prime Minister Khiem contrasts the collectivization policy in communist North Vietnam with South Vietnam's program to give farmers the land they cultivate. "Each farmer," he says, "now will be able to play a personal role in developing national prosperity."







LAND OFFICIALS and farmers (top left), implementing the land reform law, scan aerial photographs to establish land claims.

OLD FARMER (below left) points to the field he has been farming as a tenant and will now own as a result of the land reform law.

PRESIDENT THIEU (right) reads land title being given a former tenant farmer—one of 150,000 new landowners in the country.

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*'Until these credit facilities came to his village, the peasant could not experiment with new techniques. . . . A gap was left that only the Government could fill.'*

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CAPITAL is usually hard to accumulate on a small farm, in Asia or anywhere. Not until a farmer gets money—or its equivalent, credit—can he invest in the machinery and material needed for modern, efficient farming: irrigation pumps, fertilizer, insecticides and spraying machines, tractors, new cash crops. The South Vietnamese farmer today is getting credit, at low interest rates, from the Agricultural Development Bank.

Founded in May 1967 and funded by initial capitalization and loans from the central Government and from a Government of Vietnam-U.S. AID counterpart fund, the bank has expanded operations to free small farmers from the usurious yoke of traditional moneylenders. In 1969 the bank granted the equivalent of US\$40 million in loans to nearly 90,000 farming and fishing families in all 44 provinces of South Vietnam. An Agriculture Ministry spokesman says: "Until these credit facilities came to his village, the peasant could not experiment with new techniques. The moneylender was a man to shun except in the most dire emergencies, and the commercial banks were not interested in high-risk farm improvement loans without collateral. A gap was left that only the Government could fill." That gap is closing. Says Truong Quang Canh, the bank's assistant director-general: "Peasants who see what the new techniques can do for their crops are eager to borrow. We must do what we can to expand our capacity to serve as many people as possible."

In short, South Vietnam is acting on the advice of most economists: The problem of the land in developing countries can only be solved by a crash program on all fronts at the same time—higher productivity, land reform, easy credit. As Gunnar Myrdal said, "A large and rapid change of attitudes and institutions is *not* more difficult than a series of small and gradual changes—just as a plunge into cold water is less painful than slow submersion."

South Vietnam has taken the plunge. ●





WATER PUMPS for irrigation (top left) are unloaded from plane in Vo Dat. Farmers purchased them with aid of low-interest loans.

ONIONS (top) are among the many new cash crops Vietnamese farmers are growing since easier credit became available.



INSECTICIDE sprayed on crop (right) boosts production. This farmer bought his sprayer with a loan from the Government bank.



## LAND REDISTRIBUTION 1963-70

Until the end of	Distribution of expropriated land	Distribution of former French-owned land	Land redistribution at Refugees and Re-settlement Centers	Regularization of squatters' land	Montagnard Land Identification Program	Land-to-the Tiller Program	TOTAL
1963	246,166 ha (115,321)*						246,166 ha (115,321)*
1964	246,940 ha (115,594)						246,940 ha (115,594)
1965	247,774 ha (115,912)						247,774 ha (115,912)
1966	248,092 ha (116,051)	3,990 ha (2,349)	10,010 ha (4,370)	1,760 ha (2,516)			263,852 ha (125,286)
1967	250,548 ha (116,835)	4,498 ha (2,729)	18,759 ha (7,682)	2,161 ha (2,961)			275,966 ha (130,207)
1968	250,972 ha (116,968)	14,955 ha (5,994)	22,306 ha (9,846)	3,449 ha (4,059)			291,682 ha (136,867)
1969	281,113 ha (128,228)	70,270 ha (26,082)	35,517 ha (24,451)	7,976 ha (13,325)			394,876 ha (192,086)
1970	298,347 ha (135,000)	87,461 ha (32,352)	49,863 ha (50,110)	20,780 ha (30,521)	38,569 ha (13,891)	210,371 ha (162,341)	705,391 ha (424,215)

Source: Ministry of Land Reform and Agriculture and Fishery Development.

\* The numbers in between parentheses refer to the numbers of farmers beneficiary of the land redistribution program.

Note: The first three columns record the implementation of Ordinance 57 decreed in 1956.

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