



Gembloux Agro-Bio Tech
Université de Liège

Analysis Vietnamese Government Policies to develop perennial crops in Dak Lak province

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I. Introduction

Dak Lak province as a diverse region is well-suitable for development of various crops.

Dak Lak economy depends heavily on the agricultural sector, in which perennial crops as premier crops of economic growth.

Dak Lak's perennial crop production has many difficulties due to a lot of reasons.

Meanwhile, intervention policy on agriculture often considers criteria as landmark, population redistribution, forest and market conditions.

This study especially focuses on the consequences of policies including: land, forest, migration and trade in production of long – term crops in Dak Lak province.



Research site

One of the provinces in the Central Highlands region with many different types of plants, large area and thinly populated region, two separate seasons >>capital permanent crops region. Over 1,303 billion ha of total natural land, over 387 thousand ha of perennial crops area (29.7%) GO, 2017) and 1.15 billion



II. Methodology

- **Secondary data** was gathered from different local government offices and published papers, previous reports.
- **Primary data:** Focus Group Discussion (FGD) with 5-7 participants and Key Informant's Interviews (KIs) including Head of Department of Agricultural and Rural Development, Head of Planting Department, elderly people, experts and policy makers.

FOCUS GROUP DISCUSSION



III. Results and discussion

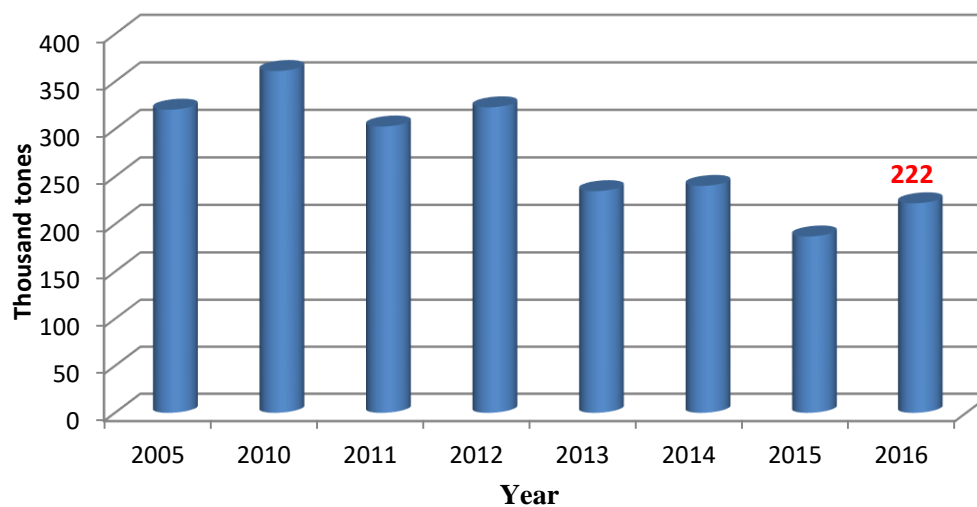
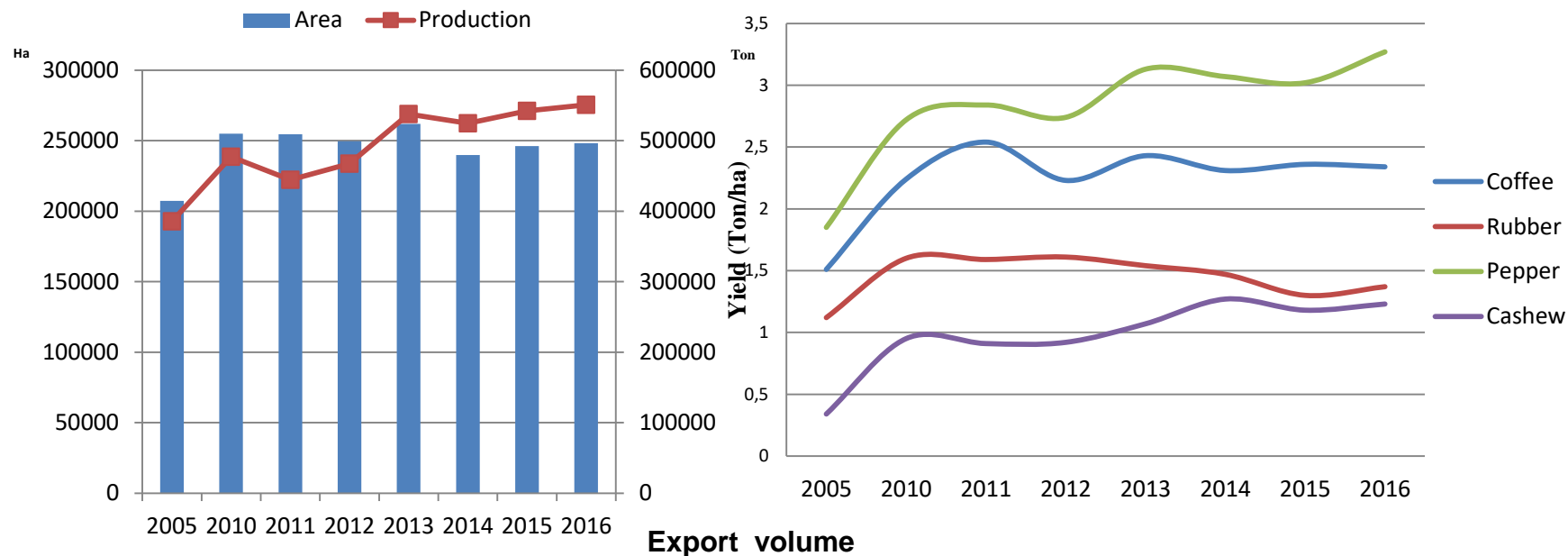
3.1. The overview of perennial crops situation in Dak Lak province

Table 1: The situation of perennial crops in Dak Lak, 1975-2002

Year	Area (thousand hectares)			Output (thousand tones)		
	Coffee	Rubber	Pepper	Coffee	Rubber	Pepper
1975	11.5	4.5	-	8.8	2.3	-
1985	21.8	10.9	0.79	21.8	6.1	0.48
1990	69.6	14	0.82	28.5	2	0.5
1995	131	19	1	154.5	4.5	1
1999	250	26	5	295.6	9.5	2.6
2001	180	22	6	455	14.3	6
2002	167	23	8	413	16.3	10

Source: NGUYEN D. T, 2016 and GO, 2002

Figure 1: The development of perennial crops in Dak Lak, 2005-2016



Source: Dak Lak of Year book, 2006-2017

Policies develop perennial crops

1

Land policy

2

Forest policy

3

Migration policy

4

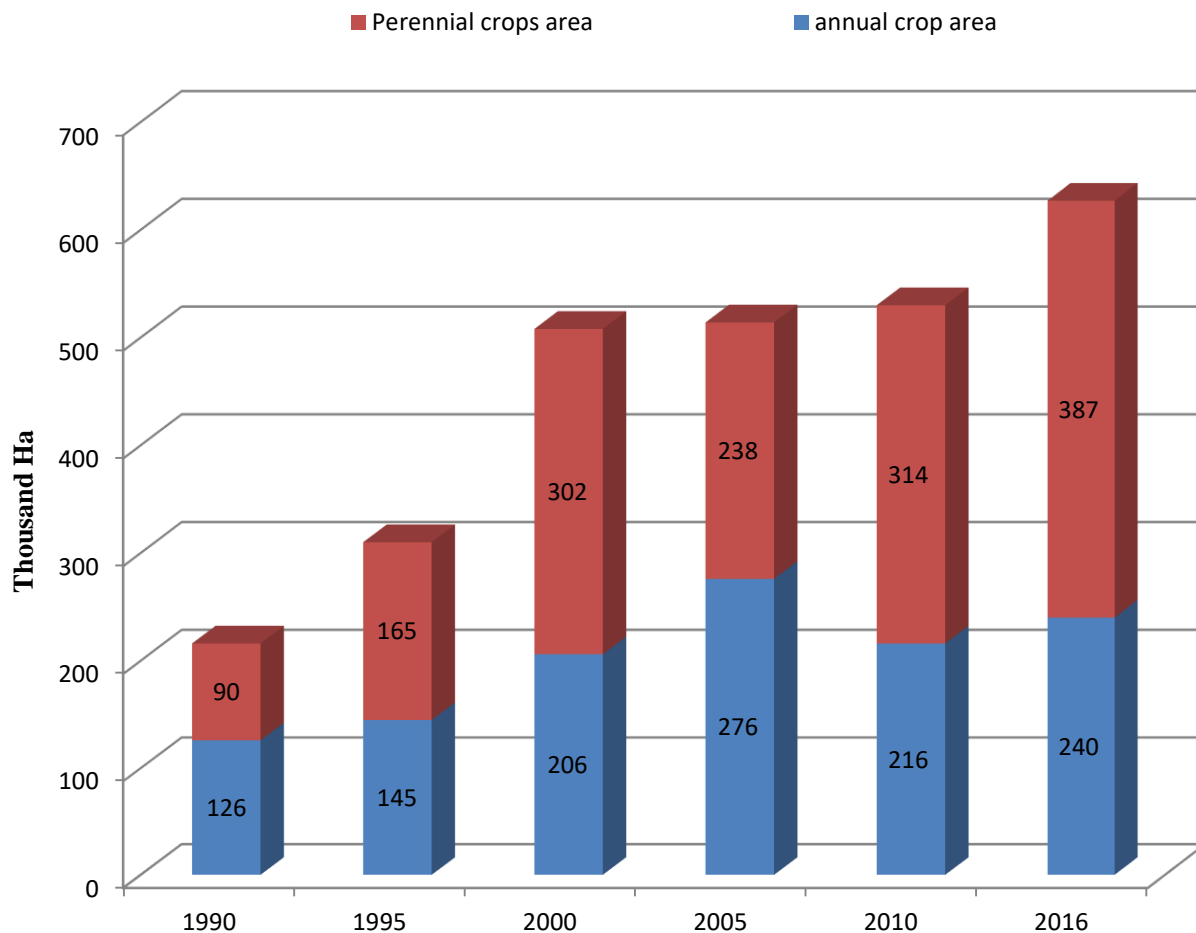
Trade policy

Land policy

Table 2: Policies on land allocation of perennial crop productions

Time	Name and content of policies
1981	Directive No 100/CT-TW 13/1/1981: to reallocate land to individual and households
1988	Resolution 10/ NQ-TW 4/5/1988: “recognition of land for households as a main unit production
2013	Decision No 2729/QĐ –UBND Dak Lak 25/12/2013 “Planning development majority perennial crops and fruits to 2020”
2014	Decision 1442/QĐ- BNN-TT 27/06/2014 “ Master Planning Development of pepper to 2020 and vision 2030”
2016	Decision No 2325/QĐ-UBND Dak Lak 10/8/2016 “Agricultural restructuring towards raising added values and sustainable development to 2020 and vision 2030”
2016	Decision 214/QĐ-UBND 18/01/2016 “Replanting old coffee tree programs during 2013-2020”

Figure 2: Change of annual and perennial crops land in Dak Lak province (1990-2016)



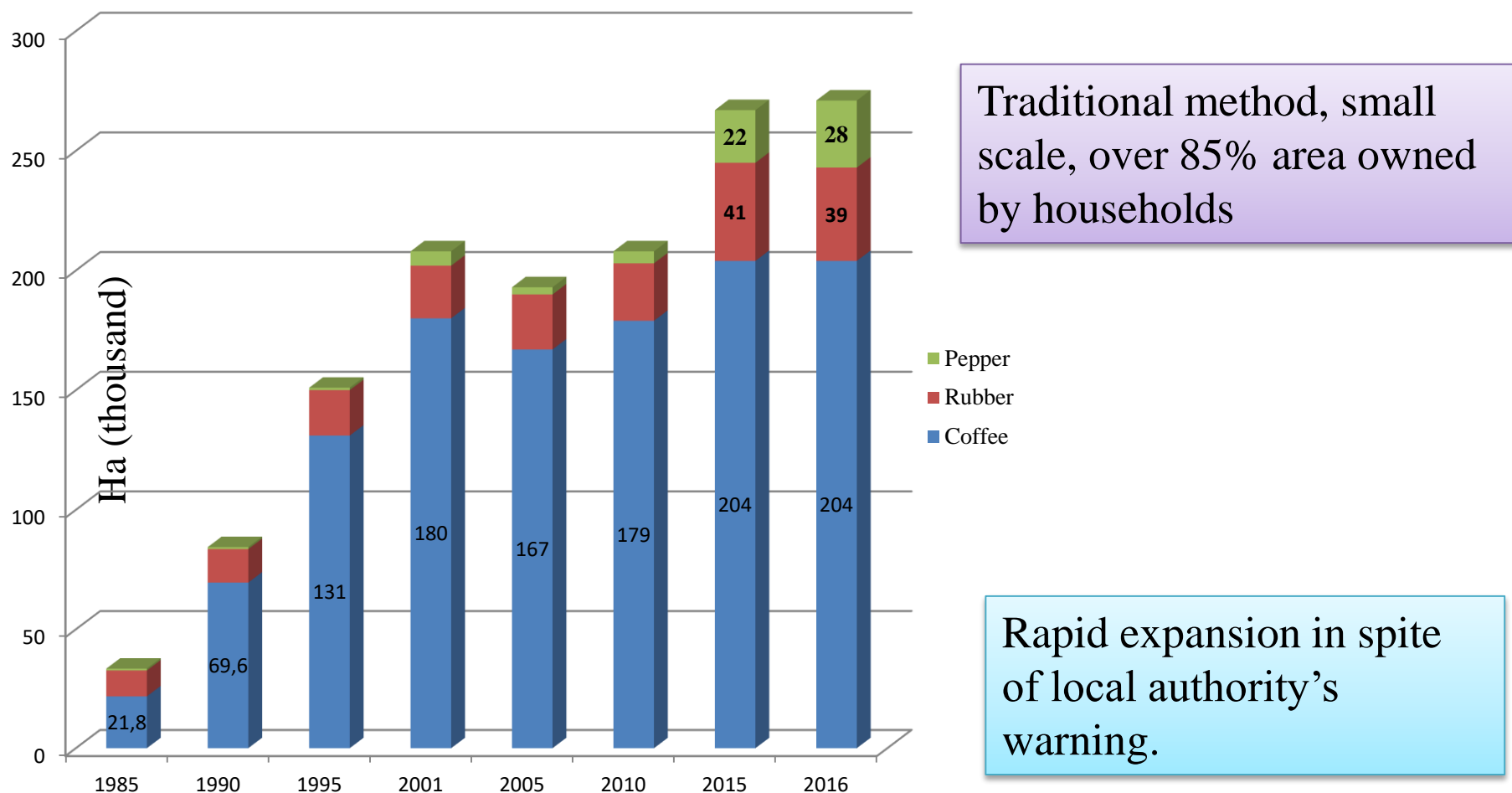
The agricultural area increases slightly year by year, especially from 1990-2016

The perennial crops area climbed dramatically during period due to much more lucrative than annual crops.

Source: Dak Lak of Yearbook 2000, 2005, 2017

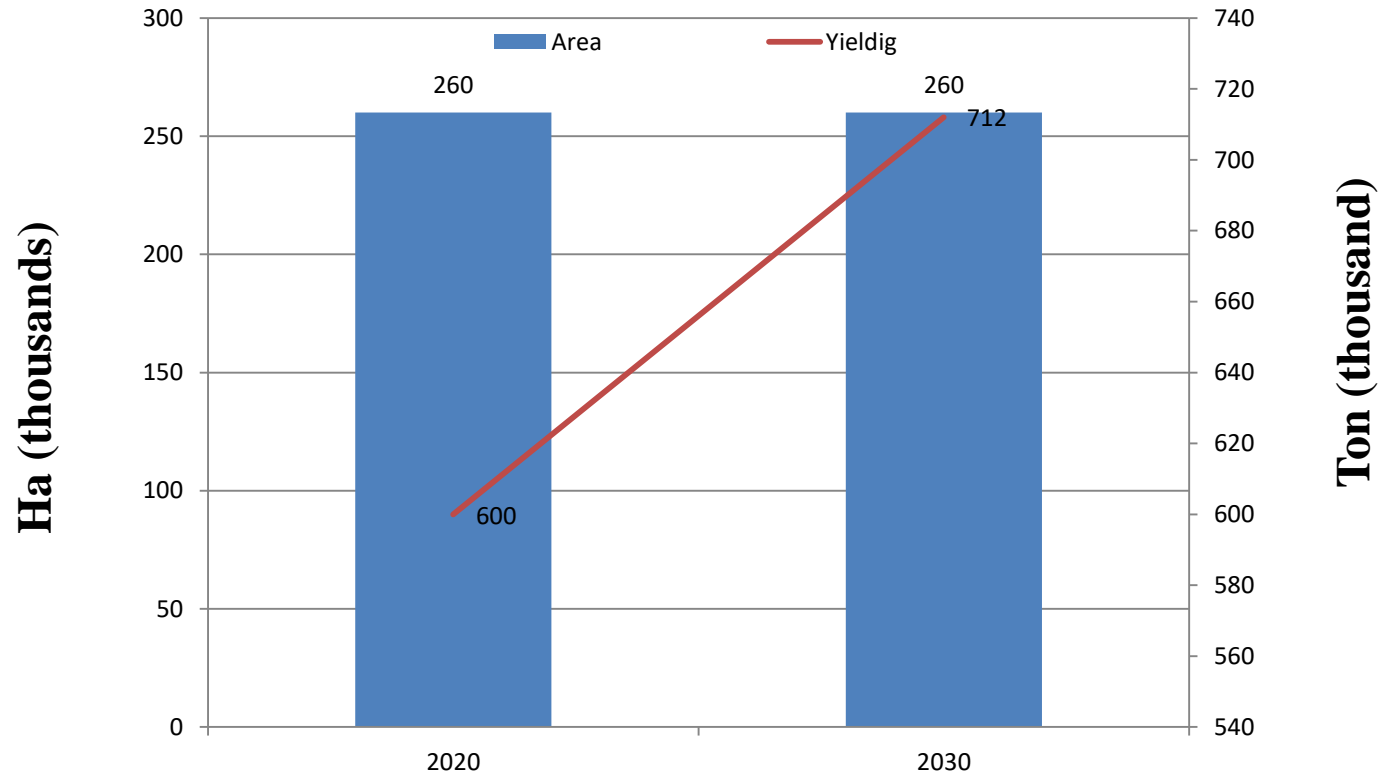


**Figure 3: The development of area of main perennial crops
(1985-2016)**



Source: (Duong, 2016) and (Yearbook of Dak Lak, 2014- 2016)

Figure 4:
The Master Planning for development of perennial crops (2020 to 2030)



Source: DARD, 2017

In stead of expanding area, focusing on intensive production

The producers have incentive to intensify cash production.

To create a fragmentation due to dividing land on principle of average size and area.

Has no motivated farmers to use effectively land due to without receiving money when land allocation.

Feeling as allocation of property of state for individuals rather than delivery of materials

The limitation in management lead to spontaneous expansion of area.

Forestry policy

- From 1980 to 1998, due to rapid expansion of land for agriculture, forest coverage decreased from about 90% in the 1960s to 57% in 1995 and to less than 50% in the late 1990s.
- In the beginning of the 1990s, an attractive market signals encouraged the province to exploit greatly more “barren land” for perennial crops.

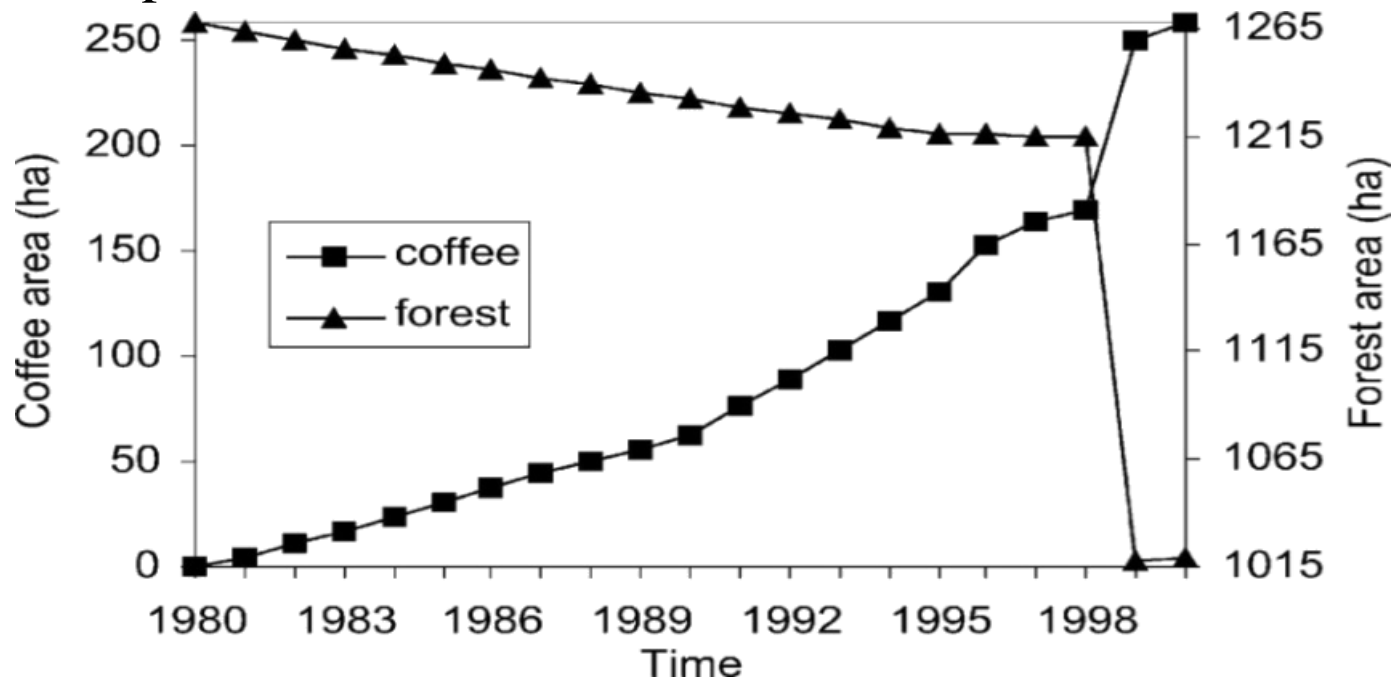


Figure 5: The relationship between coffee and forest area

Source: (Dave D'haeze, et al, 2005)

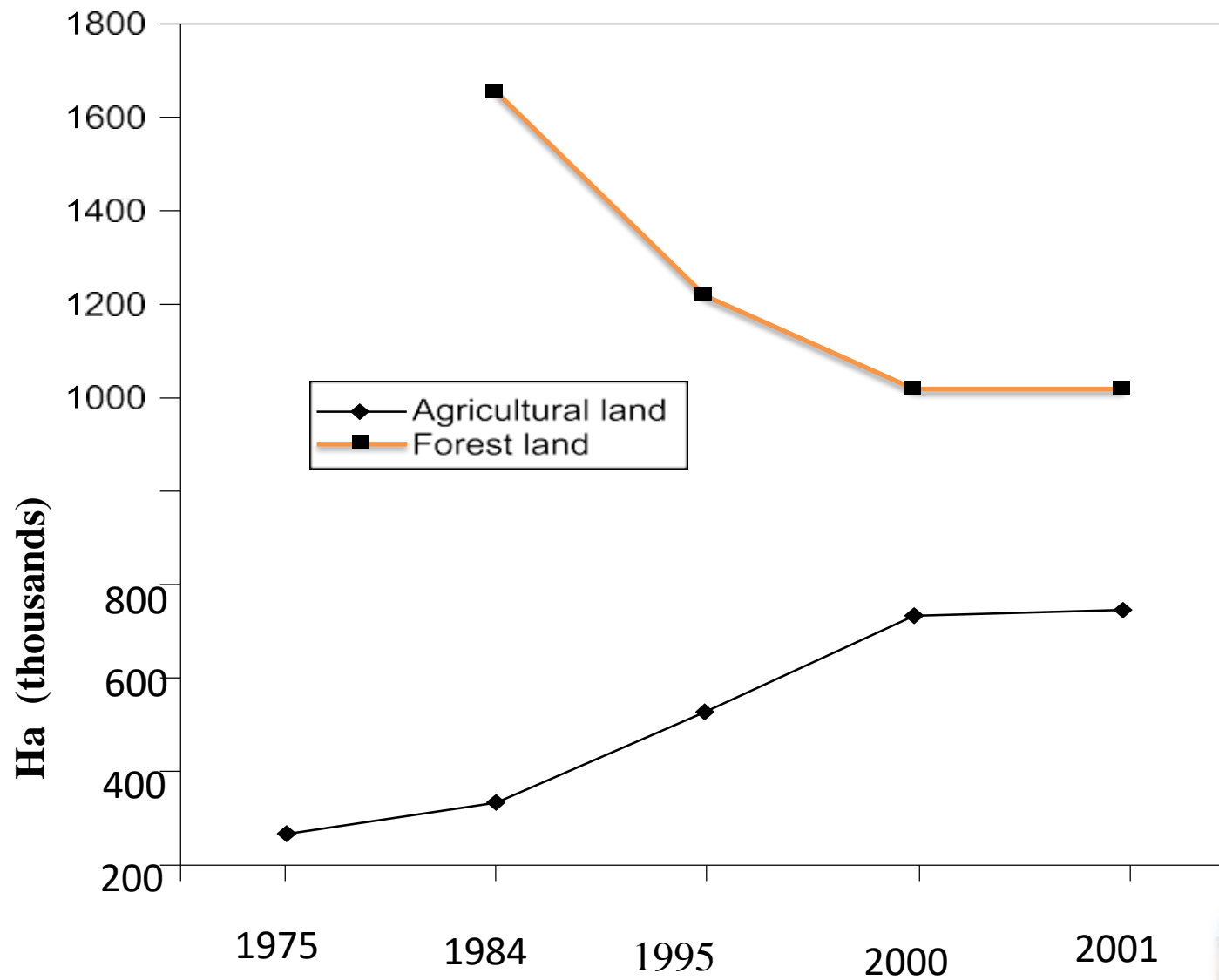
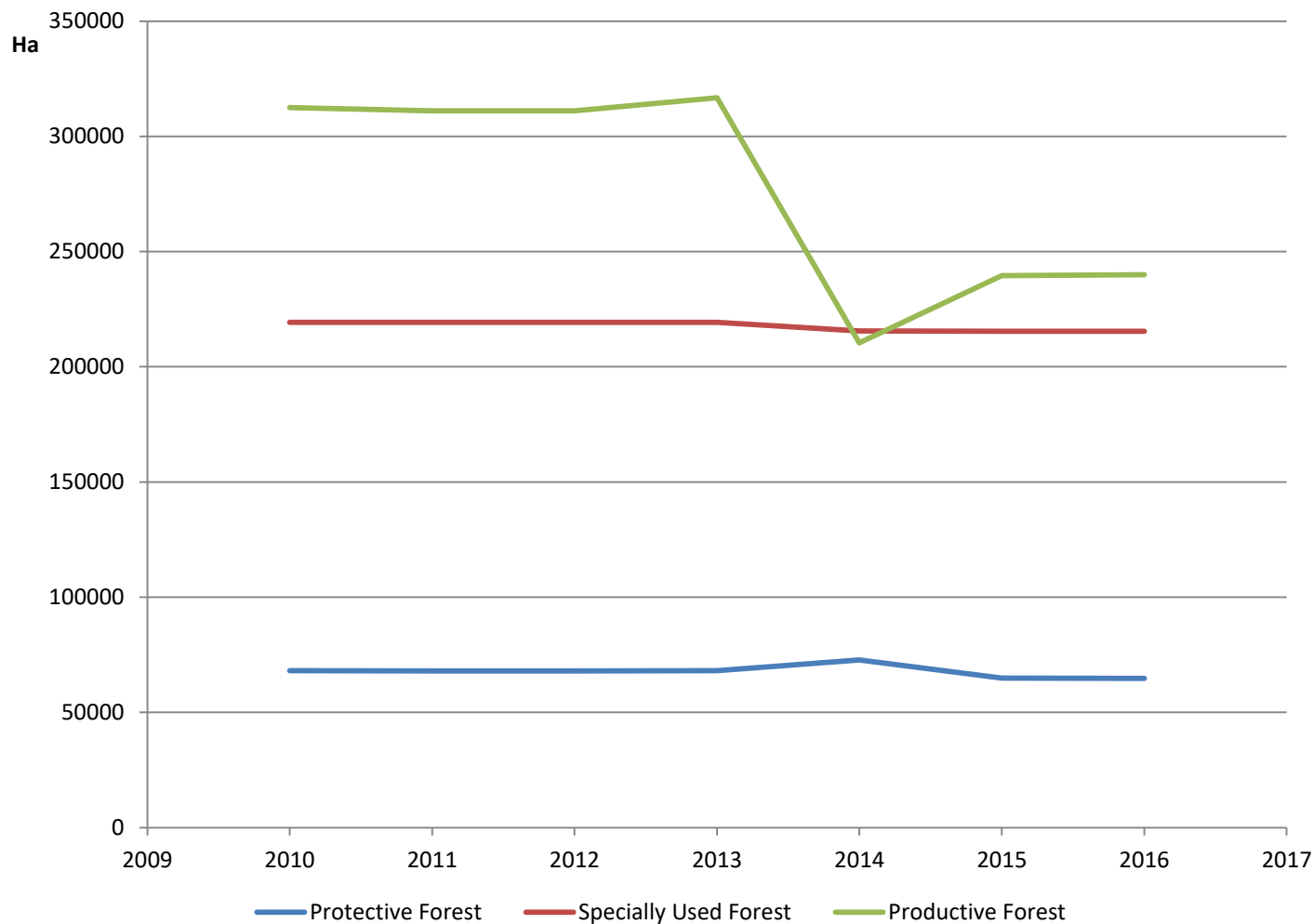


Figure 6: The change of forest and agricultural land



Figure 7: The area of forested land by use purpose (2010-2016)



Source: Year book, 2017

Table 3: Policies on forest management

Time	Name and content of policies
1992	Progame 327 CT, 15/9/1992 «Regreening of Barren Hills»
1998	Decision 661/QĐ-TTg 29/7/ 1998 “Five million hectares reforestation program aimed to reforest area in exchange for certain user rights”
2005	Decision No. 304/2005/QĐ-TTg 23 /11/2005 “Pilot forest allocation to households and communities in local ethnic minority villages in Central Highlands”
2006	ND 23/2006/ND-CP “Permission exchange poor forest to plant perennial crops”
2007	Decree 76/2007/TB-BNN “ Guide to transformation of forestry and forest land to rubber planting in Central Highlands”
2016	Meeting in Buon Ma Thuot 20/06/2016 “ Closing natural forest gate, without transferring over 2,253 hectares natural forest area to other purposes except those related to special defense and security. Government does not undertake to shift poor forest to annual and perennial crops” by Prime Minister

Under central planned economy, forest area was owned by farm states.

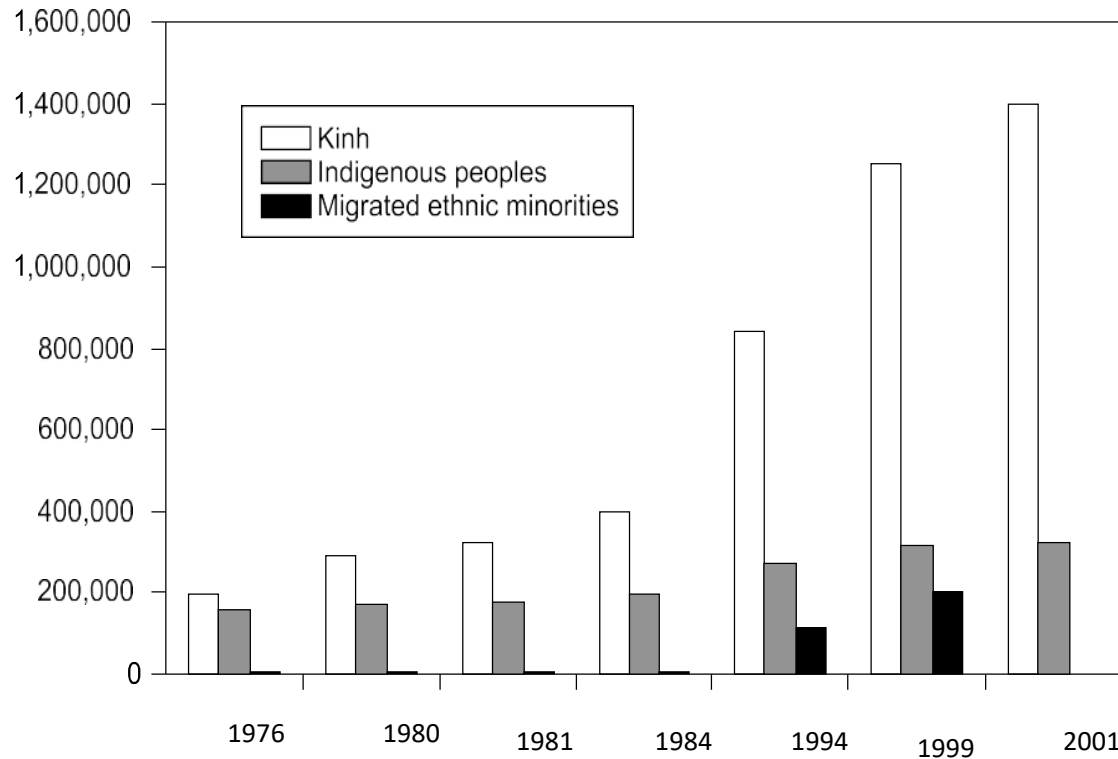
Forest land was allocated for households and individuals. They became a driving force to contribute protection and stabilizing of ecological environment.

High profitability from perennial crops encouraged farmers, leading to rapid decreasing of forest while the rights on forest assets has not yet been clearly with stakeholders.



**Forest policies was pressured by economic development.
The process of applying of policies was revealed many shortages.
Understanding and application are differences between organizations.**

Labor Policy



Kinh people dominated ethnic group since establishment of the NEZs in 1970s.

Planned and spontaneous migration were changed the population structure of Dak Lak.

Figure 8: Population and ethnicity in Dak Lak 1976–2001

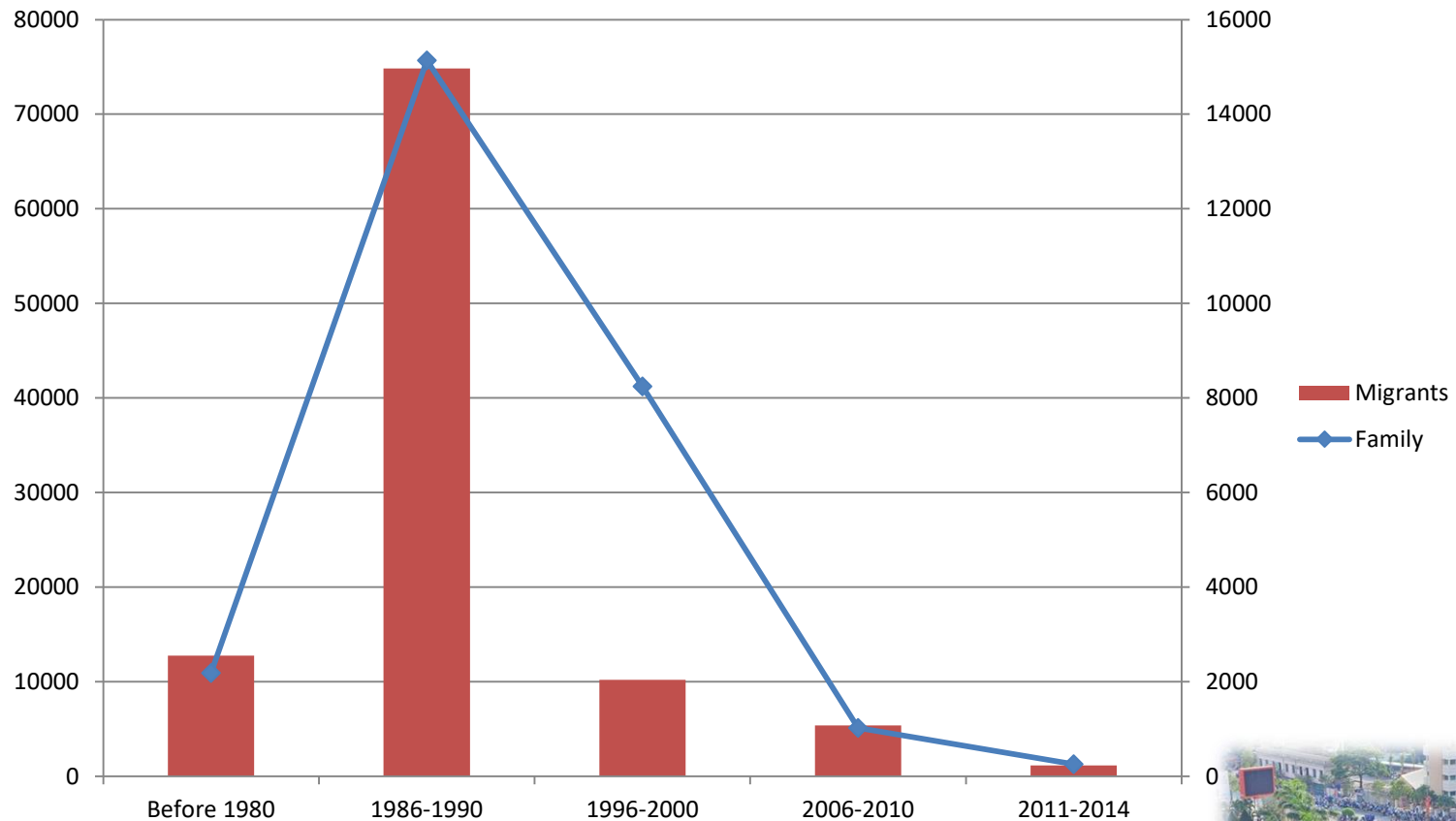


Table 4: Policies on Migration

Time	Name and content of policies
1976-1986	IV National Congress of the Communist Party, 1976 “ Population redistribution and establishing New Economic Zones”
1990	Decision No 1a6/HDBT, 9/4/1990 “ Management of population redistribution and building of New Economic Zones”
2004	Direction No 190/2003/TTg “Solving the spontaneous in-migration to Central Highlands
2004	Decision 134/2004/TTg for “Resettlement for migrants, providing homestead and production land”
2012	1776/QD-TTG dated 21/11/2012 “ Redistribution of population in disasters, difficulties regions to 2015 and vision 2020”



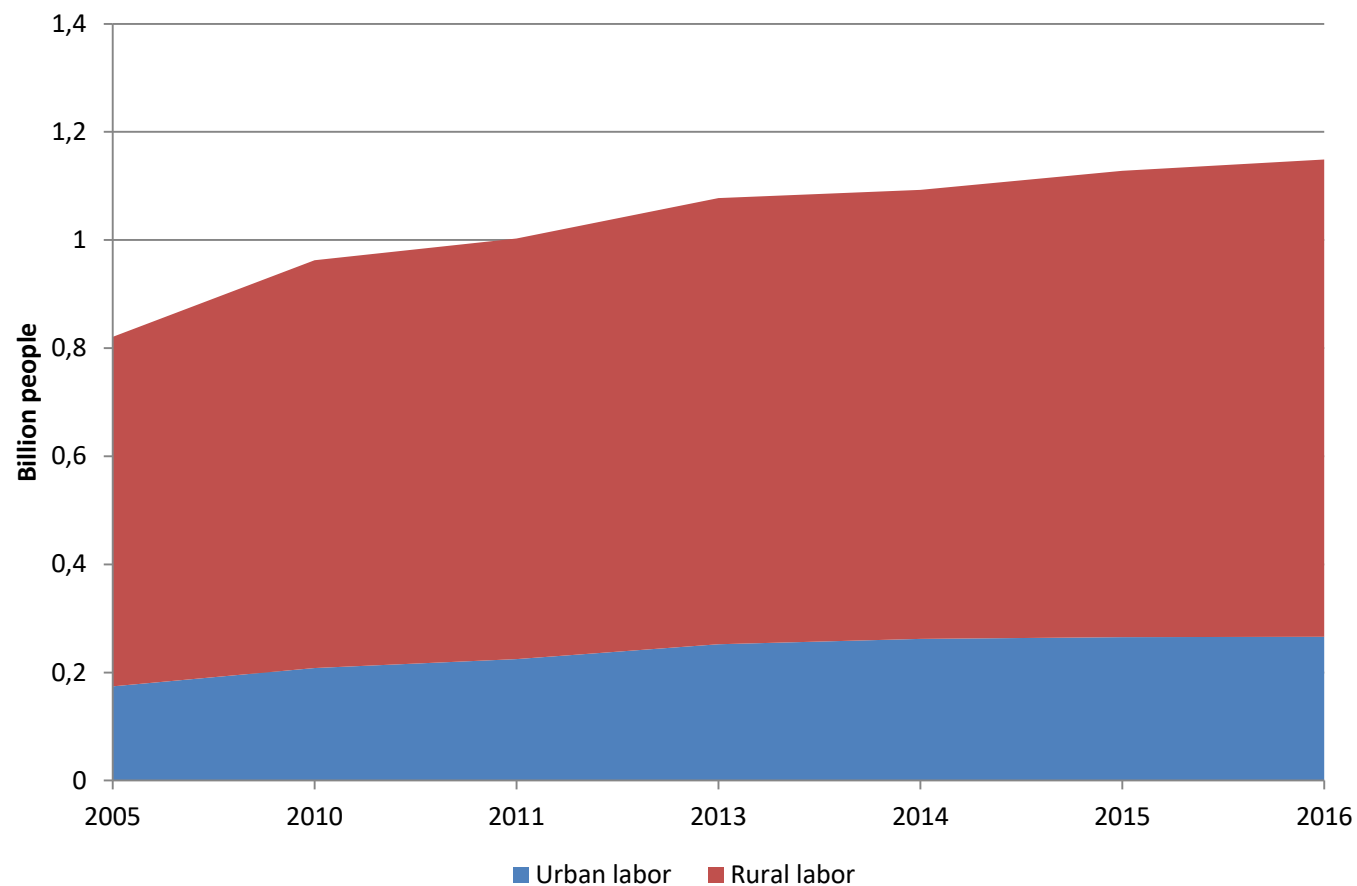
Figure 9: The spontaneous migration of Dak Lak province



Source: *Dak Lak People's Committee, 2000, 2005, 2015*



Figure 10. The labor force in Dak Lak province (2005-2016)



Source: The Year book 2005-2017

**The profuse employees for agricultural production
will increase in the future.**

**The unplanned migration is continuing
and creating negative impacts.**

**This issue pressurize to management citizen,
resettlement, shifting poor forestry to cultivation
in spite of local authority's warning**

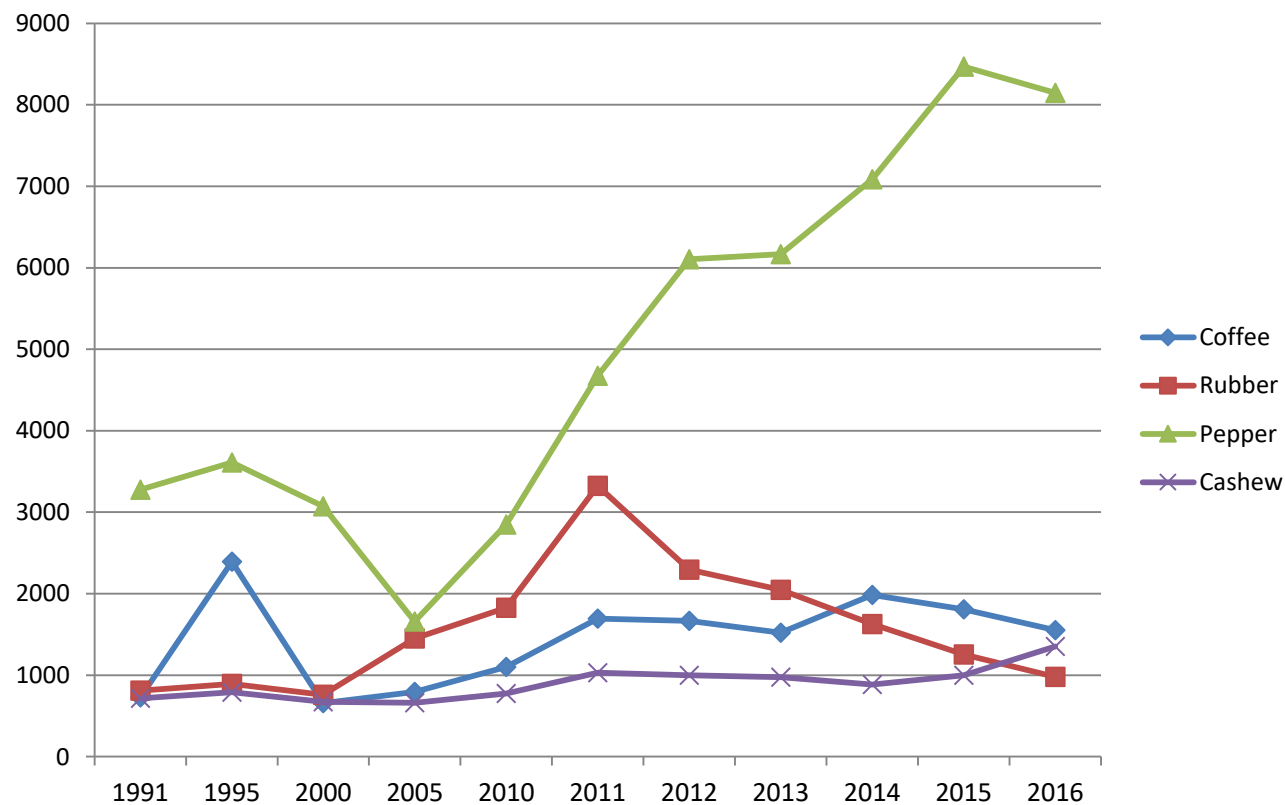
To sum up



Trade policy



Figure 11: The export price of perennial crops during 1991-2016



Source: VICOFA, VFA, VRA, 2016

Dependency of fluctuations in export prices

Figure 12: The export turnover, 2005-2015

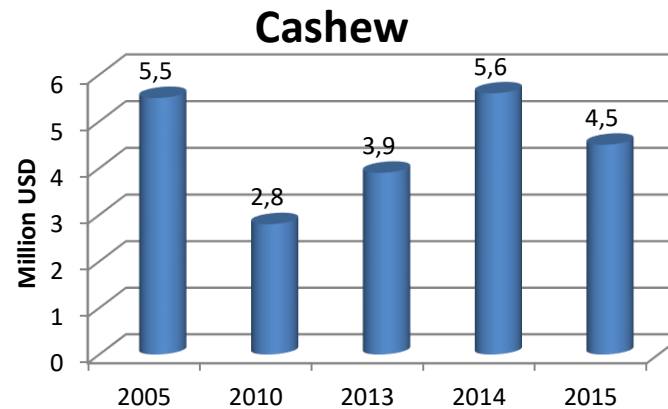
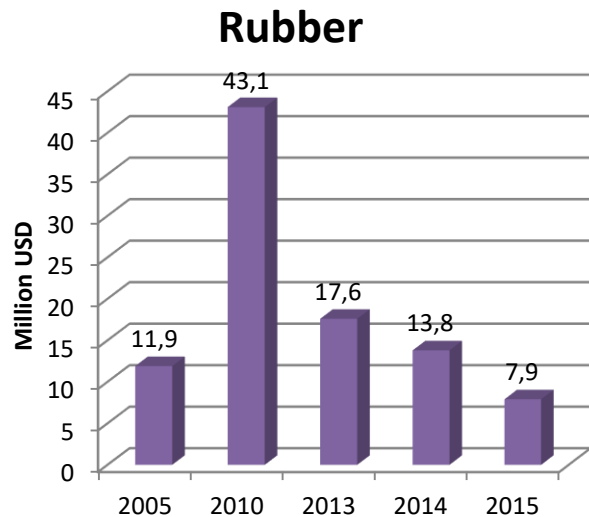
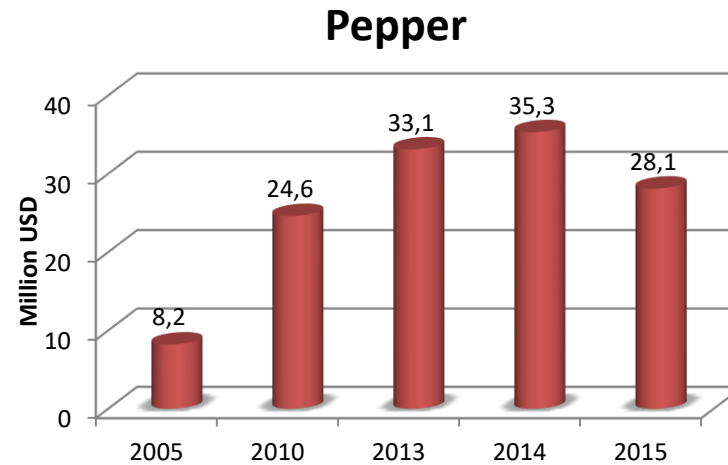
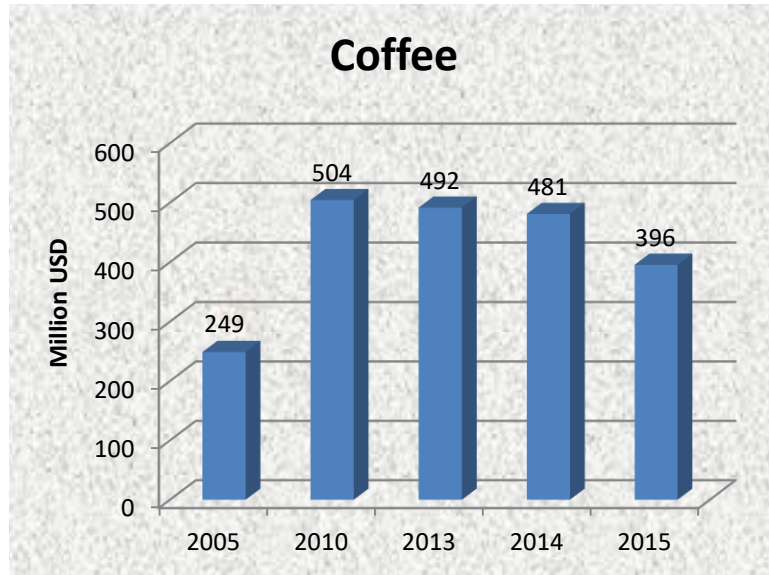


Table 5: Policies on market, 2005-2015

Time	Name and content of policies
2002	Decision No 80/2002/QĐ-TTg, dated 24/6/2002 “Encouraging policy consumes commodities through contracts”
2005	Decision No 986/QĐ-SHTT D dated 14/10/2005 of the Intellectual Property Department register The Geographical indication – Buon Ma Thuot coffee.
2010	Decision No 3848/QĐ-BCT, dated 20/7/2010 “Providing market information to support commodities selling”
2006	Decision No 2278/QĐ-UBND on 04/12/2006 for “Establishing Coffee Exchange Center”
2013	Decree 210/ND-CP , dated “Reducing expenses: advertising on media; participating domestic exhibition; accessing market information”
2015	Decision No 1684/ QĐ-TTg, 30/9/2015 “Strategy of economic integration for agricultural sector and rural development vision 2030”.

- Export commodities are still raw materials. Value added is low, economic efficiency is not high.
- Huge expansion lead to decreasing of export price due to the supply is higher than demand.



Conclusion

1

The perennial crops system was gradually increased by area, yield and output value.

2

The spontaneous migration, reclaiming wasteland and cutting down forest land as well scanty output market.

3

The producer faced small scale, large old tree, fluctuation of natural conditions, imperfect market , lack of labor in harvesting season

4

Converting forest land to perennial crops to lead the high reforestation.

Carried out to support for migration and policies to limit migrants.

Many polices helped producers and enterprises in consumption and looking for markets.

Local authority lacks penalty methods with massive expansion of perennial crops of farmers.

The shortcoming and weakness of authority from national to provincial and commune created the pressure and obstacles on farmers.

Solutions

- To have the priorities for the favorable perennial crop growing regions and reduce the less favorable perennial crops areas.
- To acknowledge and develop the land market in order to solve the fragmentation to create many supports and encouragement users to expand “large filed”.
- to encourage the sustainable development of linkages “six houses”. To have organized agricultural encouragement forums undertaken technology, provided technical training for farmers.



- To improve policies in promotion, look for and develop export market, intensify building and promote national brand name (Vietnamese Pepper)
- To be stable price in order productive development or stockpile when bad price
- Carrying out better master planning of development
- The policies help growers to improve awareness in agricultural cultivation in order to increase yield, efficiency and competitiveness of products, negotiable capacity





**Thank you for
your attention**