

Status Of Farm Economic Development In Moc Chau, Son La Province

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Abstract

As a mountainous, border town located in the southeast of Son La province, Moc Chau has advantages in terms of geographical location, land, climate and labor resources. These factors are very important foundations for Moc Chau to develop agriculture in general and farm economy in particular. By 2019, Moc Chau had more than 100 farms meeting the standards set by the Ministry of Agriculture and Rural Development. Some key products of Moc Chau have affirmed their brands such as: tea growing, dairy farming, vegetables, fruits... However, to improve productivity, quality, consumption market as well as application of science and technology in crop and livestock production of farms are still issues of concern for authorities at all levels as well as people of Moc Chau. Besides, there are difficulties in weather, climate, diseases, high prices of many materials for production..., making local agricultural production face many difficulties.

Key Word: *Moc Chau, farm economy development, crops, livestock.*

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I. Introduction

Moc Chau district officially became a town, in Resolution No. 1280/NQ-UBTVQH15, the National Assembly Standing Committee established Moc Chau town, Son La province. After establishment, Moc Chau town has 08 wards and 07 communes. This Resolution takes effect from February 1, 2025.

Moc Chau town with a total natural area of 1,072.09 km² and the population size is 148,259 people (by 2024), of which more than 80% of the population are ethnic minorities.

Moc Chau town borders Bac Yen, Phu Yen, Van Ho, Yen Chau districts and the Lao People's Democratic Republic.

As a mountainous town blessed with land and climate, Moc Chau is quite favorable for farm economy. In addition, with the attention and investment and guidance of the Party and the State, in recent years, the farm economic models of farmers in Moc Chau town have developed strongly, contributing to promoting the socio-economic development of the locality. The farms develop a variety of crops and livestock such as fruit farms (plum, mango, strawberry ...), industrial crops such as tea, dairy farms; beef cattle, pigs farms ... In addition, cold-loving vegetables are also strongly developed. Not only developing the production of plants and animals on farms, Moc Chau is also promoting the development of farm economy associated with tourism. Therefore, it not only brings high economic value, but also contributes to widely promoting Moc Chau's agricultural products to domestic and foreign tourists. From there, contributing significantly to improving the lives of local people.

II. Material And Methods

*** Data collection and processing methods**

The authors have selectively collected many documents, data, and studies on farm economic development. The research database is systematized, arranged, and updated according to the research content of the article and the cited sources are fully and accurately identified.

*** Analysis and synthesis method**

Based on the collected data, the authors synthesized, analyzed, and evaluated the current status of farm economic development in Moc Chau, Son La.

*** SWOT analysis method**

SWOT forecasting method is a research method in economics by assessing the strengths, weaknesses, opportunities and challenges of the problem. From there, it shows an overview of the problem being studied. The group of authors applies this method to analyze the advantages, difficulties, opportunities and challenges for the development of the economic sector of Moc Chau town, Son La province.

III. Result

Farm theory and farm economics

a) Farm

According to Karl Marx, in agricultural production, farm plays an important role in bringing about high economic efficiency. He affirmed: *"Even in England with its developed industry, the most profitable form of production is not large-scale agricultural enterprises, but family farms using hired labor."* [6]

There are many research works from different perspectives of scientists on farms, but it can be understood that farm has the following basic characteristics: *"Farm is a form of commodity production organization that is higher than household economy in both scale and management form; the main purpose of business activities in households is self-production and self-consumption, while the main purpose of the farm is to produce goods to meet market demand, and a small part of the products produced serve back to production and consumption"* . [6]

b) Farm economics

- According to some Western researchers : *"The farm economic form in these countries refers to a field of production organization, large-scale agricultural commodity business in agriculture and rural areas to distinguish it from the form of self-sufficient, small-scale farming"* .

- According to Le Trong: *" Farm economy (or agricultural, forestry and fishery economy ...) is a form of basic economic organization of production society, based on cooperation and social division of labor. This includes a certain number of workers organized by the farm owner, equipped with certain means of production to conduct production and business in accordance with the requirements of the market economy and protected by the state"*.

- According to Dao Cong Tien, *" Farm economy is a type of production and business organization in agriculture, commonly formed and developed on the basis of household economy and basically retains the nature of household economy. The process of formation and development of Farm Economy is the process of improving production capacity based on the accumulation of capital and other production factors , thereby creating many products with high productivity, quality and efficiency"*.

In each country and region, scientists have different concepts of market economy.

"Farm economy is a form of organizing commodity production in agriculture and rural areas, mainly based on households, aiming to expand the scale and improve production efficiency in the fields of cultivation, forestry, animal husbandry, aquaculture, linking production with processing and consumption of agricultural, forestry, aquatic and seafood products". [2]

" Farm economy is a form of basic economic organization of social production, based on cooperation and social division of labor to conduct production and business activities in accordance with the requirements of the market economy and protected by the State." [6]

c) Farm classification

- According to the form of organization and management of farm, there are the following types: Family farm, Joint Venture farm, Joint Venture farm, Trust farm...[4]

- According to the production structure of farm, the market is divided into 2 types: general business farm and specialized production farm.

- According to the form of ownership of means of production, farm enterprises are divided into 3 types: enterprises that own all means of production, enterprises that own part of the means of production and lease part of it, and enterprises that lease all means of production.

- According to income structure, farm is divided into two types: purely agricultural farm and non-agricultural income farm.

In Vietnam, the Ministry of Agriculture and Rural Development has issued Circular 02 /2020/TT-BNNPTNT on regulating the criteria for farm economics, which also determines how to classify farms, specifically as follows:

- **Specialized farms** are determined by production sectors such as cultivation, livestock, forestry, aquaculture, salt production and the proportion of production value of the sector accounts for over 50% of the production value structure of the farm in the year. Specialized farms include: cultivation farm, livestock farm, forestry farm, aquaculture farm, salt production farm.

- **An integrated farm** is a farm in which no production sector has a production value proportion of over 50% of the production value structure of the farm in the year. [5]

Current status of farm economic development in Moc Chau district, Son La province

Developing farm economy is an effective way to consolidate land plots, creating favorable conditions for land allocation associated with exploiting the available natural potentials of each locality in Moc Chau town.

Currently, the whole town has nearly 100 farms that meet the requirements set by the Ministry of Agriculture and Rural Development and the General Statistics Office. In addition, there are many farm models of different scales. In general, in the whole town, the total land area of the farms in use is 256 hectares.

Moc Chau has made a comprehensive breakthrough in the development of farms, livestock, crops, forestry and fisheries, creating a new look for the agricultural and rural economy. In particular, the cow farming models are leading in economic efficiency, including dairy and beef cattle farming. By 2024, the whole town of Moc Chau have over 500 dairy cow farming households with nearly 17.5 thousand cows, over 12.5 thousand milking cows, producing over 65 thousand tons of fresh milk; the revenue from dairy cows is about 2.2 thousand billion VND per year. On average, each household raises 15 - 20 cows; many households have an annual milk output of 150 - 200 tons of fresh milk/year, the economic value is up to billions of VND; the number of dairy cow farming households with revenue of 1 billion VND/year or more is nearly 200 households. The local beef cattle herd also reached over 42,000 heads with hundreds of households raising farms of 10 - 50 heads...

Currently, Moc Chau has 101.33 hectares of greenhouses and net houses; over 613 hectares applying water-saving irrigation; 125.8 hectares of production according to VietGAP, GlobalGAP, organic, food safety, planting area codes and equivalent standards. The average production value of 1 hectare of agricultural land in the district is estimated at 79.83 million VND/ha/year, exceeding 14% compared to the target of the Resolution of the Town Party Congress by 2025 of 70 million VND/ha. [2]

In fact, promoting the development of farm economy in Moc Chau has brought great results. Many areas of vacant land and bare hills growing low-yielding food crops, after being converted to farms and ranches with diverse crops and livestock, have brought economic efficiency 4-5 times higher. [7]

Currently, Moc Chau has many agricultural product brands recognized by the Intellectual Property Office such as: Geographical Indication of Moc Chau Shan Tuyet Tea and certified brands: Moc Chau Safe Vegetables, Moc Chau Avocado, Moc Chau Oolong Tea and has promoted propaganda, introduction and promotion of products with certified brands, safe products, VietGAP products, OCOP products in the town. There have been 30 OCOP products, including 8 of 4-star products and 22 of 3-star products; 58 safe agricultural product supply chains, including: 18 safe vegetable, root and fruit consumption chains; 34 safe fruit consumption chains; 4 safe tea consumption chains and 2 safe livestock product consumption chains. [10]

Regarding the development of safe production and management of growing area codes, in 2022, new certificates of good agricultural practices (VietGAP) were issued to 04 establishments with a total area of 71 hectares, 02 growing area codes for plum trees with an area of 25 hectares. The whole district has 26 establishments applying VietGAP good agricultural practices in the field of cultivation with a total area of 402.9 hectares, focusing mainly on the subjects of vegetables, tea and fruit trees to control and trace the origin of products, create safe agricultural products, meet the needs of users and create advantages in market competition, bringing high economic efficiency to producers. Currently, the total number of growing areas in the town is 29 codes of 21 establishments. Of which, 10 export growing area codes are for the markets of Australia, the US, Japan, and South Korea (of 46 households belonging to 7 cooperatives and cooperative groups with a total area of 92.5 hectares); 17 export growing area codes are for the market of China (of 17 organizations and individuals with a total area of 637 hectares) and 02 export growing area codes are waiting for the import market (of 30 households, with a total area of 25 hectares). The crops granted are Longan, Mango, Banana, Plum and Avocado. [8]

The effectiveness of farm economic development in Moc Chau mountainous town has directly contributed to exploiting the vacant land, barren hills, and wasteland; mobilizing idle capital from the people; improving productivity, efficiency and competitiveness in the market mechanism, contributing to promoting the process of transforming the agricultural and rural economic structure towards rapidly increasing the proportion of commodity production, creating concentrated production areas. In particular, the effectiveness gained from farm economy has contributed to gradually transforming agricultural production from small-scale, self-sufficient production to large-scale, concentrated commodity production linked to the consumer market, opening up a way to enrich farmers.

The role of farm economic development in socio-economic development in Moc Chau town, Son La province

**** About economy:***

Farm economy contributes to promoting the growth and development of rural agriculture in particular and the socio-economy in general; Promoting the transformation of the agricultural economic structure towards concentrated, large-scale commodity production; Contributing to effectively exploiting the potential of land, climate, etc. of the locality; Developing crops and livestock with high commodity value, creating many types of agricultural products, especially agricultural products as raw materials for the processing industry, contributing to promoting the development of processing industry and production services in rural areas. In particular, farm

owners apply science and technology to production to improve productivity and quality of agricultural products, contributing to the development of agriculture in a modern and sustainable direction.

*** About society:**

Farm economy contributes to solving employment for rural laborers - one of the urgent problems that need to be solved in rural agriculture, creating more jobs, attracting more labor, limiting the wave of migration to urban areas to find jobs, reducing pressure on society; Contributing to hunger eradication and poverty reduction, improving the spiritual quality of life of the people. In addition, developing farm economy also contributes to promoting the development of rural infrastructure and creating an example for farming households on how to organize and manage production and business effectively.

*** About the environment:**

Nowadays, many farms use organic fertilizers and limit the use of pesticides to protect water resources, land and biodiversity. Many farms combine crop and livestock farming models to maximize the use of resources and minimize waste to the environment. Many households develop farms on bare hills, contributing to greening the bare hills and limiting soil erosion and landslides. Many farms apply modern irrigation systems to help save water and protect groundwater.

In addition, farm economics combined with ecotourism models create farms with beautiful landscapes and fresh spaces that help visitors immerse themselves in nature. Visitors can experience harvesting and enjoying agricultural products in the garden, participate in instructions on environmental protection, instructions on littering, and use clean and environmentally friendly agricultural products, contributing to environmental protection and the development of ecotourism.

Assessing the current status of farm economic model development using SWOT analysis method

Strengths	Weaknesses
<ul style="list-style-type: none"> - Strategically located in Son La province and the Northwest region of Vietnam; fertile land, suitable for growing perennial crops and raising livestock. - There is Long Sap national border gate, which will be upgraded to an international border gate in the future, which will be a favorable condition for opening tourist routes to Laos and Thailand. - Many agricultural product brands are recognized by the Intellectual Property Office, granted certificates for safe production development and management of growing area codes, many products have geographical indications. - There is richness in ethnic culture; historical and indigenous heritage. There are many initiatives of local communities in agricultural development, especially agricultural tourism and community tourism. - The application of high technology in agricultural production is increasingly widely applied. 	<ul style="list-style-type: none"> - Complex terrain and hydrological conditions make it difficult to build a transportation system. - Human resources are limited, mainly untrained. - Complex terrain and hydrological conditions; many natural risks (floods, landslides, severe cold weather, frost); water shortage in the dry season (surface water, groundwater). - Investment resources from the state budget are still limited. - Unpredictable weather, climate, and epidemics have seriously affected people's lives, labor, and production. - Low population density, low education level, lack of professional training - The urban technical infrastructure system is not yet synchronous.
Opportunity	Challenge
<ul style="list-style-type: none"> - There are many opportunities for socio-economic development, including agricultural development (farm economy). Moc Chau is currently one of the prominent areas for experiential tourism, especially agricultural tourism. - State and provincial policies on: Developing Moc Chau and Van Ho districts into a major tourist center of the Northwest region of Vietnam; enhancing the brand of local products in Vietnam. - Included in the planning for the development of high-tech agricultural zones and high-tech dairy farming areas nationwide by 2020 and orientation to 2030. - Long Sap border gate being upgraded to an international border gate will create opportunities to develop trade, service and tourism exchanges with Laos. 	<ul style="list-style-type: none"> - Risks of climate change, floods, landslides, droughts. - Increasingly fierce market competition requires improving the quality of agricultural products and reducing production costs. - Lack of skilled labor to work in high-tech agriculture - Loss of local identity due to rapid and unplanned urbanization, especially linear urbanization. - The impact of the construction industry on the shrinking of agricultural land area affects the landscape.

Proposing some solutions for developing farm economy in Moc Chau, Son La

Improve leadership and management

- Enhance the role and responsibility of leaders in directing the implementation of high-tech agricultural development; strengthen administrative reform measures, creating favorable conditions for organizations and individuals to participate in investing in and trading high-tech agricultural products in the province.
- Promote propaganda, dissemination and popularization of the Party's guidelines, the State's policies, the province's policies and viewpoints on high-tech agricultural development to cadres, civil servants, public employees, workers and all classes of people.

Creating land funds for agricultural development applying technology

- Adjust land use planning and plans to suit the province's high-tech agricultural development program, ensuring compliance with legal regulations.
- Promote policies on concentrate land to serve the development of large-scale commodity agricultural production, clean agriculture development, and high-tech agriculture application.
- Encourage farmers to contribute capital with land use rights; develop rural industries to create jobs and stable income for people.

Organizing the production of agricultural and aquatic raw materials for processing

- Implement well the policy of encouraging the development of cooperation and association in production and product consumption; association between processing enterprises with farmers and cooperatives.
- Building concentrated agricultural production areas, synchronized with the planning of the network of processing factories.
- Select and develop a number of key agricultural products and groups of agricultural products that the locality has production advantages in, that are regional specialties and have the ability to link with surrounding localities to create concentrated agricultural areas with large-scale goods.

Effectively exploit and use capital sources to serve the development of high-tech application agriculture.

- Improve the effective use of capital sources, especially investment capital from the state budget for the development of high-tech agricultural production.
- Increase capital mobilization from enterprises, cooperatives, loans from credit institutions, households, individuals and other legal capital sources,...

Building and promulgating mechanisms and policies

- Review, amend, supplement, and promulgate mechanisms and policies on high-tech agricultural development in the locality; link mechanisms and policies on high-tech agricultural development with local socio-economic development programs.
- Encourage and facilitate enterprises, cooperatives, and cooperative unions that purchase and process agricultural products to participate in projects or cooperation plans, linking production and consumption of agricultural products with certificates on food safety and good agricultural practices.

Promote the transfer and application of advanced science and technology in production

- Strengthen the application of new technical advances in production. Promote investment in mechanization, equipment and facilities; comprehensively and synchronously apply techniques to serve the production of key agricultural products in a sustainable manner.
- Strengthening scientific and technological cooperation in production, disease prevention, preservation and processing of agricultural products; encouraging the use of digital technology in production; transferring scientific and technological advances to the people.
- Effectively manage and exploit the applied research area, transfer scientific and technological advances in agriculture and forestry in Moc Chau district.

Training to improve the quality of human resources

- Strengthen training for agricultural staff, improve capacity for managers of enterprises, cooperatives, and farm owners.
- Vocational training for rural workers, strengthening training for people. Organizing study tours of high-tech agricultural production models that bring high economic efficiency.

Developing markets and support services for high-tech agricultural activities

- Strengthen trade promotion activities for agricultural products, linking tourism development with agricultural, forestry and fishery products.
- Expand the market for agricultural products, especially processed and packaged agricultural products, through fairs, conferences, and investment promotion trade forums.
- Diversify agricultural export markets, especially developing potential markets, with special attention to key markets near our country; seek to exploit new markets where agricultural products have advantages in terms of variety, quality, and seasonality.
- Building and protecting the development of agricultural product brands, expanding domestic markets, promoting connection, exhibitions, product promotion and introduction, bringing local agricultural products to consumers nationwide.

IV. Conclusion

Farm economy is an important economic driving force for the socio-economic development of Moc Chau town. With the available potential of natural conditions, human factors and development incentive policies of the State and Son La province, it promises to continue to develop strongly, contributing to the prosperous development of the local agricultural economy and improving the lives of the people.

To develop the farm economy more effectively and sustainably, Moc Chau district needs to encourage the development of large-scale farm models, apply high technology, strengthen the linkage of production, processing and consumption of products, as well as promote the development of agricultural tourism and train high-quality human resources. These are key factors to ensure sustainable farm economic development in the future. In addition, the search and expansion to foreign markets need to be further promoted, this is an opportunity for Moc Chau's agricultural products to bring higher value to farmers.

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