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Centre for Agrarian Systems Research & Development

**FAMILY FARMING AND FARMLAND POLICY IN VIETNAM:
CURRENT SITUATION AND PERSPECTIVE**

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Background

- **In the 1988, 1993 and 2003:** the de-collectivization of agriculture as part of the **land reforms** which were formalized represented a significant policy change

The Land-Use Right (**LUR**) for family farming and farmers

- The Government created the conditions: strengthen agricultural output and exports, and raised rural income.
- It also provided a foundation for rapid urbanization, industrialization and economic modernization.



The impact of this reform was very positive:

- The food security has been achieved rapidly by the land access for every farmer.
- The poverty was reduced significantly, but net income of family farming was slowly increased due to the small scale of farm size.



1. The evolution of farmland policy in Vietnam

- **2003 Land Law in Vietnam:**
 - Still imposes strict on land ownership so that opportunities to consolidate and expand farming operations through the land sale market are very limited.
 - Promote allocative efficiency by allowing subletting and by removing earlier limitations imposed on lease duration.



Land use certification (LUC)

- Vietnam initiated ambitious and comprehensive land reforms (1988).
- More than 80% of the agricultural land had been registered with LUC.
- Use of LUC as a mortgage, guarantee or capital share was expected to increase the supply credit to farming households.



Land consolidation

- Land consolidation is widely seen in Vietnam as essential for raising agricultural productivity, boosting incomes, and sustaining the growth of agricultural exports.

- About 14.5 million farms in Vietnam comprise app. 70 million land parcels.

- They vary in size, but none of them is large.
 - Fragmentation is more distributed in the North than the South (Table 1).
 - The disadvantages of land fragmentation have been widely documented.



- The cultivated area per capita is only slightly more than 1000m².
- Consolidating limited supply of agricultural land will do nothing to provide them with more land.
- In 2009:
 - 150,102 commercial farms throughout the country, with average size of around 6 ha.
 - These farms employed 510,000 workers (MARD).



Agricultural restructuring and new land law 2013

- The households in Vietnam have production areas of less than 0.5 ha (67%): Red River Delta (94% of the hhs.)
- About 70 million plots of land with an average area of 300-400 m²/plot or even less (Dao, 2014).
- Income from rice cultivation depends on the field size:
 - 151,000 VND (\approx 7 USD)/person/month for hh. (<1 ha);
 - 1,293,000 VND (\approx 60 USD)/person/month for hh. (> 3 ha).



- Decree dated May, 2014 on detailed regulations on the amended Land Law of land-use rights:
 - 30 ha is applied to each type of annual crop land in the southwest and the Mekong Delta region.
 - 20 ha is applied to type of perennial crop land.
 - 100 ha is applied to communes, wards and townships in deltas.
 - 300 ha is applied to localities in the mountainous areas.

As for forestland:

- 150 ha is applied to localities in deltas.
- 300 ha is applied to localities in mountainous areas.



2. Farm land-use transactions of family household evidences

- The buying land was mostly happened in the Mekong river delta, where there is larger farm size for rice cultivation.
- In the North the land-use practices were mostly borrowing and renting because farmer want to keep small land as main asset for rural household.



Table 1. Description of land holding in four communes in Ha Tay and Can Tho provinces

Province	Ha Tay		Can Tho	
District	Thach That (L) ^a	Dan Phuong (S)	O Mon (L)	Chau Thanh (S)
Commune	Thach Hoa (l) (n = 20)	Song Phuong (s) (n = 26)	Truong Thanh (l) (n = 24)	Dong Thanh (s) (n = 22)
Average total area farmed/hh	9,412 (9,72) ^b	5,310 (4,191)	15,943 (8,718)	9,082 (4,111)
Average number of plots/hh	7	5	2.2	2.4
Average plot size (com.)	1,263 (3,683)	1,096 (2,144)	7,358 (5,925)	3,770 (2,972)
Median plot size (com.)	360	480	6,500	3,000
Avg size of smallest plot/hh	206	324	5,192	3,223
Avg size of largest plot/hh	5,475	3,064	10,148	5,905

^a The letters S and L; s and l indicate district and commune with smaller and larger than average farm size.

^b Standard deviations are in italics



Table 2. Percentage of surveyed households involved in **LUR** transaction activities since 1992

Province	Ha Tay (n = 97)	Yen Bai (n = 91)	Binh Duong (n = 88)	Can Tho (n = 90)
Percentage (%) of hh engaged in:				
Borrowing land	11	4	3	0
Renting-in land	19	5	3	0
Auctioning-in land	37	12	2	0
Exchanging-in land	4	0	0	0
Buying land ^a	8	0	10	14
Lending land	2	1	1	0
Renting-out land	5	0	0	1
Selling land ^a	2	0	3	4
Losing land by exchange	18	0	0	0
Giving land back to the Coop	22	0	0	0
Giving land to offspring/relatives	3	4	0	1

^a Note that these figures could be underestimates because some purchases or sales may be included in 'land acquired or lost by other means' (percentages not shown)

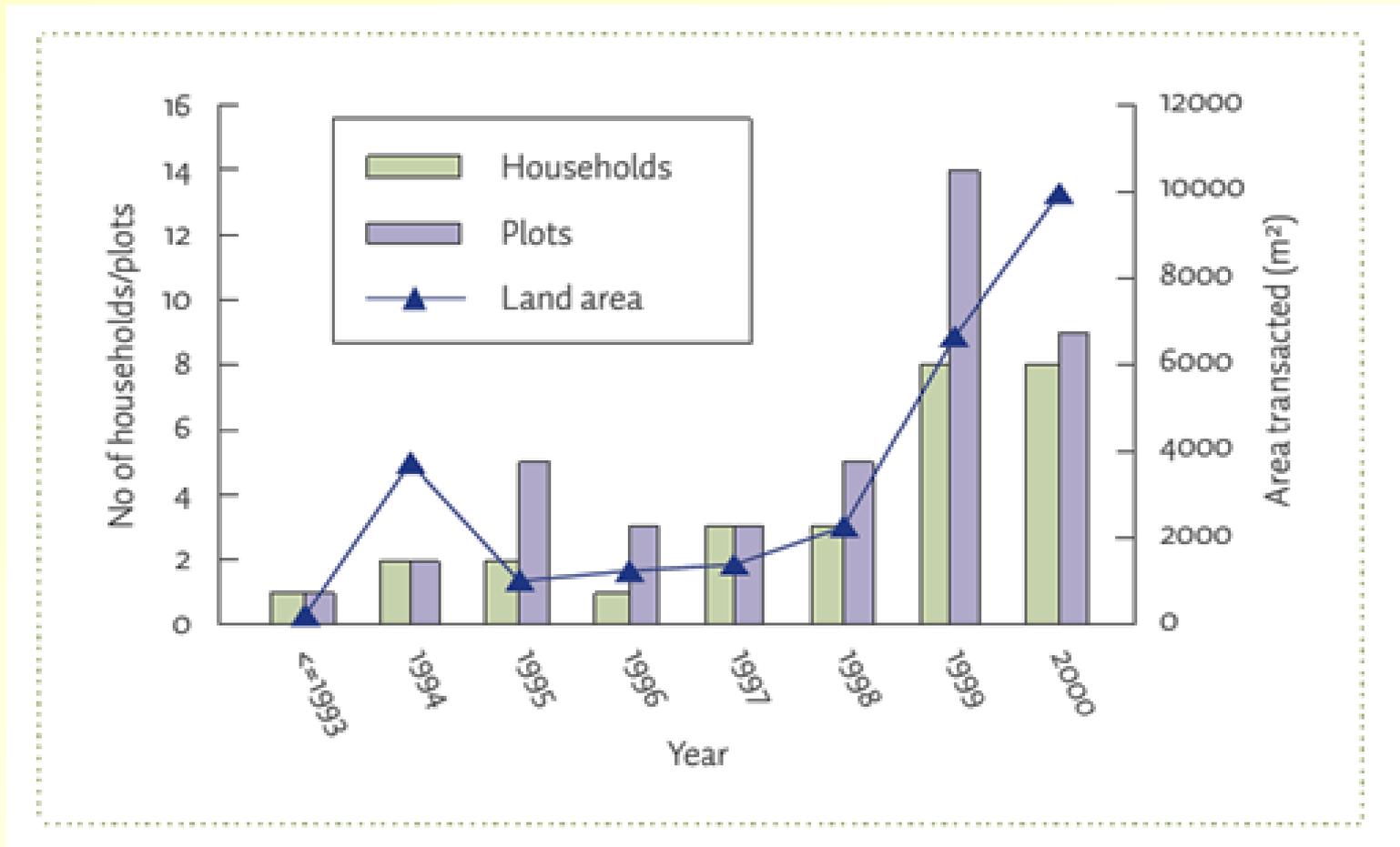


Fig. 1. LUR transactions reported by surveyed household (n = 97) in Ha Tay province-land use rights bought and rented-in since 1992.



3. Youth and Family farming in Vietnam

- ❑ According to Vietnam Farmers' Union:
 - 30% of the population is youth aged 16-30 years
 - 70% of them (17 million) are rural youth.

- ❑ According to Vietnam Youth's Union:
 - 2011: 4.1% of rural youth lacked employment while 3% were unemployed.
 - The number of youth in Vietnam who wants to migrate to big cities to work from 40% (2009) to 56% (2012).



- Many rural youth will go into farming only if farming can make them rich and feel confident
 - Trend of going to cities to look for jobs
 - Limited agricultural land
 - Lack of capital
 - Lack of appropriate technical training
 - Difficulty in selling agricultural products
 - Lack of access to markets and marketing skills
 - Lack of funds for community social activities



4. Farm land policy perspective for young farmer attraction and other policies

- Long-term solutions to address the insecure land tenure of young people could include:
 - Strengthening of legislation, local institutions and legal services for youth;
 - Youth awareness and empowerment;
 - Development of land markets as mechanisms for providing access to land;
 - Targeted economic incentives;
 - Identification and promotion of off-farm economic activities;
 - Strengthening of rural youth organizations and youth's participation in mixed organizations.



- Protecting the land property rights of farmers.
- Encouraging the flexible and efficient use of agricultural land.
- Land rental market facilitation by Government.



- Beside this farmland policy, the specific policy solution to support **New professional young farmer generation** in Vietnam is recommended additional policies:
 - Establish cooperation among farmers to improve market capacity;
 - Provide training and technology transfer on sustainable agriculture;
 - Provide long-term investment and credit support;
 - Organize exchange visits for rural youth, participate in trade fairs, exhibition, and farming techniques;
 - Develop and expand the models on production and business for rural youth;
 - Build respect for farmers by raising on the important role of farmers and agriculture.



High value farming system in the Mekong Delta: rice-shrimp paddy field with coconuts.



Changing land use in upland areas: in Red River Delta.



Farmers transplant rice seedlings in Ha Tay province.



Motorbikes are used by farmers to travel to their land plots.



Urbanisation and the growth of industrial parks are influencing the land market.



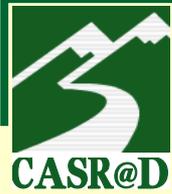
The poor standard of post-harvest and processing technology.



Ethnic Thai people transplant terraced rice in Lao Cai province in the northwest mountainous.



These ethnic H'mong women are from Lao Cai province where poverty is still widespread.



**Thank you very much for
your attention !!!**

