PART I
OVERVIEW ON RURAL, AGRICULTURAL AND FISHERY SITUATION IN 2011

BACKGROUND

In recent years, Vietnam's agricultural production and rural areas have developed in the context of implementation of the 10-year National Socio-economic Development Strategy (2001 - 2010) and the 5-year Socio-economic Development Plan (2006 - 2010), with major orientations, goals to 2010: promoting comprehensive reform, actively and positively integrating into the international economy, maintaining social and political stability, soon taking the country out of underdevelopment situation; several specific objectives: 5-year GDP from 2006 to 2010 increases annually from 7.5 to 8.0% on average; in 2010 AFF sector accounted for 15-16% of GDP; poverty rate according to new standard 10-11% ...

On the view of agricultural and rural development, Resolution of Congress X of the Party (2006) asserted: Continue to implement the Resolution of the 5th Conference of the Central Party Committee (Session IX) (February 2002) on accelerating industrialization of agriculture and rural areas with a view: Industrialization of agriculture and rural areas is one of the most important tasks of industrialization and modernization of the country. To create strong changes in agricultural production, the rural economy and improve people's life. Now and for years to come, the issue of agriculture, farmers and rural areas have special strategic importance. Always to attach great importance to promote the industrialization of agriculture and rural areas towards building a large-scale commodity agriculture, diversity, rapid and sustainable development, high yield, high quality and competitiveness; step-by-step to facilitate the development of clean agriculture, striving to increase the value added in agriculture, forestry and fishery reached 3-3.2% per year. To link economic development with building the new rural society, better address the relationship between rural and urban areas, between regions, contributing to the socio-political stability.

To concretize Resolution of Congress X, the 7th Conference of the Central Party Committee (session X) issued Resolution No. 26-NQ/TW on agriculture, farmers and rural areas. Resolution stated: "Agriculture, farmers, rural areas have strategic position in the industrialization, modernization, construction and defense of the country, be the basis and important force for sustainable development of economy - society, political stability, security and defense; preserve and promote national cultural identity, protect the ecological environment of the country". Resolution defined the goal of building a new rural society in 2020. In order to create practical basis for directing of building the new rural society, the Secretariat of the Party Central Committee has directed 11 communes which represent the cultural and economic areas across the country to pilot new rural society. Implementation of the resolutions of the Party, the Government issued Decision 491/QD-TTg dated April 26th, 2009 promulgated a new set of national criteria on new rural society, Decision No. 800/QD-TTg dated June 4th, 2010 approving the National Target Program on building the new rural society in the period 2010-2012.

Thus, it is clear that in the 5-year cycle from the 2006 Census to the 2011 Census, Vietnam's agriculture and rural areas has developed in the context of the positive impact of the policies of the Party and the Government and that is very fundamental advantages. But besides that there are many difficulties and challenges. In the country, the process of promoting industrialization and modernization of the country has taken place on a large scale, accelerating the urbanization rate with rapid increase of industrial parks, industrial clusters, new urban areas, leading to shrinking agricultural land, surplus agricultural employees, employment in rural areas even more difficult. Rural environment, soil and water are being polluted. The process of integration into the world economy enters in a new stage also directly impacts agriculture and rural economy and society. In 2007, Vietnam officially became an official member of the World Trade Organization (WTO), in addition to expansion of import and export of agricultural products, agricultural materials, also has appeared many new difficulties such as reduction of import duties on hundreds of agricultural, forestry and fishery products in accordance with the schedule of the WTO, competition on agricultural markets became more severe ....

In the world, the financial crisis and global economic downturn in 2009-2011 taking place on a global scale, has have the direct impact on Vietnam's economy in general, agriculture and rural economy in particular. Prices of fertilizers, agricultural materials and agricultural exports have been unstable ... Climate change and sea level rise took place across the world and the region have had a direct impact on agricultural production of the country under the different levels

Hereinafter is an overview on the situation and trends of rural areas and agriculture based on the results of the 2011 Census

A. OVERVIEW ON RURAL

As of July 1st, 2011, in the whole country, there are 9071 communes with 80904 villages and hamlets. If compared to the 9073 communes of 2006, it is almost no change in the number of commune-level administrative units in five years. There are 80,904 villages and hamlets, do not increase significantly (0.35%) compared to 2006's 80,620 villages. Rural areas have 15.3 million households with approximately 32 million people in working age, increased 11.4% of household numbers and 4.5% of the workforce compared to the 2006 Census.

In five years, the rural reform, along with the urbanization of rural areas, many communes have been upgraded into wards or townships along with the splitting, merging of the administrative units at provincial, district, commune levels in accordance with the National Assembly's Resolution, the Government's Decree. This leads to the shifting of socio-economic infrastructure, in statistical point of view, from rural areas to urban areas, from a local to other. Therefore, please note that, in this book, the comparison of some statistical indicators over the period of the 2001, 2006 and 2011 Census, most indicators related to the socio-economic infrastructure at commune level, mainly are presented in percentages rather than absolute numbers.

1. The rural infrastructure continues to be constructed and upgraded with both width and depth, enabling production development; the rural aspect goes through many changes

1.1. Fast development of the rural electricity network has created favorable conditions for rural and agricultural electrification, facilitating production and people's life

One of the most important contents of the industrialization and modernization of agriculture and rural areas is electrification. Hence, in Resolution of the Central V (session IX) on accelerating the industrialization of agriculture and rural development stated: Develop the electricity system to provide efficient high quality for production and living needs in rural areas. For areas that do not have access national power grid, the government implements the investment policy to support development of power sources in place, to ensure that by 2010, all communes have electricity. Resolution of Congress X also emphasized: supply sufficient electricity to meet the development needs, including mountainous areas, remote areas, islands... Implementation of the Resolution of the Party, in recent years, the government has focused to direct industries, sectors at all levels for implementation of the rural electrification program and achieved good results and new development steps.

As of July 1st, 2011, 9054 communes have access to electricity, making up 99.8% of the total number and increasing 0.9% compared to 2006. In the six socio-economic regions[1], 3 regions have the percentage of 100% communes with electricity: CH, SE and MRD. Regions with more increasing in proportion of communes having electricity are NMMA 3%, NCCCA 0.6%, CH 0.5%.

If compared to the 2001 Census, the number of communes with electricity at the time July 1st, 2011 increases by 1044 communes (+13%), raises the proportion of communes with electricity from 89.7% to 99.8%. Regions with the highest increase of the number of communes with electricity in 10 years are: CH has increased by 217 communes (+57%), raising the proportion of communes with electricity from 75.5% to 100%; NMMA, increased by 537 communes (+31%), lifting the proportion of communes with electricity from 76.6% to 99.7%; NCCCA increased by 262 communes (+11.9%), increasing the proportion of communes with electricity from 90% to 99.7%; MRD increased by 95 communes (+7.9%), increasing the proportion of communes with electricity from 99% to 100%; SE increased 23 communes (+5%), rising the proportion of communes electricity from 99.8% to 100%.

To July 1st, 2011, in the country, 77.3 thousand villages have access to electricity, equivalence of 95.5% of the villages (77.2% in 2001, 92.4% in 2006), increasing by 2820 villages (+3.2%) compared to 2006 and by 15.1 thousand villages (+24.4%) compared to 2001. Regions with high proportion of villages with electricity are: MRD 99.4%; RRD 99.3%. Compared to 2006, regions with the highest growth rate are: CH (+8.7%), NMMA (+5.1%)

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[1] Accroding to Decree No. 92/2006/ND-CP dated September 7th, 2006 of the Government on the Formulation, Approval and Management of Master Plan for Socio-economic Development, there were six socio-economic regions: the Northern Midland and Mountainous Areas (NMMA); the Red River Delta (RRD); the North Central and Central Coast Areas (NCCCA); the Central Highlands (CH); the South East (SE); and the Mekong River Delta (MRD).

Proportion of villages with electricity from the national power grid in 2011 is 93.4%. This number is much higher than 2006 (87.8%) and 2001 (70.7%).

Comparing among the 3 censuses of 2001, 2006 and 2011, the proportion of rural households using electricity has increased significantly over the years: in 2001 only was 79%, in 2006 was 94.2%, in 2011 increases up to 98%. The proportion of rural households using electricity has increased in all six regions. In particular, this number in RRD through 3 Census is 98.3%, 99.8% and 99.9%, respectively; NMMA from 66.8% to 88.4% and 94.5%; NCCCA from 86.6% to 97,0% and 98.9%; CH from 52% to 97% and 97%; SE from 75.2% to 93.9% and 98.7%, MRD gains the fastest rising from 61.9% to 90.2% and 97.1%.

As of July 1st, 2011, the proportion of communes with electricity is approximately 100%, basically achieving the objective set out in the 10-year National Socio-economic Development Strategy as well as the 5-year Socio-economic Development Plan (2006 - 2010). The proportion of villages with electricity reaches nearly 96%, mainly from the national power grid so be more stable than the previous year. The proportion of rural households using electricity also increases, this is an important condition for the development of agricultural production, processing industry and service sectors in rural areas, and improvement of people's material and cultural, spiritual life. Especially NMMA, CH, MRD which were three regions with difficulties in building and upgrading the national power grid in the previous year, now they achieve the fastest rate of rural electrification in 5 years 2006-2011 in all the 3 indicators: number of communes, villages and households using electricity.

Table 1. Number of communes, villages with electricity divided by socio-economic regions, as July 1st, 2011

	Communes with electricity		Villages with electricity	
	Numbers	Percentage (%)	Numbers	Percentage (%)
Whole country	**9054**	**99.80**	**77 305**	**95.55**
RRD	1941	99.85	15140	99.34
NMMA	2264	99.69	23909	89.19
NCCCA	2469	99.72	20727	98.14
CH	598	100.00	5 965	98.04
SE	479	100.00	2 970	98.67
MRD	1303	100.00	8 594	99.44

Not only number of villages with electricity increases, the quality of rural power supply, represented by the percentage of communes, villages and households having access to electricity from the national power grid in 2011 increases in comparison to 2006 and 2001. Mainly fall into the extremely difficult communes in the high, remote, border and island, number of communes without electricity only is 17, has dropped more than 100 communes in

2006 and 924 communes in 2001. It is said that, rural electrification is the most remarkable highlights in the overall picture of the constructing and upgrading of rural infrastructure in the country in 5 years 2006-2010. That achievement has important implications for social and economic development of rural and improvement of the material and spiritual life of the rural population, thus contributes to narrow the gap between rural and urban areas.

However, besides the achievements and prosperity, rural electrification still have obstacles to be overcome. Many villages and hamlets in highland, remote, ethnic minority areas and in the main national power supply areas such as Hoa Binh, Tuyen Quang, Son La, Yen Bai, Nghe An, Quang Nam... still have no access to electricity. In Yen Binh district of Yen Bai province, some villages and hamlets around Thac Ba lake have no access to the national power grid.

1.2. Rural traffic have many profound changes in both quantity and quality in the commune roads, inter-village roads and infield roads, but in remote, mountainous areas are still many difficulties

Continue to implement the principle "joint efforts by the State and the public", rural transportation system has grown in number and improved in terms of quality, contributing to create favorable conditions to attract investors to rural areas, create employment, reduce poverty and resolve many social and economic issues.

To July 1st, 2011, there are 8944 communes with car-roads connected to the commune people's committee (CPC) offices, accounts for 98.6% of total communes (reached 94.2% in 2001 and 96.9% in 2006). There are 5 per 6 of socio-economic regions in the country reaching 99% of communes with car-roads to the CPC offices, only MRD reaches the lowest level (93.0%). In some communes with car-roads to the CPC offices in 2011, 8813 communes (accounting for 97,2 %) have all-around-the-year accessible car-roads (93.6% in 2006).

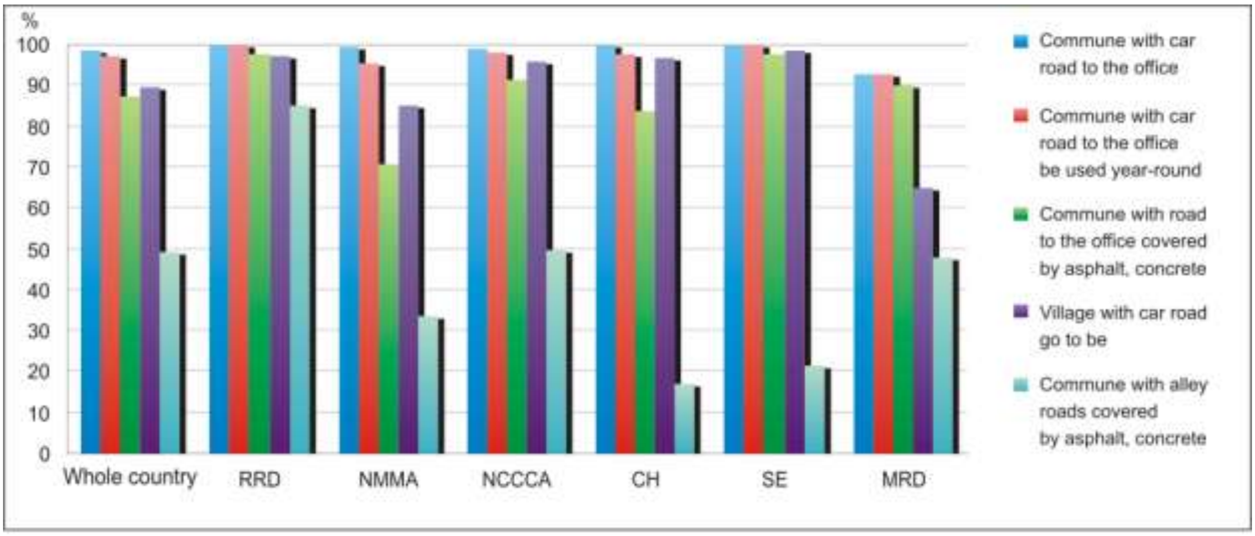


Figure 1. Commune, village level rural roads divided into six socio-economic regions, as of July 1st, 2011

Quality of rural roads are also upgraded with high speed compared to the previous year. Figure 2 shows the proportion of car-roads to CPC offices are paved with asphalt or concrete increasing rapidly over 10 year period (2001 - 2011), but the increase is not uniform across economic regions. The Census results show that as of July 1st, 2011, the number of communes with asphalt or concrete car-roads connected to CPC offices increased by 1572 communes (+24.7%) compared to 2006; accounting to 87.4% of the total communes and increasing twice compared to 2001 (42.4%)

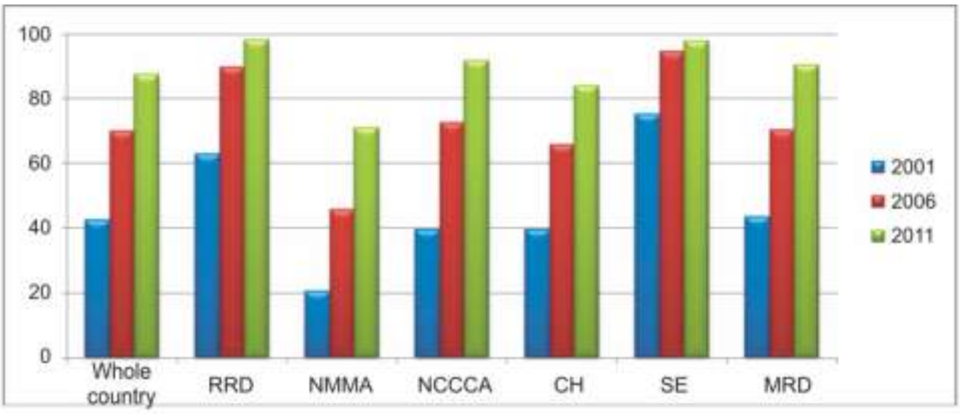


Figure 2. Proportion (%) of car-roads to CPC offices are paved with asphalt or concrete divided into six socio-economic regions through the 2001, 2006 and 2011 rural, agricultural and fishery Census

The rate of asphalt, concrete car-roads is highest in RRD with 97.9%, followed by SE 97.7%, NCCCA 91.5%, MRD 90.3 %, the lowest is NMMA with 71%.

Notably, the traffic system at village level is focused to develop strongly which cars can go to 89.6% of villages. This condition is very convenient for transport infrastructure for agricultural production, services and activities of rural residents, building the new rural society.

Proportion of communes with rural roads paved with asphalt or concrete (a criteria of the new rural society) are focused on investment and upgrading by local authorities, hence the results are fairly. In 2011 there are 6.1 thousand communes, reaching 67.7%. High-rate regions: RRD to 91%, NCCCA over 74%, MRD over 75%

Number of communes with alley road covered by asphalt or concrete (new rural society criteria) in 2011 are 4484, accounting for 49.4% of the total number of communes, including communes in plains and midlands 66.5%, mountainous 40.4%, highland reach nearly 19% .

Besides these achievements, the system of rural roads in remote, mountainous areas, islands is still inadequate, limited but slowly overcome, causing difficulties for the production and circulation goods, business and daily life of the rural population.

1.3. Irrigation system is focused on building new and upgrading, but uneven and not solid

In recent years, implementing the direction of accelerating industrialization and modernization in agriculture and rural areas, the Government has prioritized investment in new construction and upgrading of irrigation systems for AFF production. More cultivated area is irrigated, contributing to increased productivity and production crop yields. By 2011 there are nearly 16 thousand pumping stations serving the AFF production in the commune, increasing 7130 stations (+81%) compared to 2001. In 2011, on average one commune has 1.8 pumping stations (1.5 stations in 2006), in which: the most numerous is RRD (3.7 stations/commune), MRD with 2.5 stations/commune, NCCCA with 1.4 stations/commune, the lowest is CH, SE with only 0.2 stations. Implementation of the policy on canal solidification, over the years, the canal system operated by communes/cooperatives has been solidified over 40 thousand km, accounting for 23.2% of the total length of the canal (12.4% in 2001, 18.8% in 2006); in which some regions had the high proportion such as NMMA nearly 42%, CH 41%, SE 34.1%, NCCCA 31%.

To compare with the objectives on irrigation in the National Target Program of building the new rural society, to July 1st, 2011, 6682 communes, accounting for 73.6% of total communes nationwide have basic irrigation systems meeting requirements of production and people's living, including plain, midland communes 85.4%, mountainous communes 67.6%, upland communes 53,9% and island nearly 25.5%. Divided by six socio-economic regions, the proportion is as follows: RRD 86.8%; NMMA 67.4%; NCCCA nearly 71%; CH 49,2%; SE 45.5% and MRD 92%.

1.4. The system of school at all levels in rural areas is being constructed new, upgraded and temporary primitive schools and classes is being basically eliminated

In the years 2006-2011, implementing the government’s policy on educational socialization, the school system at all levels in the rural areas has been constructed new, upgraded and achieve higher results than the previous period.

By 2011, there are 9020 communes with primary schools, allocated on 99.5% of the total communes in the country (reaching 99.3% in 2006). Proportion of communes with lower secondary schools also increases: 92.9% in 2011 compared to 90.8% in 2006. Upper secondary schools in communes are not much, but over the years has tended to increase rapidly: in 2011, have 1165 communes, accounting for 12.8% (in 2006, reached 10.8%; in 2001, reached 8.5%).

Along with the development of the school system at the commune level, kindergarten, child care facilities have developed and extended to the village level. Proportion of communes with schools, kindergarten in 2011 is 96.3%, rapidly increase compared to 88.7% in 2006. Number of communes with pre-school facilities in 2011 is 4712, accounting for nearly 52%; 46% of villages has kindergartens. The opening of a school point in the village has created favorable conditions for pupils to not have to go far, contributing to reduced dropout, especially in upland, remote and minor ethnic communes.

Besides progress in increasing the number of schools at all grades, movement of building and upgrading permanent and semi-permanent schools, removing temporary schools, classes has achieved encouraging results. Through the 3 census, there are increasing trend in proportion of permanent schools, reducing the number of semi-permanent and temporary schools in the commune. Proportion of schools built permanent and semi-permanent in the school year 2011 according to the type of school: primary schools 73% and 26% (reached 52.2% and 46.3% in 2006 and 30.8% and 63.7% in 2001); lower secondary schools 85% and 14,2% (reached 70.1% and 28.7% in 2006; 44.4% and 51.5 % in 2001); upper secondary schools 92.6% and 7.0% (reached 87% and 11.7% in 2006; 73% and 25% in 2001).

Besides these advances, the construction and upgrading of the school system at all levels have still revealed many shortcomings. The construction and expansion of the school system at all levels is not uniform across regions and locals as follow:

- In the whole country, 99.4% of communes have primary schools, of which so many provinces, 100% of communes have primary schools. However, up to July 1st, 2011 in some provinces the proportion of communes which do not have a primary school accounts for over 3% (Cao Bang, Bac Kan, Gia Lai, Quang Nam). Percentage of communes with child care facilities in 2011 is still low (52%), in the five-year period 2006-2011 increased only 4% (in the period 2001 - 2006 was 13%). The country has 46% of villages having kindergarten but the development of the private kindergarten is limited with 1.4% of villages having private kindergarten.

- As of July 1st, 2011, the country has 73% of primary schools in rural areas are permanently built, in many provinces this proportion is over 95% but also in many locals, the proportion of permanent schools is less than 50% (Tuyen Quang, Tay Ninh Binh Thuan, Tra Vinh, Vinh Long, Hau Giang, ...). Notably, in a number of provinces, the proportion of not be permanent and semi-permanent primary schools accounts for over 5% (Tuyen Quang, Son La, Dien Bien, Hau Giang).

1.5. Rural health care system continues to be enhanced quite comprehensive, truly becomes the rural residents' crucial initial health care system.

The commune health care system continues to grow both in terms of number of health stations, qualification of health service providers as well as the physical facilities. By 2011 there are 9027 communes with health stations, reaching 99.5% (99.3% in 2006). By 2011, the proportion of permanent and semi-permanent health stations is 57.1% and 41.6%. The number of commune health stations complying with national standards is 7031 communes (77.5% of total communes).

To implement policy of bringing doctors to the commune, the number of doctors working in the commune health stations has increased rapidly in recent years. The 2011 census shows that on July 1st 2011 there are nearly 6,6 thousands doctors, an increase of over 900 doctors (+15.9%) compared to 2006 and more than 2000 doctors (+45%) compared to 2001. Thus the number of doctors per ten thousand rural population has increased from 0.8 in 2001 to 1.0 in 2006 and 1.1 in 2011. Through the 3 Census of 2001, 2006 and 2011, regions with the number of doctors per ten thousand rural population has increased rapidly and reached the highest level is NMMA from 0.7 persons to 1.1 persons and 1.6 persons. The three southern regions achieve lower rate than the northern and grow slowly.

Table 2. Number of communes with permanent, semi-permanent health stations by socio-economic regions, as of July 1st 2011

	Communes with health stations		Number of permanent, semi-permanent health stations		Number of doctors in commune	
	2006	2011	2006	2011	2006	2011
Whole country	**9013**	**9027**	**8856**	**8903**	**5689**	**6592**
RRD	1995	1944	1988	1923	1496	1600
NMMA	2249	2254	2193	2207	1026	1467
NCCCA	2469	2463	2430	2435	1412	1654
CH	549	596	533	590	312	361
SE	483	479	468	470	350	376
MRD	1268	1291	1244	1278	1093	1134
	Percentage (%) of total communes				On average per 10 thousand people	
Whole country	**99.3**	**99.5**	**97.6**	**98.2**	**0.97**	**1.12**
RRD	100.0	100.0	99.7	98.9	1.1	1.2
NMMA	99.8	99.2	97.3	97.2	1.1	1.6
NCCCA	99.4	99.5	97.8	98.3	1.0	1.2
CH	96.3	99.7	93.5	98.7	0.9	1.0
SE	99.4	100.0	96.3	98.1	0.7	0.7
MRD	98.7	99.1	96.8	98.1	0.8	0.9

In order to better serve and provide health care services to rural community, the grass root health system continues to be attended and extended to the village level. According to the census results, by 2011 there are 93.9% of villages with village health workers (89.8% in 2006). Along with the expansion of the Government’s health care network, the private healthcare system has formed, importantly contributed to community health care. By 2011, 2769 communes, accounting for 30.5% of total communes have private health care establishments in the place, 68.0% of the communes, and 18% of villages has pharmacies.

Besides achievements, the system of health services, health care in rural areas has revealed many shortcomings which the most evident is the uneven development between regions. Poor conditions in infrastructure and qualification of health care workers in many rural mountainous and remote areas has slowly overcame. Some doctors to commune do not meet requirements, many commune health stations had no doctors...

1.6. Providing clean water and sanitation to rural areas has seen improvement but still a pressing problem in many rural areas, especially deep, remote areas

The 2011 Census data indicate that 4216 communes (46.5% of total communes) have centralized water supply system, an increase of 10% compared to 2006, an important contribution in improving quality of life and protect the health of rural residents. In the six socio-economic regions, MRD reaches 81.1% of communes with centralized water supply system; followed by NMMA 59.1%. The rest is below the national average: CH (45%); NCCCA (33.8%) and lowest RRD is only 24.5%.

Up to July 1st, 2011, in the country, 1674 communes and 6891 villages have constructed common sewage drainage system, accounting for 18.5% of communes and 8.5% of villages (reached 12.2 % of communes and 5.6% of villages in 2006). The region reaching the highest level is RRD: 37.6% of communes and 26.6% of villages; and the lowest level is CH: 3.9 % of communes and 1.3% of villages; Although the proportion of communes building common sewage drainage systems is generally low in most regions, but it is a remarkable progress in changing perception and actions of all level authorities, sectors, as well as rural households on the protection of the environment through waste water treatment in the rural areas, especially in the areas with handicraft villages, industrial parks, industrial clusters, husbandry farms.

The waste collection activities in rural areas in recent years have been paid attention by many locals. By 2011, there are 3996 communes organizing or using hired labor to collect waste, accounting for 44% (28.4% in 2006) and 25.8% of villages organizing or using hired labor to collect waste. Although the results are still low and uneven between regions and locals, but the general trend is increasing compared to the previous years. The region reaching the highest results on the two indicators is RRD: 81.6% and 66.2% and lowest is NMMA: 12.7% and 4.4%.

Proportion of rural households with toilets increases from 88.8% in 2006 to 91.4% in 2011, in which septic tank toilets from 16.9% to 44.1%. Waste treatment in rural areas has improved although there are many difficulties, however, proportion of households with waste pick up services reaches nearly 25% in 2011

Despite achieving progress compared to 5 years ago, but the environment in the rural areas is still one of the few areas with many limitations and weaknesses in the overall picture on economic and social prosperity of Vietnam’s rural areas. Results such as less than one fifth of communes and less than one tenth of villages having common sewerage drainage system; less than 45% of communes and less than one third of the villages organizing or using rent labor to collect waste, nearly one fourth households having garbage collection from the 2011 Census evidence that. The underdevelopment on infrastructure of sewage drainage system and waste collection services occurs especially in NMMA and CH.

1.7. The information and culture network has been quickly developed contributing to enhance the people’s spiritual life

Communication systems in rural areas has been upgraded, completed to better serve the needs of management, business activities at all levels, sectors, enterprises, coperatives and rural households. Over 10 years, the proportion of rural households with phones has increased from 5.3% in 2001 to 86.6% in 2011 in the whole country, in which: RRD from 5% to 86%; NMMA from 1.5% to 85%; NCCCA from 4% to 83%; CH from 4% to 86%; SE from 13% to 93%; MRD from 7% to 89%.

Network of private Internet service points in rural areas is also growing very fast. Proportion of communes with private Internet service points in 2011 is 53.7% (32.5% in 2006), in which the SE reaches the highest proportion of 90.2%, followed by MRD 82.5%; and lowest is NMMA 25%.

System of communal culture houses / public gathering houses in communes, villages continue to develop rapidly, providing places for people in the village to attend meetings and cultural activities. By 2011 there are over 3.5 thousands communes with culture houses, reaching nearly 39% of the total communes (30.6% in 2006 and 15% in 2001). The proportion of communes with culture houses in RRD is 51.4%, higher than 47.4% in 2006 and 28.3% in 2001. The corresponding figures through the 3 Census in other regions respectively as follows: NMMA is 31.5%, 25.5% and 8.7%; NCCCA is 41%, 29% and 14.3%; CH 24%, 21% and 9.7%; SE 49%, 43% and 16.4%; MRD 32%, 18% and nearly 7%. In 2011, there are 1050 communes with library, increasing by more than 170 communes compared to 2006 and increasing by over 380 communes compared to 2001. Proportion of communes with the library in 2011 for the whole country is 11.6% (reached 9.7% in 2006 and 7.5% in 2001). In 2011, there are about 8.8 thousands communes with law bookshelves, reaching the proportion of 97% (95.6% in 2006). Proportion of communes with local loudspeaker system linked to villages increases from 56.8% in 2001 to 81.4% in 2011.

The above findings show that, in recent years, all sectors, levels, especially the commune, village authorities has paid attention on construction and development of cultural facilities contributing to raising the education, enhancing the spiritual life of the rural population, in line with the policy of building the new rural areas.

Besides the above achievements, the results from the census shows that there are still limitations. System of communal culture houses / public gathering houses in communes and village in the remote areas in 2011 is still low: in CH every 4 communes have less than one communal culture houses / public gathering houses. In NCCCA, the rate has not reached 1/3. In the whole country in 2011, percentage of communes with the library is 11.6%, not increased significantly over the 10 years (9.7% in 2006 and 7.5% in 2001).

1.8. System of AFF processing establishments has developed in both quantity and service capacity, step-by-step associated production with processing and consumption of agricultural products in rural areas

Number of AFF processing establishments has increased rapidly in the past 10 years: 252 thousand establishments in 2001; 428 thousand establishments in 2006, an increase of 69.9% compared to 2001; in 2011 the number amounts to 501 thousand establishments, an increase of 17% compared to 2006 and a 2-fold increase compared to 2001.

In 2011, there are nearly 8.1 thousands communes with agricultural processing establishments, accounting for 89.2% of communes (83.4% in 2006 and 72.3% in 2001). The region with the highest proportion is RRD, reaching 95.2% and lowest is NMMA, reaching 81%. Census data also reveal that fishery processing establishments, although not as much as the number of agriculture and forestry establishments, but the growth speed is also high in the last 5 years.

Figure 3 shows the superiority in the number of communes having agricultural and forestry processing establishments in comparison with fishery processing establishments in all regions through the 2 Census of 2006 and 2011. In terms of regions, NMMA enjoys remarkable increase in the percentage of communes with agricultural and forestry processing establishments.

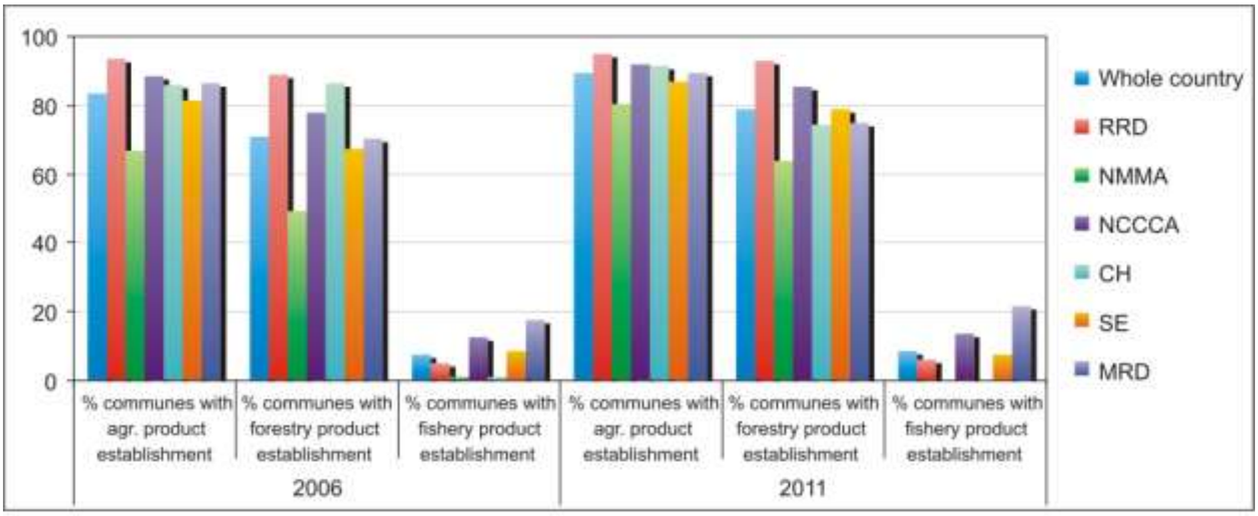


Figure 3. Comparing the percentage of communes with AFF processing establishments by types, through the 2 Census of 2006 and 2011

The rapid rise in number of communes with processing establishments in recent years has contributed to better serve requirements on preparation and processing of agricultural, forestry and fishery products, step-by-step associated production with processing and consumption of these products, created more jobs and increased incomes of farming, fishery households, developed the service sector, accelerated the process of economic restructuring, labor, development of rural handicraft/trade villages. Hence, the number and types of goods in the rural market, especially rural market places are so plentiful and diverse.

1.9. Rural market places have been solidified a step, but proportion of commune markets meet criteria of new rural society market places is low

Rural market places play an important role for the development of the commodity economy, promotes the exchange of goods between regions and within the province or local. In 2011 there are more than 5.2 thousands communes with market, reaching 57.6% of total communes.

The number of permanent and semi-permanent market places increases in comparison to 2006. In 2011 the number of permanent and semi-permanent market places is 66.6% (53.3% in 2006). The proportion of permanent and semi-permanent market places is uneven in regions. In the mountain areas, highlands and islands even if there are many difficulties but in 2011 the percentage of communes with market places reaches as follows: 54.5% in mountainous communes; 31% in highland communes and 37% in island communes, of which: percentage of permanent and semi-permanent markets places is 65%, 73% and 69% respectively. Thus, ethnic population in mountainous areas, highlands and islands have more favorable conditions for the exchange of goods and cultural exchanges with other communes within the province or local as well as with the plains, contributing to the development of production, improvement of the people's material, cultural and spiritual life, building the new rural areas.

However, the market place which meet standards of the Ministry of Construction are very low. Results of the 2011 Census show that up to July 1st, 2011 there are only 240 rural market places meeting standards, accounting for 3.5% of the total rural market places. Especially, there is no region reaches over 8% as stipulated by the criteria on new rural areas, percentage of markets meeting standards of the Ministry of construction in mountain areas, highlands and islands are very low (1.7%, 4.1% and 3.5% respectively).

1.10. Rural people's credit system continues to increase, creating favorable conditions for the population access to credit for production, business and life.

To create conditions for the rural population to participate in credit activities, curb usury, in recent years, many commercial bank branches and credit institutions have opened branches in the communes. By 2011, in rural areas, there are 953 communes with operating commercial bank branches, accounting for 10.5% of the total communes. The region with the highest percentage of communes with bank branches is SE, 18.4%, lowest is NMMA 7.1%. In 2011, there are 1049 communes with people's credit funds. Regions with many people's credit funds: RRD has 508 communes, reaches 26%; NMMA and CH are regions with low percentage of communes with people's credit funds (5%).

However, results of census show that the number of people's credit funds has not increased in the last 5 years: The percentage of communes with people's credit funds in 2011 reach 11.6%, did not increase significantly compared with 10.1% in 2006.

1.11. Rural handicraft/trade villages have been rehabilitated and developed, creating jobs, contributing to the production and rural economic restructuring, but environmental issues in the handicraft/trade villages has revealed several limiting factors and weakness.

Along with the development of the industrial parks, industrial clusters, many handicraft/trade villages have been restored and developed which attract a lot of capital sources in the population, create jobs in place for tens of thousands of employees and train and foster the unskilled employees to technical workers. By 2011, in the rural areas, there are 961 communes with handicraft/trade villages, accounting for 11% of the total communes (the respective proportion of 2001 and 2006 was 6% and 8%). In addition, the number of handicraft/trade villages also increases: in 2011 the number of handicraft/trade villages is 1322 (in which 976 traditional handicraft/trade villages) compared with 1077 handicraft/trade villages in 2006 and 710 handicraft/trade villages in 2001.

Handicraft/trade villages have attracted 327 thousand households and 767 thousand regular employees (256 thousand households and 655 thousand employees in 2006). On average, one handicraft/trade village has 248 households and 580 employees compared to 238 households and 609 employees in 2006. The region having more communes with handicraft/trade villages and the most number of handicraft/trade villages is RRD: 485 communes, accounting for 50.5% of the total communes with handicraft/trade villages, 706 handicraft/trade villages accounting for 53% of total handicraft/trade villages throughout the country, with the participation of 222 thousand households, 505 thousand employees. Next is NCCCA, having 237 communes with 305 handicraft/trade villages with the participation of 46.7 thousand households, 108 thousand regular employees. MRD has 117 communes, 132 handicraft/trade villages, attracting more than 31 thousand households and nearly 93 regular employees. In the rest regions, number of the communes with handicraft/trade villages and the number of handicraft/trade villages grow slowly, with few new villages.

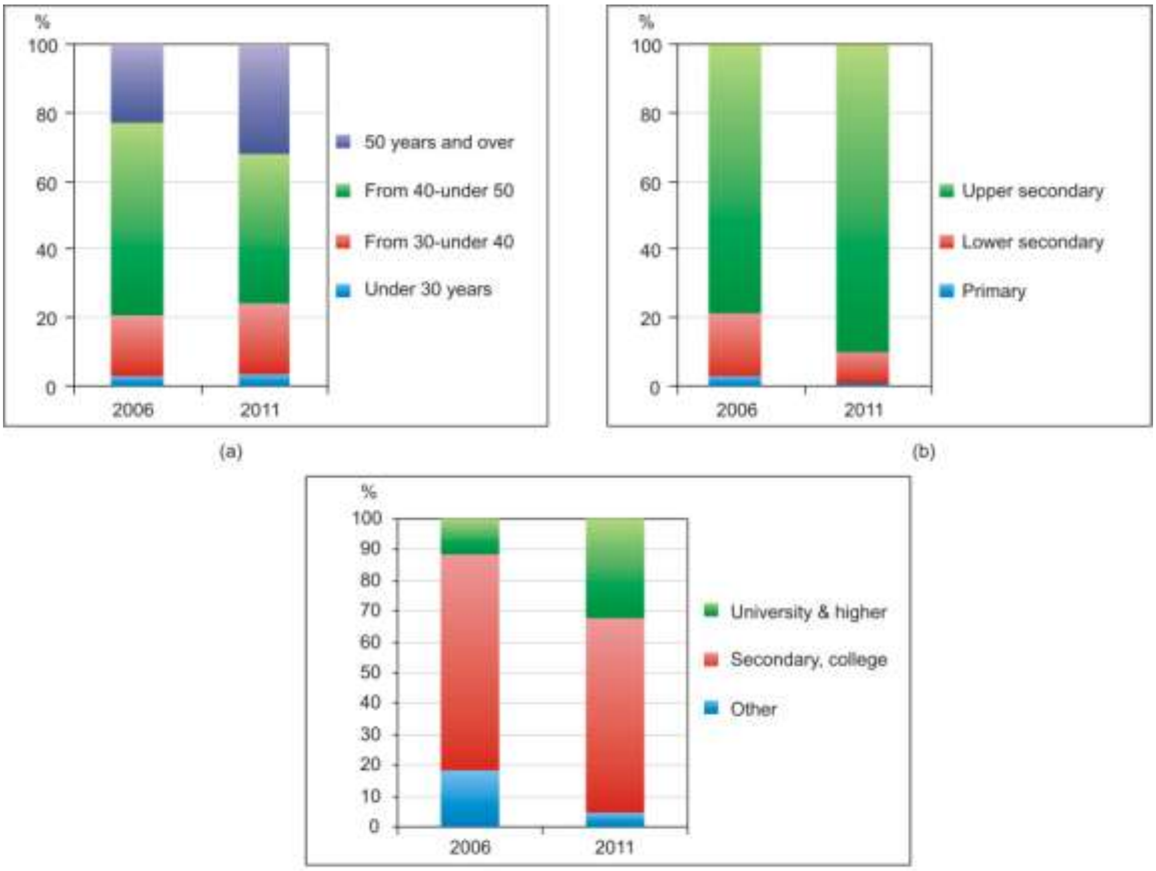
However, the downside of the rural handicraft/trade villages are also many, especially the issue of rural environmental pollution. Especially waste water, waste generated by handicraft/trade villages in the countryside polluting water, air, soil, plants and animals are very popular. According to the 2011 census results, the proportion of handicraft/trade villages using water, toxic waste treatment devices, accounts for 4.1% and this situation clearly shows that the risk of environmental pollution of the handicraft/trade villages are very high in rural areas in Vietnam.

1.12. The commune level authorities have continued to consolidate and strengthen, being decisive factors for the success of the implementation of policies on agriculture and rural development.

The commune is the grass root level that plays a very important role in the implementation of guidelines and policies of the Party and the Government in agriculture and rural areas. The Census results show that the commune level authorities[2] over the years have been many positive changes.

In general, out of key commune officers, over the census periods, though men still account for the vast majority, but the proportion of women in 2011 increases slightly to 5.4% compared to 3.9% in 2006.

[2] This census has collected information on positions: Party Secretary, President, Vice President of people's committee



(c)

Figure 4. Structure of commune level officers by age (Figure a), by level of common education (Figure b) and professional qualifications (Figure c)

Figure 4 (a) shows the trend of incresing propotion of the commune level key officers in low and high age groups, decresing propotion of group aged 40-50 years through the 2 Census of 2006 and 2011, detail as follow: in the country, in 2011 group under the age of 30 reaches 3.3% (2.6% in 2006), group aged 30-40 years reaches 21% (18.2% in 2006), group aged 40-50 years reaches 43.5% (56.4% in 2006); group aged from 50 and over reaches 32.2% (22.8% in 2006).

Figure 4 (b) and Figure 4 (c) show that the tendency on level of education and professional qualifications of key commune officers continues to rise over 5 years. The Census results show that almost 90.3% of the commune level key officers graduated from upper secondary school (78.6% in 2006). On the professional level, in 2011, 95.5% of key commune officers has secondary vocational or higher degrees (81.7% in 2006). Notably, the proportion of key commune officers with a university or higher degrees has increased rapidly over the past 5 years from 11.7% in 2006 to 32.4% in 2011. High percentage of key commune officers with a university degrees is in regions: SE (54.5%), MRD (43.6%) and lowest is in NMMA (21%).

Country as a whole, the number of key officers, though men still account for the vast majority of census, the percentage of women in 2011 increased slightly, 5.4% in comparision with 3.9% in 2006. MRD is the region having high proportion of female key commune officers, rapid rejuvenation, professional level from secondary vocational to higher education. Female ratio is 8.9% (4.7% in 2006 and 2% in 2001). On age, women officers under 30 years old is 7.1%, the rate in 2006 and 2001was respectively 4.8% and 2.3%. Regarding educational level, women key commune officers with upper secondary education reaching 97.5% compared to 88.8% in 2006 and 66.5% in 2001. On professional level, women officers with secondary vocational level and higher being 97.1% (87.6% in 2006, respectively).

Together with strengthening of staff, working office of the commune authorities is upgraded and modernized step-by-step, creating favorable conditions for the management, direction and operating be smoothly, timely between levels, sectors as well as other benefits. Count to 2011, the percentage of commune people’s committee offices which is permanently and semi-permanently built reaches 98.6% (in which permanently built reaches 72.4%), 99.5% of commune people’s committee offices has computers, compared to 92.7% in 2006. Especially three quarters of commune people’s committee offices has computers connected to the Internet, much higher than the one twentieth of the commune people’s committee offices in 2006.

Besides the above achievements, the biggest existence in this field is level of qualifications of key commune officers as well as the working conditions of communes in the regions, the provinces also has significant differences. Working conditions of commune officers in highlands are much lower than other communes such as: nearly two thirds of commune offices are built permanently; 46.6% people’s committees of communes with internet connection. In many provinces, qualification, political theory or state management qualification of key commune officers are limited. In particular, a number of provinces with more than 10% of the officers without training of profession, political theory, state management qualification, such as: Lao Cai, Lai Chau, Cao Bang. The number of key commune officers with the qualification on profession or political theory at university degree or higher are very low. This is significant obstacles on the way of agricultural and rural industrialization and modernization.

2. The occupation structure among rural households have shifted in a positive direction, but still not overcome the big difference between the socio-economic regions

Economic and rural labor restructuring is big policies of the Party and Government in the period of accelerating industrialization and modernization of the country, including a focus on industrialization and modernization in agriculture and rural areas.

The 5-year Socio-economic Development Plan (2006 - 2010) in the Resolution of the Party Congress X has targeted “to promote the restructuring of rural labor, rapidly reduce the proportion of employees in agriculture, increase the proportion of employees in industry and services"[3]. Implementation of the Resolution of the Party, the Government has issued many policies on economic and rural labor restructuring. The results in 5 years from 2006 to 2010 on this important part have been reflected in the results of the 2011 rural, agricultural and fishery Census.

2.1. Restructuring occupations of rural households have made progress in both SE and RRD

Number of rural households throughout the country at the time of July 1st, 2011 is 15.34 million, an increase of 1.58 million households (+11.4%) compared to 2006, of which rapid increase is in SE (+26.6%) and CH (+17.4%). Growth rate of rural households in the period 2006 - 2011 is much higher than in the period 2001 - 2006 (the period with an increase of 0.7 million households or 5.4%), due to the demographic increase[4] and household separation which cause household size in rural areas decreases markedly.

Census data shows that in the 5 years 2006 - 2011 occupation structure of rural households have shifted rapidly in a positive direction: Reduce the number and share of agricultural, forestry and fishery households; increase the number and share of industrial, constructional and service households.

About the number of households, as of July 1st, 2011, number of AFF households in rural areas is 9.53 million, decreasing by 248 thousand households (-2.54%) compared with 2006. Number of industrial and constructional households reaches 2.3 million, an increase of 903 thousand households, or 64% and the number of service households is 2.82 million households, an increase of 771 thousand households, or 37.5% in the corresponding period. If include the two types of industrial, constructional and service households up to July 1st, 2011, there are 5.13 million households, an increase of 1.67 million (+48.5%) compared to 2006.

On structure, the share of AFF rural households in 2011 is 62.2% compared to 71.1% in 2006 and 80.9% in 2001; the share of industrial and constructional households are 15%, 10.2% and 5.76%, respectively, and the share of service households reaches 18.4% compared to 14.9% and 10.6% in the 3 respective years. If included both groups of industrial, constructional and service households, the share of two non-AFF sectors from 2006 to 2011 has increased by 8.3% (from 25.1% to 33.4%). If compared to 2001, this share in 2011 increases by 17.1% (from 16.3% to 33.4%), and share of AFF households decreases by 18.8% (from 80.93% to 62.15%).

Figure 5 shows a trend of restructuring in rural households in three occupational groups (AFF; industrial and constructional; service groups) through the 3 census of 2001, 2006 and 2011 in the whole country as well as in the 6 socio-economic regions.

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[3] (Documents of Congress X, page 195)

[4] The national average population in 2009 was 86.025 million; including the rural population of 60.440 million; The estimate of the national average population in 2010 is 86.928 million, of which 60.703 million rural residents. Preliminary estimate of population growth rate in rural areas in is 0.44%. (Source: Statistical Yearbook 2010, Statistical Publishing House).

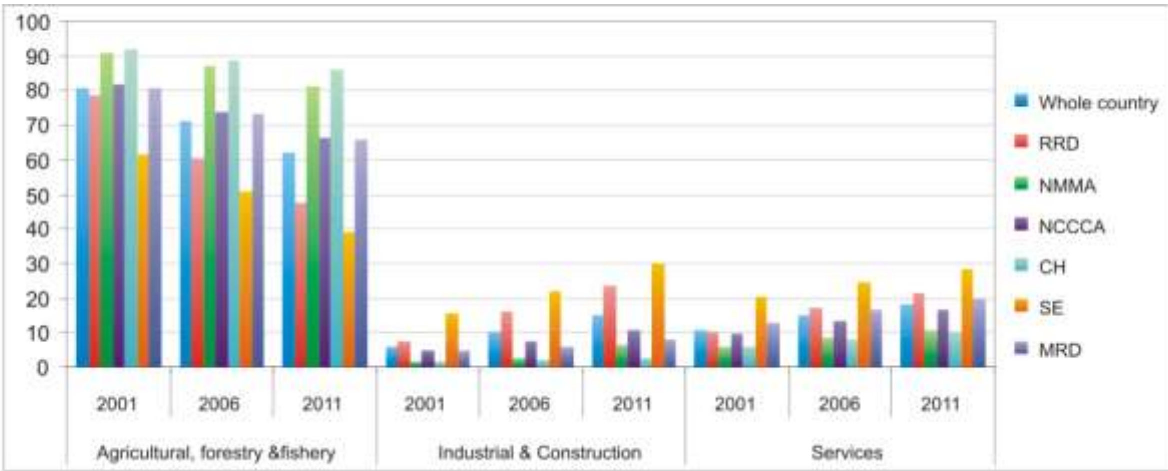

Figure 5. Percentage (%) of rural households by three groups of occupations and socio-economic regions in the 3 census of 2001, 2006 and 2011

In the whole country, in the period 2001-2011, the number of AFF households has decreased from 9% to 10% in every 5 years, whereas 2 areas of industry, construction and services have increased: the industrial, constructional sectors increases by 4.5 - 5%, the service sector increases at a slower rate from 3.5 - 4.5%. Notably, in 2011, 13 per 63 provinces (20.6%) reach the share of industrial, constructional households and service households over 40% of rural households (in 2006 only 5 per 63 provinces).

Figure 5 also shows that on a regional scale, the speed of restructuring rural household from agriculture, forestry and fishery to industry, construction and services most clearly occurred in SE and followed by RRD. In these two regions, AFF households are below 50% of rural households, particularly in SE this number is less than 40%. SE is also the region with the number of industrial, constructional households reaches approximately 30%, and the same as service households. In contrast, the speed of restructuring rural households from agriculture, forestry and fishery to industry, construction and services over the 10 years from 2001 to 2011 has taken place in NMMA and CH, but the decrease is not significant. The share of industrial, constructional and service households in NMMA only increases from 11.3% to 16.6%; in CH from 10.2% to 12.3%. Notable is in CH share of industrial, constructional and service households is virtually unchanged. This is the region where the number of AFF households is overwhelming (over 80%).

Structure of rural households by main income tends to shift similarly with occupations. According to the 2011 census results, the proportion of households with main income from agricultural, forestry and fishery sector accounts for 57.1%, (decreases by 10.7% compared with 2006). The proportion of households with main income from industrial, constructional activities attains 17.3% (+6%); The proportion of households with main income from services reaches 19.4% (+4.2%). This trend occurs in all six regions at different levels.

2.2. The occupation structure of rural labor shifts faster than the occupation structure of the household

The shift in occupation structure of rural households directly relates to the scale and speed of the labor restructuring in this area. In 2011 the number of people in labor force in rural areas is 32 million people, an increase of 1.4 million people, (+4.5%) compared to 2006. The percentage of people in labor force actually working in the last 12 months by the main activities in 2011 are as follows: agricultural, forestry and fishery employees accounts for 59.6%, significantly lower than the 70.4 percent in 2006 and 79.6% of 2001; of which agriculture employees accounts for 55.2% (65.5% in 2006 and 75.9% in 2001); industrial, constructional employees accounts for 18.4% (12.5% in 2006 and 7.4 % in 2001); service employees accounts for 20.5% (15.9% in 2006 and 11.9% in 2001).

Table 3. Restructuring of rural labor through the three occupational groups divided by the socio-economic regions through the 3 Census of 2001, 2006 and 2010

%

	Agriculture, forestry and fishery			Industry and construction			Services		
	2001	2006	2011	2001	2006	2011	2001	2006	2011
The whole country	**79.61**	**70.41**	**59.59**	**7.36**	**12.46**	**18.40**	**11.51**	**15.95**	**20.52**
RRD	77.26	60.48	42.63	10.50	20.36	31.26	11.67	18.31	25.18
NMMA	91.15	86.50	79.74	2.27	4.33	8.48	6.33	8.81	11.47
NCCCA	80.28	71.95	62.64	6.93	11.16	15.52	11.36	15.73	20.47
CH	91.94	88.38	85.28	1.55	2.52	3.04	6.22	8.84	11.42
SE	58.46	49.06	36.07	16.06	23.37	31.45	20.02	24.43	28.5
MRD	79.23	71.81	62.17	7.83	9.74	14.33	12.64	16.89	21.33

Table 3 shows the trend of restructuring in rural labor between regions, but is not uniform across regions. Results on the restructuring of rural labor by main sectors in the whole country and the regions in 2011 show progress comparing to 2001 and 2006 but is still slower and lags a longer distance than requirement. In the 10 years from 2001 to 2010, the share of AFF labor has decreased by 20% from around 80% in 2001 to 60% in 2011, an annual average reduction of 2%. In the period 2006-2011, proportion of labor in this area reduces 10.9% with the annual average reduction of 2.19%, is too slow, especially in CH, NMMA and MRD.

Although the results of rural labor restructuring over the years are still slow compared to requirements, not sustainable and uneven between regions and provinces but there are also new trends such as diversification of labor in rural areas is increasing. Solely agricultural employees account for 46% of the total number of people in working ages involved in agricultural production in the last 12 months, agricultural employees who also do other extra non-agricultural activities account for 32.1% and non-agricultural employees who sometimes do agricultural production account for 21.9%. The proportion of solely agricultural employees is highest in plain communes (62.9%), agricultural employees who do other extra non-agricultural activities is highest highland communes (48.9%). Apart from the employees in the formal working ages, there are also 4.1 million people over the working ages but still working in the rural areas.

2.4. The professional qualifications of rural employees have been improved a step, but still very low as required

On vocational training for farmers, the Resolution of the 10th National Party Congress (2006) has emphasized: "Focus on the job training, job creation for farmers and rural employees, especially in areas which the government revoked land for the construction of infrastructure and non-agricultural establishments..." (Ibid page195).

Implementation of the Resolution of the Party, in recent years, the government has issued a number of policies and programmes on vocational training for farmers. With the support of the government in the free vocational training, professional qualifications of rural employees have increased. The workable people in working ages with professional qualifications from primary, technical worker and higher in 2011 account for 11.2% (8.2% in 2006 and 6.2% in 2001), of which: secondary, vocational level is 4.3% (3% and 2.5%); university level is 2.2% (1.1% and 0.7%). Regions with the highest proportion of rural employees from secondary, vocational level are by RRD 12.7%; SE 8.9%; NCCCA 8.9%; NMMA 7.5%; CH nearly 5.4%. The lowest is MRD 5%.

Although achieve results and progress compared to previous years, the professional qualifications of the rural employees remains very low comparing to commodity production requirements in the market economy. This leads to the ability to switch from AFF sector to industry and construction sector and service sector has been slow and uneven between regions and provinces, especially in mountainous and ethnic minority areas. Surplus rural employees are more but very little employees shift to industry and services. This is a real evidence that the industrial zones are in need of a lot of technicians and skilled workers, but could not attract a large number of surplus employees in rural areas.

3. Rural economy continues to grow, income and accumulation of rural households have increased.

Vietnam's economic growth over the past 5 years has achieved an average of 7%, GDP per capita in 2010 reached 1168 USD. Almost all industries, sectors are growing quite good. The steady development of the agricultural sector, especially food production, exceeds the goals of the 10-year National Socio-economic Development Strategy (2001 - 2010) and the 5-year Socio-economic Development Plan (2006 - 2010), ensures national food security, so people's life in general and rural resident's life have been improved, income have been increased. This has created the conditions for rural residents increase accumulation.

According to the census results, the average accumulated capital of one rural household at the time of July 1st, 2011 reaches 17.4 million VND, an increase of 2,6 times compared to July 1st, 2006. If spiraling price[5] factor is excluded, indicators on average accumulated capital of one rural household in 2011 increased 41% compared to 2006, higher than the growth rate of Vietnam's economy in the period 2006-2011 (nearly 40%).

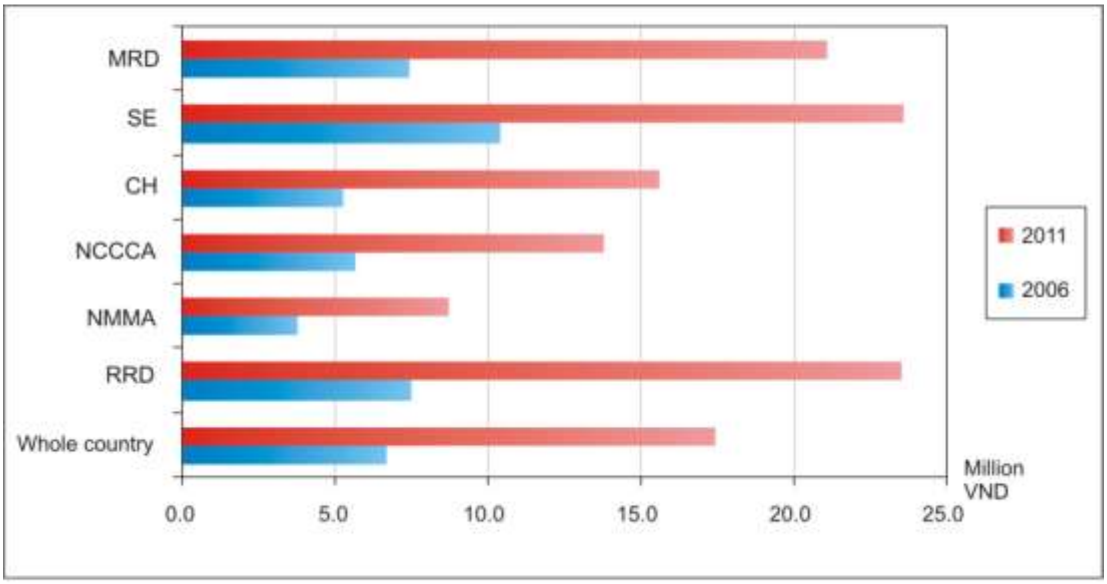

Figure 6. Accumulated capital per 1 household (million VND) through the 2 of the Census of 2006 and 2011 by socio-economic regions

Figure 6 shows the nationwide average growth of accumulated capital of one household in 2011 is relatively high compared to 2006, but the degree of difference among regions is still large. SE has the highest average accumulated capital, reaching nearly 23.6 million VND per household (increase 126% compared to 2006). The two largest granary have higher rates: RRD reaches 23.5 million VND, increased over times compared to 2006; MRD reaches 21.1 million VND, increased nearly 3 times. Three regions have low average accumulation, of which NMMA reaches 8.7 million VND per household, increased 2.3 times compared to 2006; NCCCA reaches13.8 million VND, increased of 2.4 times compared to 2006.

Figure 7 shows that in 2011 the average accumulated capital among household types are also differences. The group of service business households has higher average accumulated capital, including: trading households have the highest average accumulated capital (34.9 million VND per household), followed by other service households reach 25.2 million VND per household. Fishery households also peak at 25.2 million VND, followed by transportation and industrial households reach 20.7 million VND. The group of households with average accumulated capital less than 15 million VND, including: constructional households (14.8 million VND); agricultural households (12.9 million VND); Forestry households (7.8 million VND); Salt production households have the lowest average accumulated capital, only 6 million VND, equally 35% of the average accumulated capital of one rural household. Income of

[5] CPI in 2011 was increased by 184.26% compared to the year 2006.

trading households are more than 5.8 times of salt production households, 4.5 times of forestry households, and nearly 2.7 times of agricultural households. Lower accumulation partly reflects income and life of salt production, forestry, and agricultural households is difficult compared with other groups of occupations.

The 2011 census results also reflect the interest in the implementation of social policies, welfare polices of Government in the past years. According to 2011 census data, in 2010, rural areas have over 259 thousand households, accounting for 1.7% of rural households are supported to build and repair the house. The region with high rate of support is NMMA (3.4%), followed by CH (2.9%). Thus, housing and furniture of rural households have improved[6]. The Census data also indicate that the total number of 3.33 million rural households, accounting for 21.6 %, get preferential loans under programs and projects, including support for people entitled to social policies, the poor, ethnic minority households to build and renovate housing.

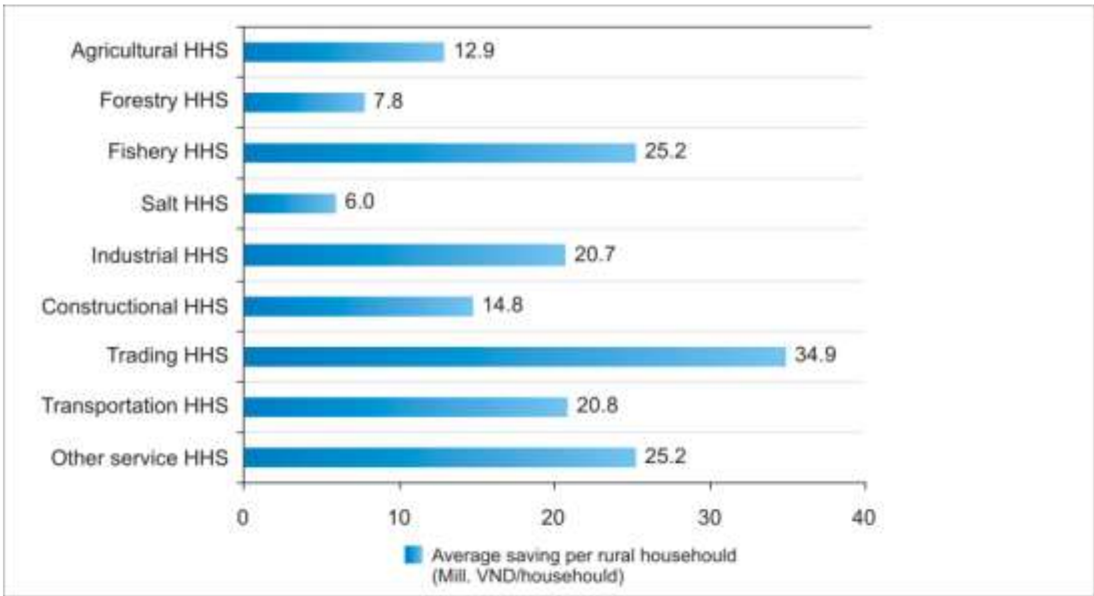

Figure 7: Accumulated capital per 1 household (million VND) divided by types of households at time of July 1st, 2011

4. Rural situation in 2011 shows that the proportion of locals achieving criteria of building the new rural society is still low

The rural areas have made remarkable progress. However, in order to implement the contents of the National Target Program on building the new rural society, it is needed to maximize the power and resources from the Government and the people in the future. The results of the 2011 Census show that the current situation and the implementation of a number of criteria in the national criteria on the new rural society as follows:

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[6] According to the results of Living Standard Survey in 2010: Rate of permanent houses increase from 17% in 2006 to 50.5%, semi-permanent houses decrease from 63.7% in 2006 to 32.9%, rate of less-permanent and simple houses decrease from 19.3% in 2006 to 7.2%. Average area per capita increase from $13.9m^2$ to $16.7m^2$

- Most of the communes (77%) reach 2 to 5 of the 13 collected criteria in this Census; of which RRD reach 87%, MRD reach 80%, SE reach nearly 84%; particular NMMA has only 69% of communes reaching 2-5 criteria.

- Country as a whole, the proportion of communes reach more 1 criteria (nearly 11%); in some regions this proportion is over: CH (22.2%), NMMA (18.3%).

- At each criterion aspect, a number of criteria are achieved over 50% by communes as: Post office; Forms of production organization; The strong system of political and social institutions. However, many criteria are achieved just under 10% by communes as: Transportation; The school system; Rural market places; Labor structure.

Table 4. Proportion of communes achieves criteria of the new rural society[7] (%)

	Communes achieved 1 criterion	Communes achieved 2 criteria	Communes achieved 3 criteria	Communes achieved 4 criteria	Communes achieved 5 criteria	Communes achieved 6 criteria	Communes achieved 7 criteria	Communes achieved 8 criteria	Communes achieved 9 criteria	Communes achieved 10 criteria
Whole country	**10.97**	**19.30**	**23.50**	**21.39**	**13.16**	**5.49**	**1.82**	**0.40**	**0.06**	**0.01**
RRD	4.78	16.46	30.71	26.39	13.73	5.30	1.39	0.21	0.05	
NMMA	18.27	25.06	21.80	14.75	7.71	3.43	1.63	0.53	0.13	0.04
NCCCA	13.13	22.13	22.05	20.80	11.23	3.72	1.21	0.20	0.04	
CH	20.23	24.25	25.42	13.38	6.69	2.51	0.84	0.17		
SE	4.59	15.87	25.47	25.89	16.70	7.52	1.88	0.63		
MRD	1.46	7.14	16.88	28.63	27.17	13.35	4.37	0.84		

With the above situation, though it is only assess at 13 criteria, the implementation of building the new rural society poses many challenges for competent agencies and branches at levels in the implementation of Resolution No. 26 of the Central Committee of the Communist Party Congress 7th in “agriculture, farmers and rural areas”, striving to reach 20% of households in the country meet the new rural society criteria in 2015 and 50% of households meet this criteria in 2020. In 2015, Hanoi and Ho Chi Minh City should reach 35 - 40% of households meeting the new rural society criteria and 70% in 2020.

B. OVERVIEW ON, AGRICULTURAL, FORESTRY AND FISHERY SITUATION IN 2011

Overview on Agriculture, forestry and fishery situation

Agriculture (in a broad sense, including forestry and fishery) plays a very important role in economic development and political and social stability for Vietnam. By the year 2011, with

[7] The Census collected information to preliminarily assess the current situation in rural areas according to 13 criteria: (1) The planning and implementation of the plan; (2) Transportation; (3) Irrigation; (4) The school system; (4) Cultural facilities; (6) Rural market places; (7) Post office; (8) Poor households; (9) Labor structure; (10) Forms of production organization; (11) Health; (12) Culture; (13) The strong system of political and social institutions

nearly 70% of population live in the rural areas and 50% of rural labor forces are agricultural laborers, thus, agricultural development is both a goal, motivation and the most effective tool and solution of the Party and Government in poverty reduction and living improvement of the rural people, environmental protection and implementation of Millennium Development Goals.

In terms of economic units, there are 10.37 million households operating in agricultural field (in a broad sense) as of 1 July 2011, according to the Census results, accounting for 44.8% in the total households nationwide. And based on Results of the 2011 Enterprise Survey, as of 1 January 2011, there are 2536 enterprises, 6302 AFF cooperatives.

In terms of land, agriculture, forestry and fishery use 26.23 million hectares of agricultural area, accounting for nearly 75% of total natural area of the whole country, according to data source from Ministry of Natural Resources and Environment

In terms of employment, according to the census results, as of July 1st, 2011 number of AFF workable employment in working age is 20.5 million people, making up 45% of total workable employment of the whole country.

In terms of business and production results, in 2011, according to GSO Statistical Yearbook, in 2011, the AFF industry creates an added value of 558.3 trillion VND by current price (of which, 79.1% for agriculture, 3.1% for forestry and 17.8% for fishery) or equivalent to 94.2 trillion VND by 1994 constant price. In the structure of GDP, the AFF sector accounts for 22%; contributing to 0.66 point of increasing level of 5.89% of Vietnam GDP in 2011. The important products in 2011 are increased significantly compared to the year 2001: i.e. 42.3 million tonnes of rice output, increasing 10.2 million tonnes (+31.8%); 3.1 million tonnes of living weight of pigs, an increase of 103% compared to the year 2001; 4.7 cubic meters of production of wood, up by 95.8%; 5.43 million tonnes of fishery production, increasing by 122.5%, etc.

In the implementation of the Party policies and resolutions on agricultural and rural industrialization and modernization, AFF production in the period 2001- 2011 has been developed comprehensively and this sector has played a vital role in the national economy and strived for the agriculture with merchandized characteristics, advanced technique, multi-sector economical structure and stable growth.

Following is main results on AFF production of Viet Nam in 2011 from the Rural, Agriculture and Fishery Census and conjunction with official information disseminated by the authorised agency.

1. Number of households and cooperatives are decreased and number of enterprises are increased in comparison with 5 years ago but their changes are not significantly

Enumeration unit in the 2011 Census could be divided into 2 groups: (i) AFF enterprises, AFF cooperatives and AFF households in both urban and rural areas (commonly so-called AFF unit); and (ii) non-agriculture, forestry and fishery households in the rural areas. This part is only focused on the group of AFF unit.

AFF household is the most important production group in the agriculture, forestry and fishery sector on aspects of land use, labor forces, produced goods, etc. However, in order to have a panorama on agriculture, forestry and fishery industry nationwide, results of the annual Enterprise survey, especially results from the 2011 Enterprise survey conducted by the General Statistics Office is used in this report to supplement information on Agriculture, forestry and fishery enterprises (AFF enterprises or Enterprises for short), agriculture, forestry and fishery cooperatives (AFF cooperatives or Cooperatives for short). AFF households, enterprises and cooperatives are commonly called AFF units.

Table 5. Agriculture, forestry and fishery units in 2 years 2006 and 2011

	2006		2011		Increase/decrease in 2011 compared to year 2006	
	No. of unit	Structure (%)	No. of unit	Structure (%)	Quantity	Rate *(%)*
Enterprises	**2,136**	**100.00**	**2,536**	**100.00**	**400**	**18.73**
Agriculture	608	28.46	955	37.66	347	57.07
Forestry	296	13.86	434	17.11	138	46.62
Fishery	1.232	57.68	1,147	45.23	-85	-6.90
Cooperatives	**7,237**	**100.00**	**6,302**	**100.00**	**-935**	**-12.92**
Agriculture	6.971	96.32	6,072	96.35	-899	-12.90
Forestry	30	0.41	33	0.52	3	10.00
Fishery	236	3.26	197	3.13	-39	-16.53
Households	**10,462,367**	**100.00**	**10,368,143**	**100.00**	**-94,205**	**-0.90**
Agriculture	9,740,160	93.10	9,591,696	92.51	-148,442	-1.52
Forestry	34,223	0.33	56,692	0.55	22,467	65.65
Fishery	687,984	6.57	719,755	6.94	31,770	4.62

Table 5 shows that as of January 1st, 2011 there are 2,536 enterprises nationwide, of which, agriculture enterprises account for nearly 37.7%; forestry enterprises make up 17.1% and fishery enterprises are 45.2%. The whole country has 6,302 cooperatives, of which agriculture cooperatives account for the vast majority (nearly 96.4%). In comparison with the year 2006, number of enterprises in 2011 is increased by 400 units (18.7%), number of cooperatives is declined by 935 units (-12.9%), number of households is reduced by 94.2 thousand households (-0.9%).

In the whole country (including urban and rural areas), in the period 2006-2011, the agricultural households account for the vast majority of nearly 9.6 million households in 2011 (92.5%), reducing by 149 thousand households (-1.5%) compared to the year 2006. After agriculture, the fishery ranks the second position with 720 thousand households, accounting for

6.94% and increasing nearly 32 thousand households (+4.6%) compared to the year 2006. The forestry households have nearly 57 thousand households, accounting for 0.55% and increase nearly 23 thousand households (+65.6%) compared to the year 2006.

As of 1st July 2011, there are 10.37 million AFF households, including agriculture households (Agri households for short) which account for great majority with 9.6 million households (92.5%); fishery households (Fis households for short) with nearly 720 thousand households (6.94%); forestry households (Fores household for short) with nearly 57 thousand households (0.55%). In comparison with the year 2006, number of AFF households is reduced by 0.9%, of which Agri households with a reduction of 1.5%, an increase of 4.6% and 65.6% for Fores households and Fis households respectively.

Figure 8 expresses the distribution of agriculture, forestry and fishery units by type of unit and economic zone in 2 years 2006 and 2011.

Enterprises. The most outstanding feature is MRD which accounts for large quantity of AFF enterprises but it has significant tendency of reduction (50% in 2006 but in 2011, just only 37%), while in other regions, number of enterprises are increased slightly, of which the SE has the highest of increase nearly 5% and the RRD has the lowest of increase only 0.8% compared to the year 2006.

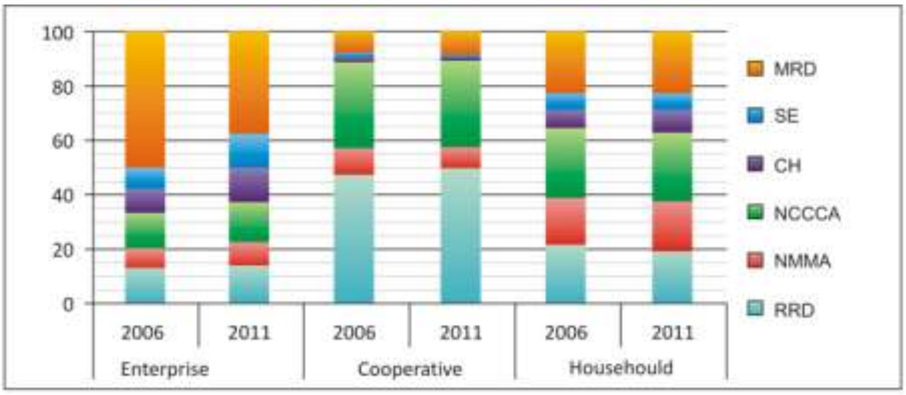

Figure 8. Structure of enumeration units operating in AFF field in 2006 and 2011 by regions

Cooperatives. Cooperatives in the RRD account for large quantity in the 2 years and tend to increase but not significantly (48% in 2006 and 50% in 2011). The NCCCA rank the second position and around 31.5%. The rest areas are under 10% in the 2 years 2006 and 2011, of which the CH and the SE account for under 2% of total number of AFF enterprises nationwide and decrease slightly from the year 2006 to the year 2011.

Agriculture, forestry and fishery households. This is the most important group of production units in AFF field on aspects of land usage, labor forces and produced goods. Through 5 years 2006-2011, the changing tendency of AFF households is positive but unevenly among regions.

From Figure 8, it can be seen that changes in rate of AFF households of each region in total AFF households in 2006 and 2011 Census have not been significantly. In the 3 regions with big rate such as the RRD, the NCCCA and the MRD (ranging from 21% to 25%), the highest reduction is 2.3% in the RRD. The NMMA are in the middle with the reduction rate of 1.1% from 18.4% in 2006 to 17.3% in 2011. Contrary to the 4 regions above, rate of AFF households in the rest of 2 regions is very small (under 9%) and level of changes in period 2006-2011 is also small: The CH has the lowest rate but its increase is the highest (from 7.2% to 8.3%); the SE reduces insignificantly (from 5.9% to 5.8%).

2. Agricultural land in period 2006-2011 has been changed in new tendency with reduction of paddy land and increase of land for perennial crops

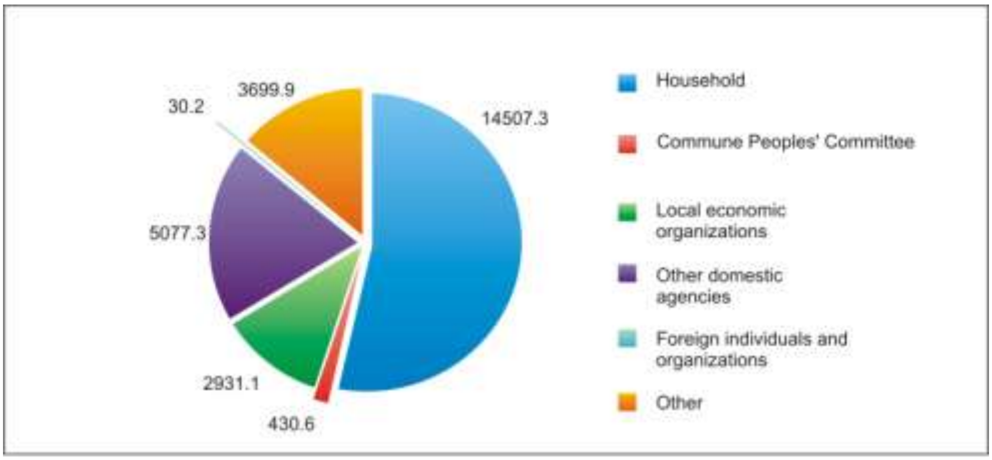

Figure 9. Agricultural land (1000 ha) divided by main users as of 01/01/2011

Agricultural land[8]. According to data from Situation of using land as of January 1st, 2011 of Ministry of Natural Resources and Environment, the total agricultural land is nearly 26.21 million ha, accounting for nearly 75% of total natural land area nationwide, dividing: agricultural production land with nearly 10.13 million ha (38.64%); forestry land with nearly 15.37 million ha (58.63%); aquaculture land with nearly 690 thousand ha (2.63%) and other agricultural land with 26.1 thousand ha (0.1%). Figure 9 describes that the area of agricultural land is divided by main users. Households use more than 1.4 million ha, accounting for more than a half (53.6%). The rest of land is distributed as follows: Commune Peoples' Committee uses 430.6 thousand ha (1.64%), local economic organizations use 0.29 million ha (11.2%); other domestic agencies use 0.5 million ha (19.36%); foreign individuals and organizations uses 30.2 thousand hectares (0.12%).

In period 2006-2011, the changing tendency of agricultural land has been diversified depending on each type of land and region and the most important land is agricultural production land.

[8] Agricultural land includes: agricultural production land, forestry land, aquaculture land and other agricultural land

Agricultural production land[9]. In 2011, the total agricultural production land area nationwide is 10.1 million ha, distributing for 6 regions as follows: the RRD with 5.4%; the NMMA with 27.7%, the NCCCA with 28.3%, the CH with 18.4%, the SE with 7.3% and the MRD with 13.0%. In comparison with the year 2006, the whole country is increased nearly 714 thousand ha (+7.6%) in comparison with the year 2006. Figure 10 shows that all regions have a common increasing tendency except for the RRD. The CH has the highest increase of 356 thousand ha (+22.3%) in comparison with the year 2006. The RRD has nearly 780 thousand ha, a decrease of 36 thousand ha (-4.3%) compared to the year 2006. It is one of reasons leading to free emigration from other regions to the CH in recent years and ongoing years. The RRD with narrow land and crowded people, is reduced by 4.3% in comparison with the year 2006. And its tendency is quite concerned.

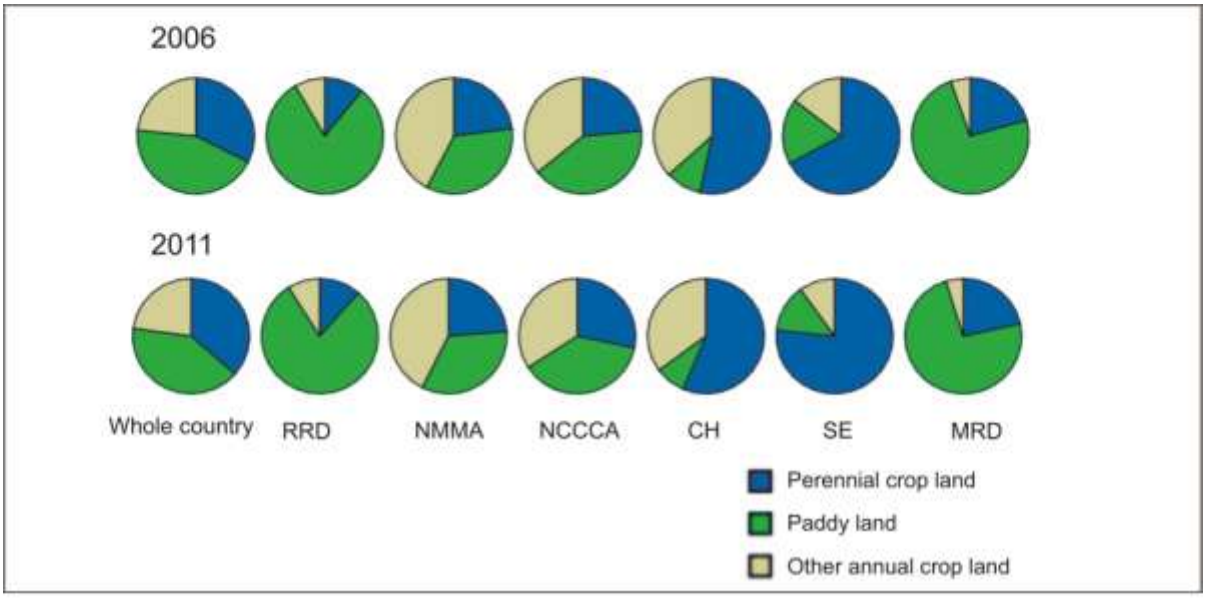

Figure 10. Structure (%) of paddy land (green), land for other annual crops (brown) and land for perennial crops (blue) in the total agricultural production land area in 2006 (above row) and in 2011 (below row) by socio-economic regions

Land for annual crops[10]. By the year 2011, the whole country has 6437.6 thousand ha, an increase of 79 thousand ha (+1.2%) in comparison with the year 2006.

Paddy land. It directly relates to national food security, paddy land is considered the most important one and accounts for the biggest rate in the land for annual crops. Data from the Ministry of National Resources and Environment show that as of 1 January 2011, the whole country has 4.12 million ha of paddy land, a decrease of nearly 32 thousand ha (-0.76%) compared to the year 2006. Figure 11 shows the decreasing tendency of all regions as follows: the largest reduction in the SE, by 48.3 thousand ha (-21%); 38.3 thousand ha in the RRD

[9] Agricultural production land includes: annual crops land, perennial crops land.
[10] Land for annual crops include: paddy land and land for other annual crops

(-5.8%); the NCCCA with a reduction of 10.7 thousand ha (-1.5%). Paddy land area in the rest of 3 other regions is increased: by 36 thousand ha (+7.2%) in the NMMA; by over 7 thousand ha (+4.6%) in the CH and by 23 thousand ha (+1.2%) in the MRD.

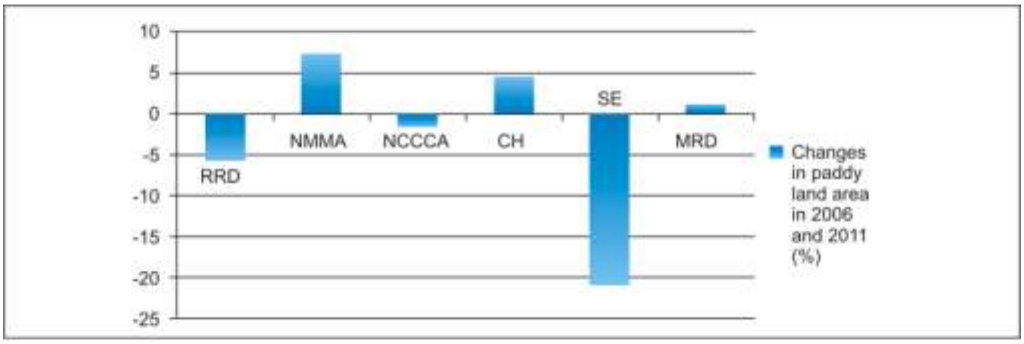

Figure 11. Changes in paddy land area in 2006 and 2011 by socio-economic regions

The average paddy land per household has big difference among regions. The MRD has prominent paddy land per household compared to others (in 2011 with 14 thousand square meters per household) while the RRD, the second largest granary of the country, has the lowest average paddy land of 2.1 thousand square meters per household. In comparison with the year 2006, two regions with the largest average area of paddy land and significant increasing trend are the MRD with an increase of 1.2 thousand square meter per household and the SE with an increase of 1.1 thousand square meter per household. Changes in the rest regions are not significant.

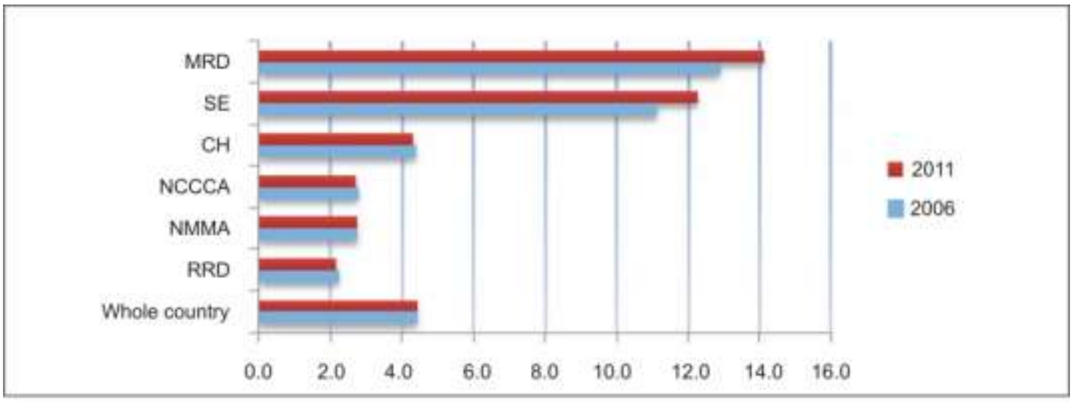

Figure 12. Average paddy land area per one household (thous.m²/household) with rice cultivation in 2011 and in 2006 by socio-economic zones

Land for perennial crops[11]. In 2011, the whole country has nearly 3.7 million ha of land for perennial crops, distributed as follows: the RRD with 2.4%; the NMMA with 10.1%; the NCCCA with 14.2%; the CH with nearly 30%; the SE with 28.1% and the MRD with 15.3%.

[11] Land for perennial crops includes land for perennial industrial crops and land for perennial fruit-trees

Tendency of increasing land for perennial crops in 5 years 2006-2011 has been happened dramatically in all 6 regions. The land for perennial crops nationwide has increased by 634.4 thousand ha (nearly 21%) in comparison with the year 2006 and the increasing tendency among regions can be seen in the Figure 10: the CH has the largest increase with 29.2%; the NCCCA is ranked the fourth in area but the second in speed of increasing (27.1%). Two largest granaries in the country have slight increase, of which the RRD with the least increase of 2.1 thousand ha (+2.3%). Reasons for this is movement of land use purposes from other types of land, even forestry land into land for perennial crops such as coffee trees, rubber trees and fruit-trees. (Forestry land in the CH is reduced by 202 thousand ha, the SE with a decrease of 157 thousand ha, etc).

Forestry land[12]. As of January 1st, 2011 the whole country has nearly 15.37 million ha of forestry land, an increase of 929 thousand ha (+6.44%). The changing tendency of forestry land is very different among regions. The NMMA has 5662 thousand ha in 2011, an increase of 639.5 thousand ha (+ 12.7%) in comparison with the year 2006. The CH has 2865 thousand ha, a decrease of 202 thousand ha (-6.6%), etc. The reason is partly due to speed of urbanization, industrialization and changing purpose of land use from forestry land into agricultural land.

Aquaculture land[13]. As of January 1st, 2011, the whole country has nearly 690 thousand ha of aquaculture land, a decrease of 11.8 thousand ha (-1.7%) in comparison with the year 2006. Region with the largest land for aquaculture is the MRD whose land is reduced from 502.9 thousand ha in 2006 to 468 thousand ha in 2011, a decrease of 35 thousand ha (-6.9%). Reasons are reduction of some area of shrimp and fish cultivation in Ca Mau province and Bac Lieu province because of cutting down consumption market and unfavorable changes of prices, increasing price of foods, ineffective production leading to many aquaculture households to have to change purpose of land use. The rest of regions, however, have an increase of area of water surface for aquaculture but its scope is not big.

3. Structure of land and livestock and poultry of households have initially been moved into orientation of producing goods but slowly and unevenly among regions

Structure of using agricultural production land of households[14].

According to the 2011 Census results, the whole country has 11.95 million households using agricultural production land, an increase of 295 thousand households (+2.5%) in comparison with the year 2006. In general, land scale of households has hardly changed in comparison with the year 2006 and the changes are normally minor. By the year 2011, there are still 69% of households using agricultural production land with scale under 0.5 ha (68.8% in 2006); 34.7% households with land scale under 0.2 ha. This has been made obstacles in

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[12] Forestry land includes: production forestry land, protective forestry land and specialized forestry land.

[13] Land for aquaculture includes: land for aquaculture in brackish water, salted water and in fresh water.

[14] Households here include agriculture, forestry and fishery and non-agriculture, forestry and fishery in rural area and agricultural, forestry and fishery in urban areas using agricultural production land

applying advanced science and technology in agricultural production. However, by the year 2011, the whole country has nearly 740 thousand households (accounting for 6.2%) having scale of agricultural production land from 2 ha and over, an increase of 55 thousand households (+8.1%) in comparison with the year 2006. This is positive trend of accumulating land to meet requirements of mass production of goods in AFF.

Scale of using land for annual crops of households. In 2011, there are nearly 10.36 million households using land for annual crops, each household uses on average of 0.62 ha. Number of households using land under 0.2 ha for annual crops account for nearly 40% and number of households using under 1 ha of land make up 88.3% of total households using land for annual crops. While group of households using from 1 to 2 ha accounts for 7.7%, an increase of 1.16% in comparison with the year 2006. Group of households who use over 2 ha accounts for 4.07 %, an increase of 0.08% compared to the year 2006.

From results of the 2011 Census, it can be concluded preliminarily on the scale of using land for annual crops of households as follows:

- In 2011 with nearly 10.36 million units, group of households using land for annual crops accounts for a large rate (86.6%) in total group of households using agricultural production land, but generally the scale of using land for annual crops (under 1 hectare) accounts for the vast majority (88.3%). It represents that production of annual crops has still minor and movement to the way of accumulating land through 5 years has been still slow. This tendency is described clearly in 3 regions: the RRD, the NMMA and the NCCCA. Land scale of households cultivating annual crops is too small, making limitations in applying advanced science and technology in production.

- Group of households using land for annual crops from 1 hectare and over accounts for a small rate (11.7%) and level of increase is not much in period 2006-2011, but the moderate increasing tendency is seen in the CH and areas in the South, representing a progressive tendency in using land for annual crops in 3 largest regions which produce agricultural products of the country during many past years.

*Scale of using paddy land of households***.** In 2011, the country has nearly 9.3 million households using paddy land, a decrease of 12 thousand households (-0.13%) in comparison with the year 2006; on average, each household uses 0.44 hectares of paddy land, there is no changes in comparison with the year 2006.

Structure of households using paddy land in 2011 by area scale is demonstrated in the Figure 13 as follows:

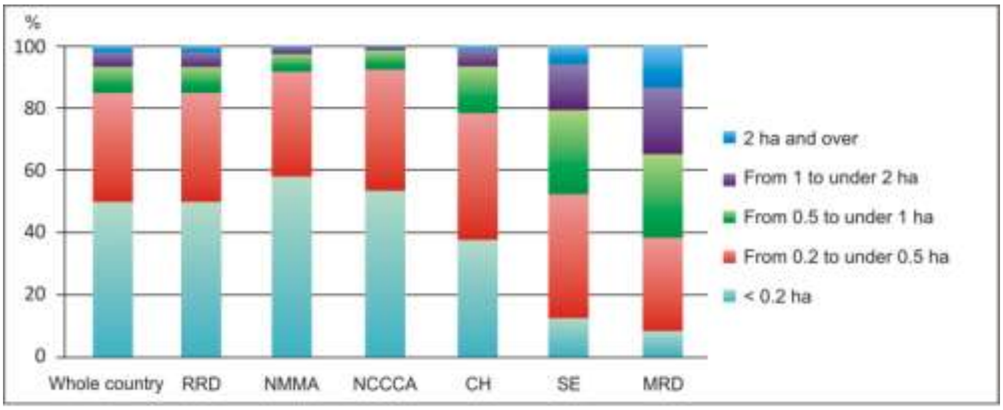

Figure 13. Structure of households by scale of using paddy land by socio-economic zones, as of July 1st, 2011

In general, groups of households using very small and small land scale account for a vast majority, of which households using under 0.2 ha make up for a half of total households using paddy land; households using from 0.2 ha to under 0.5 ha account for 35%. In total, the households using under 0.5 ha account for 85% of total households using paddy land. Group of households using 0.5 ha to under 1 ha is 8.5%. And 4.4 % for group of households with medium scale of paddy land (from 1 to under 2 ha) and the group of households with large scale (using over 2 ha) makes up 2.3%.

Figure 13 shows that there are clear characteristics in each region. Group of households using from 0.2 ha to under 0.5 ha is quite even among regions. Group of households using under 0.2 ha of paddy land mainly belongs to regions in the North and the Central and the rate is gradually reduced in the CH and the South - where group of households with moderate land scale (from 0.5 ha to under 1ha) is quite big. And groups of households using medium scale of paddy land (from 1 ha to under 2 ha) and large scale (over 2 ha) are appeared in 2 regions in the South. The MRD reaches 13% and the SE is 5.6%.

Some typical characteristics of scale of households using paddy land can be drawn from the Census results as follows:

- With over 9.27 million units, households using paddy land account for vast majority in total households using agricultural production land in generally (77.6%) as well as in total households using land for annual crops in particularly (86.7%), but the trend is reduced slightly through 5 years. Area of paddy land is reduced while number of households using paddy land is also cut down which makes average area of paddy land per household in period 2006-2011 hardly changed.

- Scale of using paddy land of almost households is very small (85% of total households using paddy land under 0.5 ha, of which, 50% of households only using under 0.2 ha) reflecting that agriculture in general and rice production in particular has so far been in a small state, especially in the RRD and the NCCCA and the NMMA. Policy for developing model of large sample fields in the RRD and regions in the North and Central will be difficult.

- In the context of paddy households with small scale account for great majority, the largest paddy region of the country is the MRD which has prospered with high percent of households using large scale of paddy land (accounting for 87% of households using from 2 ha and over) that makes prerequisite for accumulating paddy land, implementing policy of developing large sample fields.

Scale of using land for perennial crops of households. In 2011, the country has nearly 5.1 million households cultivating perennial crops, an decrease of over 22 thousand households in comparison with the year 2006 (- 4.2%), of which the households in the CH are reduced mostly with 20.2%; the RRD with a reduction of 15.7%; the NMMA with a reduction of 11.8%. Scale of households using perennial crops land by groups in 2011 as follows: Group of households using under 0.2 ha accounts for nearly two thirds of total households using land for perennial crops, a reduction of 3.4% compared to the year 2006. Group of households using from 0.2 ha to 0.5 ha is 17.1%, and there has not changed through 5 years. Group of households using medium scale of land (from 0.5 ha to under 2 ha) is 18.4%, a slight increase of 2.3% in comparison with the year 2006, of which 5 in 6 regions increase and only the CH reduces slightly (-0.15%). There is nearly 5% households using large scale of arable land (over 2 ha), an increase of 1% in comparison with the year 2006, mainly in the SE and the CH: 20.8% in the SE; 16.8% in the CH; the rest of regions account for a small rate and in generally there is no big change in comparison with the year 2006.

The Census Results provide some conclusions on scale of using land for perennial crops as follows:

- In 2011, with nearly 5.1 million units, households using land for perennial crops account for nearly a half of total households using agricultural production land which shows the importance of this production activity in cultivating industry in the country. However, production of perennial crops is still in small scale: group of households using under 0.5 ha accounts for a vast majority (nearly 77%). The land scale of one household is low, especially in the North and the Central causing limitations and shortcomings towards demand of mass production of goods related to processing and consuming products, especially coffee, rubber.

- Although rate of households using under 0.5 ha of land has a tendency of reduction, the rate of households using over 0.5 ha tends to be increased, especially households using over 2 ha but this trend is shifted slowly and unevenly among regions.

Scale of using coffee land of households. In 2011, the whole country has over 635 thousand coffee-cultivated households, an increase of one third compared to the year 2006. Among

5 regions with coffee cultivation activity, the region with most households growing coffee trees is the CH with 545 thousand households (accounting for 86% of total households cultivating coffee nationwide) and an increase of 27.5% compared to the year 2006. Regarding to area scale of households using coffee land, the households using under 0.5 ha account for 31.3%; from 0.5 ha to under 1 ha and from 1 ha to under 2 ha are 30.1% and 28% respectively, group of households using from 2 ha and over makes up more than 10%.

The 2011 Census data show that in 2011 in the largest coffee-cultivated region - CH, three groups of households using small land scale (under 0.5 ha), medium scale (from 0.5 ha to under 1 ha) and moderate scale (1 to under 2 ha) make up from 29% to 30% of total households using coffee land. Group of households using most land (from 2 ha and over) accounts for a significant rate of 11.4%, of which nearly 1/3 are households using from 3 ha and over.

Scale of using land for rubber of households. In 2011, the whole country has over 258 thousand households growing rubber (an increase of 43% compared to the year 2006). Of which, 3 key regions are the SE accounting for 56% total households using rubber land (increasing by 118% compared to the year 2006); the CH making up 22% (+290%) and the NCCCA accounting for nearly 20% (+103.6%). The NMMA have only developed in recent years (with 5.2 thousand households). In 2011, group of households using from 1 to under 2 ha rubber land accounts for 30% total households using rubber land nationwide. Two groups using under 0.5 ha and from 0.5 ha to under 1 ha account for over 20%. Two groups using much rubber land (from 2 to under 3ha and from 3 ha and over) also make up a significant rate with 13% and 14% respectively.

Scale of pig-breeding households. As of July 1st, 2011 the whole country has over 4.13 million pig-breeding households. In sum, 3 regions in the North and the Central areas account for over 80% total pig-breeding households: the NCCCA (30%), the NMMA (29.1%) and the RRD (21.1%). In the 3 rest regions, the MRD accounts for 12%, the CH makes up 5.1% and the SE accounts for 2.7%.

In comparison with the year 2006, number of pig-breeding households is decreased sharply (2.2 million households, nearly 35%). The decrease level is seen in all 6 regions, of which the RRD reduces by 52%, the MRD reduces by 37%, the NCCCA with a reduction of 34%, the SE reduces more than one third. The NMMA and the CH are reduced from 16-18%. Number of pig-breeding households is reduced mainly in group of households breeding pigs in a small scale - less than 10 pigs: the whole country has 3.6 million pig-breeding households with less than 10 pigs, a reduction of 2.2 million households (-38.5%) in comparison with the year 2006. Number of households breeding from 10 to 49 pigs is increased by 3.4%; especially there are 32 thousand households breeding from 50 pigs and over, an increase of nearly 80% compared to the year 2006.

Table 6. Quantity and structure of pig-breeding households by scale of pigs of each socio-economic regions, as of July 1st, 2011

	Pig-breeding households (1000 households)					Structure of households by Scale of breeding in each group (%)			
		By scale							
	Total	1 -2 pigs	3 -5 pigs	6 -9 pigs	More than 10 pigs	1 -2 pigs	3- 5 pigs	6 -9 pigs	More than 10 pigs
Whole country	**4131.6**	**2144.0**	**1060.0**	**367.2**	**560.4**	**100.0**	**100.0**	**100.0**	**100.0**
RRD	870.7	454.4	170.4	66.1	179.9	21.1	21.2	16.1	18.0
NMMA	1204.3	615.5	351.0	120.6	117.2	29.1	28.7	33.1	32.8
NCCCA	1238.8	709.9	343.4	95.5	90.0	30.0	33.1	32.4	26.0
CH	210.8	106.3	50.7	20.5	33.3	5.1	5.0	4.8	5.6
SE	110.2	30.1	17.5	11.7	51.0	2.7	1.4	1.7	3.2
MRD	496.7	227.9	127.0	52.8	89.0	12.0	10.6	12.0	14.4

Referring to the structure of animal husbandry by regions, Figure 14 shows that group of households breading 1-2 pigs accounts for over 50% nationwide. Percentage of households breeding 1-2 pigs is focused in the NCCCA (57.3%) and the region with least households breeding 1-2 pigs is the SE (30%).

Group with small scale (3-5 pigs) accounts for more than 1/4 number of households breeding pigs nationwide.

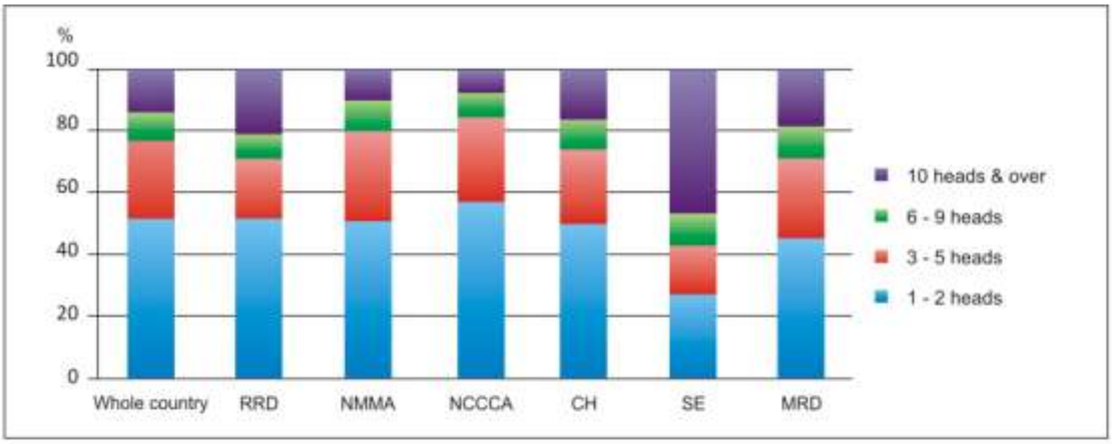

Figure 14. Structure of pig-breeding households in each socio-economic zone, as of July 1st, 2011

From the 2011 Census Results, it can be concluded about structure of pig-breeding households as follows:

- By the year 2011, number of pig-breeding households with a small scale (1-5 pigs) still accounts for a vast majority of total pig- breeding households nationwide (77.5%), of which the NCCCA with 85%. It shows that small scale of pig-breeding households in the country is very popular. The SE is continuously a key pig-breeding region with a rate of households with large scale of pig-breeding higher than other regions.

- Pig-breeding in the country has been moved from small scale to large scale. In comparison with the year 2006, although number of pig-breeding households in 2011 is reduced by 35% but mainly focused on group of households with small scale. Therefore, total pig population nationwide in 2011 is similar to 2006 and output of living weight of pig is increased by nearly 24% through 5 years. The progressive tendency is recognized because of suitability with demand of animal husbandry applied by industrial method and advanced science and technology about animal husbandry in order to increase number of living animals as well as capability of anti-diseases.

Chicken-breeding households. In 2011, there are nearly 7.9 million chicken-breeding households nationwide. Similarly to pig- breeding, number of chicken-breeding households is focused in the North and the Central with 73%, including the NCCCA (28.5%), the RRD (22.7%) and the NMMA (21.9%). The 3 rest regions, the MRD, the SE and the CH account for 15%, 6.7% and 5.1% respectively.

Table 7. Number and structure of chicken-breeding households by regions as of 1st July 2011

	Chicken-breeding households (1000 hsh)					Structure of households by breeding scale in each group (%)			
		By number of chickens							
	Total	Under 20 chickens	20 - 49 chickens	50 - 99 chickens	From 100 chickens and over	Under 20 chickens	20 - 49 chickens	50 - 99 chickens	From 100 chickens and over
Whole country	**7864.7**	**4301.9**	**2745.0**	**562.9**	**255.0**	**100.0**	**100.0**	**100.0**	**100.0**
RRD	1785.9	830.1	721.8	150.2	83.8	19.3	26.3	26.7	32.9
NMMA	1726.1	852.1	644.1	158.5	71.4	19.8	23.5	28.2	28.0
NCCCA	2243.1	1288.7	763.1	143.0	48.3	30.0	27.8	25.4	18.9
CH	527.4	327.8	155.2	31.4	13.0	7.6	5.7	5.6	5.1
SE	399.0	206.7	145.6	33.2	13.5	4.8	5.3	5.9	5.3
MRD	1183.2	796.5	315.2	46.5	25.0	18.5	11.5	8.3	9.8

Figure 15 describes structure of groups of chicken-breeding households by regions. For the whole country, group with small scale (1-19 chickens) accounts for nearly 55% total chicken-breeding households; group with medium scale (20-49 chickens) also makes up 35%; group with moderate scale (50-99 chickens) and group with large scale account for 7.2% and 3.2% respectively.

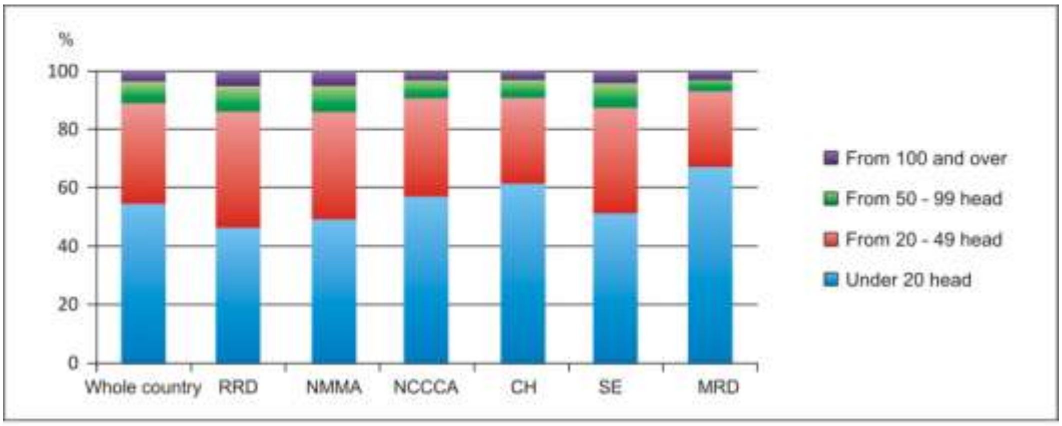

Figure 15. Structure of chicken-breeding households by breeding scale in each socio-economic regions as of 1 July 2011

The MRD which ranks the fourth in number of chicken-breeding households nationwide is the region with biggest rate of households with small scale (67.3%) The MRD and the CH have the least number of chicken-breeding households but they belong to group with large rate of households breeding chicken in small scale (57.45% and 62% respectively). For group with medium scale (20-49 chickens), the trend is reverse: the RRD and the NCCCA have a higher rate of households than other regions with 40.4% and 37.3% respectively. The MRD has the lowest rate compared to other regions (only 26.6%). This trend is seen in 2 groups with large scale.

In comparison with the year 2006, number of chicken-breeding households nationwide is increased slightly (0.8%), but if referring to groups of households by scale of chicken heads, increasing tendency is mainly seen in group with large scale and decreasing trend is focused on group of households with small scale. Number of households with scale from 100 chickens and over in 2011 is increased by 145% nationwide in compared to the year 2006 and even increase is seen in all 6 regions. This is group of chicken-breeding households with large scale, near-farm and farm with methods of breeding industrialized chickens with high economic efficiency, thus, breeding industrialized chickens has been developed strongly in recent years. Particularly, in 2011, there are over 16.6 thousand chicken-breeding households with very large scale (over 1000 chickens), an increase of 4.32 times compared to the year 2006. This is group of chicken-breeding households by farm model. Thus, it only accounts for a modest rate (0.21%) in the structure of total chicken-breeding households, fast increase against the year 2006 of this group is recognized.

Scale of chicken- breeding households can be concluded from the 2011 Census as follows:

• Similarly to pig-breeding, number of chicken-breeding households is 73% in 2 regions of the North and the NCCCA.

• In comparison the year 2006, contrary to sharp reduction trend of pig-breeding households, there is slight increase tendency among chicken-breeding households, focused on group of households with large scale; especially fast increase is seen in group of households with very large scale (from 1000 chickens), in the RRD, the SE, the MRD and the NMMA. Households with small scale have a clear decreasing tendency. This is chicken-breeding group by method of breeding in the garden, in a small scale, home production and therefore ability of transmitting vast avian flu leading trend of reduction.

4. Agriculture, forestry and fishery labor forces have been reduced quickly, labor structure has had positive changes and its technical qualifications have been improved but still slowly

Number of AFF labor forces. According to the Census results, the whole country in 2011 has 20.56 million AFF employees in the working age[15], dividing: Agriculture employment accounts for a vast majority (92.2%), fishery employment makes up 7% and forestry employment is over 0.7%. In comparison with the year 2006, AFF employment is reduced over 10% (over 2.37 million people) with 10.8% and 7.6% of reduction in agriculture and fishery sector respectively and an increase of 53% in forestry sector. If compared to the year 2001, agriculture, forestry and fishery employees have reduced by 3.97 million (-16.2%). This is a positive trend on labor movements in the country, reflecting the results of agricultural and rural industrialization and modernization as well as rural economic structure shift, supported by the Communist Party and the Government.

In 2011, there are totally 18.96 million agricultural employees in the whole country, declined by 2.3 million (-10.8%) compared to the year 2006; reduced by 474 thousand employees on average every year. Percentage of agriculture employees against total AFF employees reaches 92.22%, a very small reduction rate (0.5%) compared to the year 2006. By the regions, the RRD has a reduction of 1.16 million employees (-27.3% compared to the year 2006), followed by the NCCCA with a reduction of 660 thousand employees (-13.6%), the MRD with a reduction of 609.8 thousand employees (-12.3%), the SE with a reduction of 164 thousand employees (-12.1%). Agricultural labor force is increased in the 2 regions: the NMMA with up 71 thousand people (+1.7%) and the CH with up 221 thousand people (+13.3%).

[15] People in working age are understood: Male from 15-60 years old and female from 15 -55 years old

Table 8. Quantity and structure of agriculture, forestry and fishery employees in 2001, 2006 and 2011

	2001	2006	2011
1. AFF employees (*Thousand persons)*	**24, 530.1**	**22, 928.9**	**20, 558.3**
- Agriculture	23, 318.8	21,263.9	18, 959.9
- Forestry	73.6	98.1	150.1
- Fishery	1, 137.7	1,566.9	1,448.3
2. Structure of AFF employees *(%)*	**100.00**	**100.00**	**100.00**
- Agriculture	95.06	92.74	92.22
- Forestry	0.30	0.43	0.73
- Fishery	4.64	6.83	7.05

The number of forestry employees in 2011 are 150.1 thousand people across the country, increased by 52.1 thousand (+53%) in comparison with the year 2006, an increase of 10% on average every year. The forestry labor force is increased in 4 of 6 regions, of which the highest increase is seen in the NCCCA with an increase of more than 44 thousand people (doubled), the NMMA with an increase of 12.3 thousand (+53.8%); an increase of 1.5 thousand (+48.6%) in the CH; the MRD and the SE have a reduction of forestry employees in comparison with the year 2006 with -33.8% and -3.8% respectively.

The number of fishery employees in 2011 is 1.45 million people, a reduction of nearly 119 thousand people (-7.6%). So, after many years of increasing, in the period 2006-2011, the fishery employees have a tendency of reduction. The fishery labor force is reduced in 4 of 6 regions, of which the highest reduction is seen in the MRD by 91.3 thousand people (-9.8%). Significantly, the fishery employees are reduced much in 3 centralized aquaculture production regions (MRD, NMMA and SE). The main reason is difficulty in aquaculture such as catfish, shrimp in recent years because unstable selling price of their products and many arising diseases have made production units be suffered losses.

Regarding to employment structure in working age by main production industries in the AFF sector, there is movement trend with a different mode: reduction in agricultural employment, increase in forestry and fishery employment via Censuses nationwide as well as in each region. Increase/Decrease in period 2006-2011 is lower than 5-previous year period in 2 regions using many agriculture and fishery employment but the forestry is converse.

If agriculture employment (accounting for vast majority in total AFF labor forces), is reduced by -2.3% in period 2001-2006, the rate is reduced very slightly (-0.5%) in the next period. By regions, the biggest difference on speed of decreasing of 2 periods is seen in the MRD: robust reduction in the former period (-5.8%) and slow reduction in the latter period (-0.3%). In the period 2006-2011, speed of biggest reduction is seen in the NCCCA and the RRD, but not exceeding 2%.

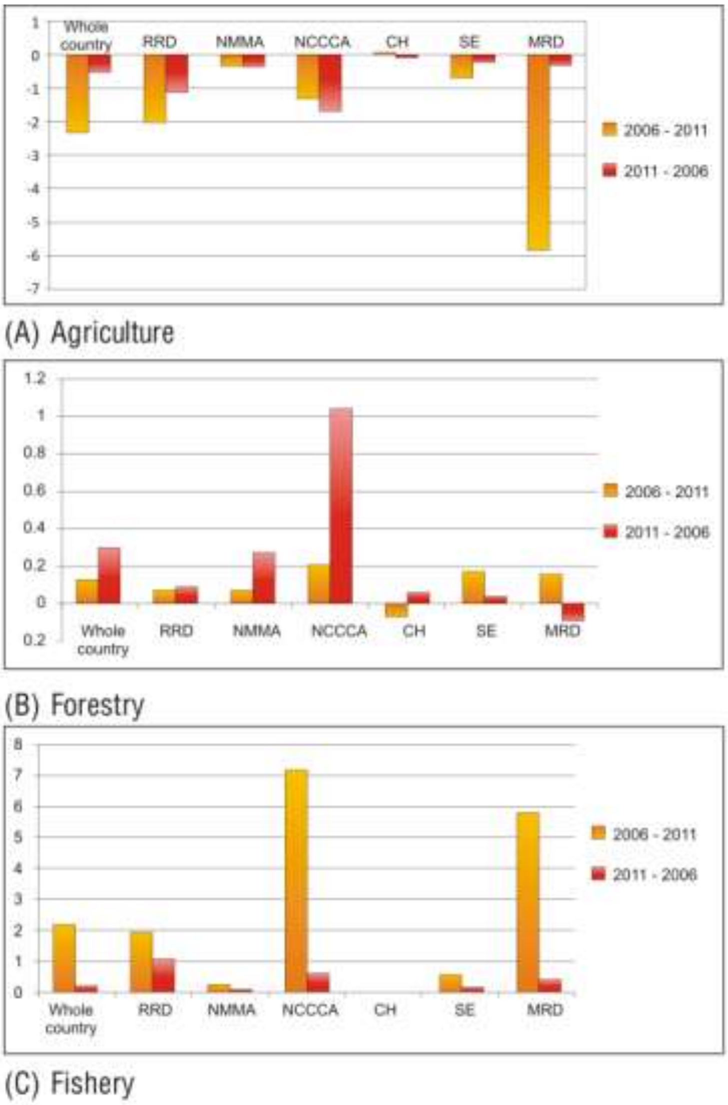

Figure 16. Increase/Decrease in labor structure in working age by main AFF production activities in 2 periods 2001-2006 and 2006-2011 by regions

Forestry employees in period 2001-2006 are increase by 0.13%, in period 2006 - 2011 are increase by 0,3% but the robust increase is in the NCCCA with over 1%.

Fishery employees are increased by 2.2% in period 2001-2006, but only 0.2% in period 2006-2011. The biggest difference in level of increasing structure of 2 periods is seen in key fishery regions, the NCCCA (from 7.2% in period 2001-2006 to 0.6% in period 2006-2011) and the MRD (5.8% and 0.4%). The biggest increase of period 2006-2011 is seen in the RRD but slightly (about 1%).

In sum, in 5 years 2006-2011, in the AFF labor structure, reducing share of agriculture employment (-0.5%) and increasing share of forestry employment (0.3%) and fishery employment (0.2%) are too low speed and uneven among regions, the increase in agriculture, forestry and fishery sector is even happened in the CH and the NMMA. Tendency of shifting from agriculture to forestry and fishery has been slow and uneven due to many unfavorable conditions in recent years, such as: production planning, land use, water surface, forest, habits and production experiences of agricultural labor, investment capital in planting and foresting, market and prices, especially the international market, price, food safety standards on fisheries products, etc, have not been kept up with the requirements of commodity production in the context of global economic integration.

Technical qualification of AFF labor. In general, the technical qualification of AFF employment in 2011 has been raised from 2006. Workable people in the working age with technical qualification from primary technical worker upwards in 2011 account for 2.95% (2.48% in 2006). Region with the highest percentage rate of skilled workers from primary technical worker upwards is the SE with 5.25%. The lowest percentage is in the MRD with only 1.71%. Percentage of employees with secondary vocational level is 1.23% (0.89% in 2006); university level with 0.21% (0.11% in 2006).

Although results and improvements have been achieved much against the previous years, qualification of AFF labor forces is still low compared to the requirements of production of goods in the market mechanism and there is a big difference among the regions, the localities. The ability of changing career from agriculture to industry and service sector has been slow and uneven among the regions and the localities, especially in the mountainous area and ethnic minority areas. Agricultural labor is redundant but few of them move to forestry, fishery as well as industry and construction and non-agricultural services. The industrial parks lack a lot of technical employees and skilled workers but they cannot attract a large number of redundant employees in the agricultural sector. The redundant agricultural employees are mainly unskilled workers: in 2011 more 97% of AFF workers have not been trained, and have not had professional certificate as evidence for the AFF workforce situation today.

5. Farming economy continues its growth and plays more important role in agricultural, forestry and fishery production

(The Ministry of Agriculture and Rural Development on 13 April 2011 issued Circular No. 27/2011/TT-BNNPTNT regulating criteria and procedures for granting certificates of farming economy[16]. According to the new criteria, number of farms in the country is dropped sharply from 146 thousand farms in 2010 to more than 20 thousand farms as of July 1st, 2012. Consequently, this report does not compare the statistical indicators on farms between the 2006 and the 2011 Censuses).

[16] Individuals, households with agriculture, forestry, and aquaculture which gained farming economy standards must satisfy the following conditions:

1. For units which have cultivation, aquaculture and general production must be achieved:
   a) Area above the land area limitation, at a minimum:
   - 3.1 ha for the South East and the Mekong River Delta;
   - 2.1 ha for the remaining provinces
   b) The output value of goods reached 700 million / year.
2. For livestock units which have output value of goods from billion / year or more;
3. For forestry production units which have minimum area of 31 hectare and the average output value of goods reached 500 million VND/year

The diversified production activities of farms contribute to the structural movement of AFF production.

As of July 1st, 2011 according to the criteria of new farm, there are 20028 farms. The MRD has most farms with 6267 ones. The SE is followed with 5387 farms and the CH with 2528 farms. For three regions, there are 14182 farms, accounting for over 70% of total farms in the country. These regions with more land, water surface are convenient to expand the scale of cultivation, animal husbandry and aquaculture, of which the MRD accounts for more than 31% of total farms nationwide, mainly paddy farm. Farms of the rest of the regions are few (nearly 30%). Dividing by type of production of farms, there are 8665 crops farms, accounting for 43.3% of the country's total farms, 6348 animal husbandry farms (31.7%); 4522 aquaculture farms (22.6%) etc.

The farms use land in large quantity, providing many jobs for labors, creating a variety of AFF products and commodities

By the year 01/7/2011, the farms are using 154.9 thousand ha of land, water surface for aquaculture, of which 36.6 thousand ha of annual crops; 77.1 thousand ha of perennial crops; 8.9 thousand ha of forestry land and 32.2 thousand ha of water surface for aquaculture. Region with large area used by farms is the SE with 60.6 thousand ha.

The farms employ nearly 95 thousand employees, of which: 73.9% of untrained workers; 12.5% of trained workers without certificates; 7.3% of primary vocational training; 3.4% of secondary vocational training and professional secondary school; 0.4% of college vocational certificate and 0.6% of college qualifications and nearly 2% of university level.

As production results, in 2011, the farms have generated nearly 39.1 trillion VND from AFF, dividing: 31.2 trillion (nearly 80%) from agriculture; 7.8 trillion VND (19.9%) from fishery; 125 billion VND (0.3%) from forestry. Value of AFF products and services for sale is nearly 38.2 trillion VND, representing 97.6% of total revenue from AFF in the year.

Structure of land, labor and revenue from farms in 2011 depend on the type of farms and specific conditions of each region or locality. Average AFF land per one farm is 7.7 ha, of which the most area is belonged to the SE with 11.2 hectares and the least area is the RRD with 3.5 ha.

The average employee scale per one agricultural farm across the country is 4.8 persons, of which the highest scale is 5.9 persons in the SE and the remaining five regions are approximately at the average rate. However, if dividing by type of farm, the employee scale is different. Average employee of one crops farm is 5.3 persons; 4.3 persons for fishery farm and 4.2 persons for animal husbandry farm.

The value size obtained from AFF for past 12 months was 1952 million VND on average per one farm, of which the RRD with 2547 million; the NMMA with 2889 million VND, the NCCCA with 1607 million VND; the CH with 1314 million VND; the SE with 2398 million VND and the MRD with 1499 million VND.

Farms' economics in general achieves higher economic efficiency than households'

Income and effectiveness of farms. This index depends on the type and size of farms. For crop farms, the output value obtained from the AFF activities of 1 farm on average in 2010 was 1263 million VND. If calculation is based on the average value per one ha of cultivated land, the output value from AFF activities of crop farms in 2010 was 103.5 million VND. The region with highest-output value is the RRD with 318.5 millionVND; the CH with 124 millionVND; the NMMA with 185 million VND; the MRD with 89.7 million VND; the SE with 102 million VND; and the NCCCA with 105 million VND.

If calculating value obtained from cultivation alone, the average value per 1 ha of cultivated land in the whole country is 100 million VND. The RRD reaches 260 million VND; the NMMA reach 173 million VND and the CH with 124 millionVND.

In comparison with households, the efficiency of usage of cultivated land and aquaculture of farms is obviously higher which showed through the output value per 1 ha. In the whole country, crops farms are 38.5% higher than households in terms of output value from 1 ha of cultivated land; aquaculture farms are 88% higher than households' as output value from 1 ha of aquaculture.

Besides these achievements, farms have so far been in difficulties. The Census results show that nearly 17% number of farms lacking production land; more than 1/2 of the farms lacking scientific and technical knowledge; over 60% of the farms lacking funds, about 30% of the farms lacking information on product consuming market; 15% of the farms missing breeds; nearly 1/3 of the farms lacking production support services; more than 1/5 of the farms with labor shortage; 22.4% of the farms with difficulty in product consumption. In the MRD, the effectiveness of farms is lower than economic households and it is a matter of concern and research in order to find out solutions to promoting advantages of the region. Expectation of the farms is divided as follows: 20% of the farms want to be granted the right of using land, 31.1% would like to be supported with plants and breeds; 36.1% want to be supported product consumption, 31.2% want to have training on management knowledge, 63.4% want to be supported the bank interest rate and 55% want to be supported science and technology in producing and processing products.

6. AFF enterprises continue to play a role in production development of agricultural sector but they generally are small and medium-scale enterprises

(The 2011 Rural, Agriculture Census does not include AFF enterprises. Therefore, in order to have a panorama of the AFF field of the country, results of annual Enterprise Surveys, especially in Enterprise Survey in 2011 conducted by the GSO are used in this reports to supplement information on AFF enterprises).

As of December 31st, 2010 there were 2536 AFF enterprises, an increase of 400 units (18.7%) compared to the year 2006. In terms of types of enterprises, as of December 31st, 2010 the country has 170 state-owned enterprises in the total AFF enterprises, a reduction of 347 enterprises (-67.1%) due to the policy of privatization, reorganization and renewal, development and improvement of efficiency of state-owned enterprises to transit some enterprises into state limited companies. There are 186 State limited companies, an increase of 166 enterprises and 9.3 times higher. Private enterprises are 1027, a decrease of 126 enterprises (-10.9%) against 2006. FDI enterprises with 100% foreign capital are 89 companies, increased by 19 companies (27%). There are 955 agriculture enterprises, 434 forestry enterprises and 1147 fishery enterprises by 3 major production industries.

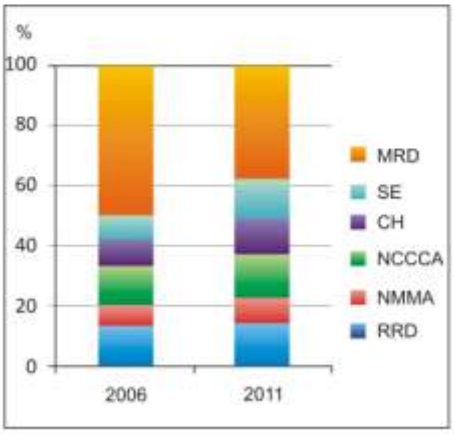

Figure 17. Structure of AFF in 2006 and 2011 by regions

Distribution of AFF enterprises by economic regions in 2006 and 2011 is shown in the Figure 17. The MRD accounts for very big rate in terms of AFF enterprises but it has significant reducing tendency (50% in 2006 but 37% in 2011) while other regions have a slight increase rate, of which the SE with an increase of nearly 5% and the RRD with the lowest increasing rate of 0.8% compared to the year 2006.

Production and business. In 2010, AFF enterprises had total assets of 92.1 trillion VND, increasing more than two times compared to the year 2006. The total capital at the end of 2010 reached 92.1 trillion VND, a significant increase, including liabilities of 32.3 trillion VND, equal to 35% total existing capital source, up 41.5% over the year 2006. Therefore, the average business capital of 1 AFF enterprise at the end of 2010 was only 36.3 billion VND, of which the liabilities are 12.7 billion VND. On average, one employee in one AFF enterprise has 380 million VND capital, of which, agriculture enterprise with 397 million VND, forestry enterprise with 509 million VND and fishery enterprise with 239 million VND of capital from all sources. This capital is very low compared to the deep investment requirements to increase productivity, reduce costs, and improve product quality, especially in the field of processing agriculture, forestry and seafood for exports.

Labor and employment. According to the Census results, as of December 31, 2010, AFF enterprises use 240.2 thousand people, a reduction of 20.6 thousand employees (-7,9%)

compared to July 1st, 2006[17]. (Reduced by 28 thousand employees in 2006 (-9.7%) compared to the year 2001). On average, one enterprise uses 95 employees, declined by 27 employees against the year 2006.

Land use. According to the census results, as of December 31st, 2010 AFF enterprises used 2309 thousand ha, including nearly 77 thousand ha of land for annual crops (3.3%); 376 thousand ha of perennial crops (16.3%); 1835 thousand ha of forest land (79.5%); nearly 21 thousand ha of aquaculture (0.9%). Land area used by three types of enterprise is as follows: Agriculture enterprise using 518.1 thousand ha (22.4%); forestry enterprise using 1763 thousand ha (76.4%); fishery enterprise using 27.3 thousand ha (1.2%).

Average land area used by one enterprise and average employee in 2010 was divided by each type of enterprise as follows:

- Agriculture enterprise: On average, one enterprise is 53 ha of annual crops (down 32.8% compared to the year 2005); 358 ha of perennial crops (-41.5%); 125 ha of forest land (+36.6%); 6.5 ha of aquaculture (-64.3%). Land area scale of one agriculture enterprise is large (542.5 ha); one employee in agriculture enterprises uses 2.7 ha on average, of which 0.3 ha of annual crops; 1.8 ha of perennial crops, 0.6 ha of forest land; 0.03 ha of aquaculture land.

- Forestry enterprise: On average, one employee in forestry enterprises uses 117.3 ha, including: 1.4 ha of annual crops; 2.2 ha of perennial crops; 113.5 ha of forest land and 0.1 ha of aquaculture land.

- Fishery enterprise: On average, one employee in fishery enterprises uses 0.7 ha, including: 0.14 ha of annual crops; 0.25 ha of forest land and 0.35 ha of aquaculture land.

Especially, the Census results show that the average area of land use of one agriculture enterprise is increased by 36.6% in forest land, reduced by 64.3% in aquaculture land and, 32.8% in land for annual crops compared to the year 2005.

Production and business activities. Summing up the business results of AFF enterprises in 2010 showed that the average revenue of one AFF enterprise was 19.5 billion VND (2 times higher than in 2005), of which, agriculture enterprise reached 37.9 billion VND (+49.6%); forestry enterprise reached 5.2 billion VND (-9.6%); Fishery enterprises reached 9.5 billion VND (+4 times).

On average, one employee of AFF enterprises achieves 205 million VND (an increase of 167% compared to the year 2005), of which 192 million VND (+154%) for agriculture enterprise; 150 million VND (+130%) for forestry enterprise; peak rate of near 300 million VND (+208%) for fishery enterprise. The forestry enterprise has achieved the lowest rate and has the slowest growth rate. Major reasons include: the organization and management of the forestry enterprises over the years have still been insufficient, especially in forestry and forestry

[17] In 2006, Enterprise Survey conducted by the GSO regulated data at time 1 July 2006

companies managed by local authority; forestry land, including forest land per one forestry worker is too large, beyond the ability of management and protection of the forestry officers and workers; investment for forestation and maintenance activities, reforestation, forest protection are limited; forest management is still insufficient etc.

Average pre-tax profit of one enterprise is 3 billion VND, two times higher than that in 2005. The agriculture enterprises alone reach 9 billion VND (up 65.3%); forestry enterprises reach 347.9 million VND (+115%); fishery enterprises reach 644 million VND (+3 times). On average, one AFF enterprises' employee reaches 39.6 million VND (up 185% compared to the year 2005), of which 45.7 million VND (+181%) for agriculture enterprises; 10 million (+5 times) for forestry enterprises and 20.3 million VND (+146%) for fishery enterprises. Thus, one fishery employee in 2010 only created 10 million VND of pre-tax profit on average, equal to 22% of agriculture enterprises and 50% of fishery enterprises although that it has the highest growth rate.

Though the production and business results of the AFF enterprises in 2010 have achieved much more than 2005, the income of workers in the enterprise has improved significantly, the average income of employees has big difference among types of enterprises, in regions and in three major production industries in which the lowest rate is in forestry enterprises and followed by fishery enterprises.

In sum, the AFF enterprise in recent years has continuously contributed to speed up development of industries and of the whole economy; creating goods and services, creating more jobs, increasing income and improving living for employment; providing important source of revenue for the State budget. Growing up AFF enterprises does not only makes a great contribution to agricultural socio-economic development but also creates political and social stability. However, the AFF enterprises are generally small and medium-sized enterprises. In a country with vast majority of AFF employment like Vietnam, the AFF enterprises are an agent and motivation to accelerate movement of economic structure by orientation of modernization and industrialization. Therefore, the AFF enterprises need to be paid attention from all levels and agencies as well to create good conditions on policies, mechanisms, funds approach, fairly competitive environment, investment promotion for expanding market for the AFF enterprises.

7. AFF cooperatives are decreased in number but continue to play an important role in providing services for production development and strengthening rural economic relations

(The 2011 Rural, Agriculture Census does not include AFF cooperatives. Therefore, in order to have a panorama of the AFF field of the country, results of annual Enterprise Surveys, especially in Enterprise Survey in 2011 conducted by the GSO are used in this reports to supplement information on AFF cooperatives).

As of December 31st, 2010 there are 6302 AFF cooperatives. Of the total active AFF cooperatives, there are 6072 agricultural cooperatives (accounting for 96.3%); 197 fishery cooperatives (3.2%); 33 forestry cooperatives (0.5%). Number of cooperatives in 2011 is reduced by 935 (-12.9%) in comparison with the year 2006 and down by 1211 (-16%) compared to the year 2001. There is no change about this rate from the period 2001-2006, but the general trend is to reduce quantity in all 3 sectors. There are 1388 newly established cooperatives, accounting for one fifth; the remaining cooperatives are transited from old cooperatives. Figure 18 describes distribution of cooperatives by regions. In general, number of cooperatives in the RRD accounts for a large rate in 2 years and has an increasing trend but insignificantly (48% in 2006 and nearly 50% in 2011). The NCCCA ranks the second and around 31.6%. The rest regions are under 10% in 2006 and 2011, of which, the CH and the SE with their rates of under 2% of total AFF cooperatives nationwide and reduced slightly from 2006 to 2011.

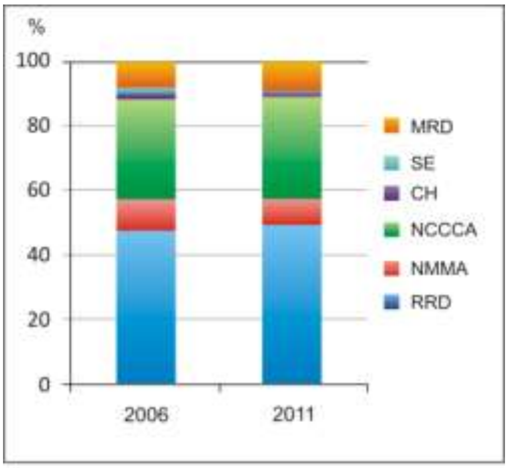

Figure 18. Structure of AFF cooperatives in 2006 and 2011 by regions

Although the number of cooperatives is decreased in comparison with the year 2006, cooperative economy in the AFF sector in the country over the years has had positive signs in management and land use, labor, capital, production organization, provision of services, results and effectiveness in business and production in some fields.

Land. As of December 31st, 2010 the AFF cooperatives managed and used 228.2 thousand ha of land for annual crops; 17.38 thousand ha of perennial crops; 55.3 thousand ha of forest land and 47.6 thousand ha of aquaculture land. On average, one AFF cooperative uses 36.2 ha of land for annual crops, 2.8 ha of perennial crops, 8.8 ha of forestry land and 7.6 ha of aquaculture land.

Dividing by types of cooperatives, scale of using land is as follows:

The agriculture cooperatives manage and use 227.3 thousand ha of land for annual crops, 15.5 thousand ha of perennial crops, 49.8 thousand ha of forestry land and 24 thousand ha of aquaculture thousand land. On average, one agriculture cooperative uses 37.4 ha of land for annual crops; 2.6 ha of perennial crops; 8.2 ha of forestry land; 4.0 ha of aquaculture land.

The forestry cooperatives manage and use 824 hectares of land for annual crops, 785 hectares of perennial crops, 5283 hectares of forestry land. On average, one forestry cooperative uses 25 hectares of land for annual crops; 23.8 hectares of perennial crops; 160 hectares of forestry land.

The fishery cooperatives manage and use 137 thousand ha of land for annual crops, 1078 thousand ha of perennial crops, and 243 thousand ha of forestry land and 23.6 thousand ha of aquaculture land. On average, one fishery cooperative uses 0.7 ha of land for annual crops; 5.5 ha of perennial crops; 1.2 ha of forestry land; 120 ha of aquaculture land.

Employment. AFF cooperatives use 136.1 thousand permanent employees (an increase of 7.8% compared to the year 2006), of which 128 thousand people (94.1%) are cooperative members and 8.1 thousand people (5.9%) are outsourced. Regular employee size of a cooperative on average is 21.6 people, an increase of 24.1% compared to the year 2006, of which cooperative members are 20.3 people, an increase of 24.5%. Average permanent labor per one cooperative in 5 of 6 regions is increased in comparison with the year 2006. Only the RRD is reduced from 21.6 people in 2006 to 21 people in 2011. Region with the highest growth rate is the CH from 14.5 people in 2006 to 33.3 people in 2011, an increase of 130%.

Capital. Average capital per one employee in the AFF cooperatives in 2010 reached 59.8 million VND (up 13.9% against 2005), of which agriculture cooperative is 62.2 million VND (+21.6); forestry cooperative reaches 53,8 million (+21%); fishery cooperatives is 58.6 million (-37%).

Business results of AFF cooperatives in 2010 were increased against the year 2005 but it is still low. The cooperatives nationwide with average turnover per one employee reaches 38.3 million VND (up 33.4% compared to the year 2005) of which agriculture cooperatives reach 35.4 million VND (+27.8%): forestry cooperatives reach 71 million VND (+291%) and fishery cooperatives reach 81.2 million VND (+42%).

Profit before tax per one AFF employee reaches 3.7 million VND (up 31% from 2005), of which: agriculture cooperatives reaches 2.5 million VND (+7.4%) forestry cooperatives are 2.8 million VND (-30%) and fishery cooperatives reach 23 million VND (+58.6%).

The above results show that the changes in business and production of AFF cooperatives by 2010 have increased in comparison with the year 2005 but still slowly and unevenly, especially in forestry cooperatives. If spiraling price[18] factor is excluded, indicators on production results and profits in 2010 were reduced against the year 2005.

In sum, after five years 2005-2010, operations of AFF cooperatives have been changed in some aspects. The cooperatives have provided some basic service phases for AFF production. Business activities of many agriculture cooperatives ensure the balanced principle between

[18] CPI in 2010 was increased by 164.32% compared to the year 2005.

revenue and expenditure and create foundation for production, household economy and general development of the community.

However, the AFF cooperatives are still facing with many difficulties: number of cooperatives is decreased against the year 2005, and it does not commensurate with requirements of production development. Role of cooperatives as a service provider for household economy is not clear. The cooperatives provide services but most of services are not effective because percentage of households using them is very low. Cooperative scale is too small, the average capital is increased, but still very low and inadequate; machinery, means of production of cooperatives are less in quantity, and bad in quality. Therefore, the revenue and profit of AFF cooperatives as well as of specialized service cooperatives are still very low. Average income per one employee of AFF cooperatives in one month in 2010 was only 293 thousand VND of which, the agriculture cooperatives with 201 thousand VND, forestry cooperatives with 231 thousand VND and fishery cooperative with 1799 thousand VND. Therefore, the cooperatives have not attracted attention of the farmer households, fishermen, especially in the southern regions, such as the Central Highlands, the SE and the MRD.

All levels and agencies need to have synchronous supporting policies and solutions for the AFF cooperatives to develop and fulfill their role of providing services for household economy; playing positive role in transiting economic structure of plants and livestock, poverty reduction , building new rural areas; making contribution to infrastructure, rural economic relations, creating jobs to increase income for cooperative members.

CONCLUSION

The 2011 Rural areas, agriculture, fishery census results with data on land from Ministry of Natural Resources and Environment and the 2011 Enterprise Survey and the Statistical Yearbook of the GSO show the panorama on the rural and agricultural status and development trend of country in the last 5 years which have had positive and comprehensive changes, presented on the following main points:

Firstly, the socio-economic infrastructure in rural areas has been newly constructed and upgraded widely and deeply. Appearance of four basic factors of rural infrastructure such as electricity, roads, schools, stations in communes has prospered. The supporting conditions to ensure production and business of the farms, rural households, especially farmer households, trade villages are paid attention by the State with higher investment. ICT infrastructure in many People’s Committees’ headquarters are strengthened and better serving requirements of administrative reform in rural areas.

Secondly, key staff at commune level has been trained in professional, educational background and are rejuvenated, which is one of important factors to further meet the requirements of the State leadership and management in the communes.

Thirdly, economic restructuring and rural employees have made progress and basically on the right track. Technical infrastructure systems for production and processing of agriculture, forestry and fishery products are continuously invested by the Government in way of new construction and upgrades. The material and spiritual life of the rural people are increasingly improved. Rate of poverty households is reduced quickly and quite sustainably and appreciated by international communities.

Fourthly, the development trend of AFF production in 2011 compared to previous years has had many positive changes. Job structure and employment in this sector has transited in a positive direction. The proportion of agricultural households is descending while forestry and fishery households are increasing quickly, especially proportion of fishery households. Tendency of transferring to land and labor scale of AFF households has a sign to move towards production of goods, especially in the MRD and the SE. The growth rate of production value and added value of AFF sector in the period 2006-2011 has been increased significantly. Food output in 2011 goes beyond the objectives of the five-year socio-economic development plan (2006-2010) and 10 year socio-economic development strategy from 2001 to 2010. Value of crops and aquaculture products per one hectare of cultivation and aquaculture land is also increased quickly.

The results are not all but present an overall picture on status and tendency of socio-economic development in rural areas and AFF in the country from 2006-2011 with many bright spots. It is a great achievement in the implementation of the Central Resolution 5 (session IX) on accelerating agricultural and rural industrialization and modernization in the period 2001-2010, Resolution of the tenth Party Congress, Resolution of the 7th Party Central Executive Committee, Legislation X on agriculture, farmers and rural areas, the National Program for the new rural construction.

There are many reasons for the above results and progress. First of all, it is the great interest of the Party and the Government by promulgating guidelines and socio-economic development policies in rural areas and agriculture as described above. The leadership and direction of all levels and agencies in the implementation of the resolutions of the Party and the Government’s policies and laws on agriculture, rural areas are more effective and comprehensive than previous periods. Rural people actively participate in the process of implementing the programs and projects of the State. The assistance of the international organizations and local enterprises is seen through programs and projects to support socio-economic development, and rural environment.

In addition to these achievements, the results of the 2011 rural areas, agriculture and fishery census also show that there remain limitations and shortcomings. Rural infrastructure, especially transportation, irrigation, health facilities, rural school system, etc have not met the requirements of industrialization and modernization of agriculture and rural areas in many communes nationwide. Some important indicators on social and rural environment have not been achieved the proposed objectives of the 2001-2005 socio-economic development plan, and 10-year socio-economic development strategy from 2001 to 2010 and there is a quite long distance against the objectives of the program of building new rural areas in terms of infrastructure, culture, education, health and economic restructuring and rural workers. By 1st July 2011, there is not any commune which has gained set of criteria of new rural areas. Rate of trained labor is too low. Income and living of rural people in some areas, especially in the remote and ethnic minority areas are still low and unstable. Rural ecological environment is still polluted and its improvement has been slow.

AFF production is still many limitations and shortcomings. Economic structure and labor have been moved slowly and unevenly among regions and localities. Fisheries develop fast, but not stably and the trend in recent years has been slowed, in which number of fishery enterprises and their labor have been declined. Forestry sector still accounts for small rate but its movement is very slow, including in key forestry areas such as the Central Highlands. Land scale and average labor per one AFF household are too small which do not meet the requirements of agriculture and aquaculture production with large scale related to processing and exporting. Qualifications of AFF unskilled workers account for a big proportion. Redundant labor, job shortage and income of employees in this important sector are low. The forestry proportion in the structure of production value and added value is still too small compared to the potential of land, forests and climate of the regions. The growth rate of production value, added value of fisheries however, are increased but tend to slow down.

Though limitations and shortcomings still remain a lot, there are difficulties in the process of development and transition from agriculture (in a broad sense), from the small and scattered production, taking increase of productivity and output as target into sustainable agriculture, taking increase of socio-economic efficiency as goals. However, these are temporary and inadequate problems in the development process and it is unavoidable for a rural country with low starting point, inconsistent infrastructure which is transiting to the stage of promoting industrialization and modernization of agriculture and rural development and global economic integration.