

Current Situation and Solutions for Sustainable Agricultural Development through in the Model “Linking together for Five Houses”

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Abstract

This article analyses the current situation and proposes a solution for the key links in “linking together for five houses” (The Government (State); Scientists; Enterprises; Farmers; Banks) in An Giang province, Vietnam. Besides, this article provides some of recommendations solutions for sustainable agricultural development through the five-house linkage model in An Giang province, Vietnam.

Current status of sustainable agricultural development through the five-house linkage model of An Giang province, Vietnam

Sustainable agricultural development

Currently, there are many different definitions of sustainable agriculture. According to Bill Mollison and Remy Mia Slay (2010), sustainable agriculture is defined as follows: (i) the design of sustainable human habitation systems of people: it is a philosophy and approach to land use that creates close links between microclimate, annual and perennial crops, livestock, soil, water and human needs people, building tight and effective communities; (ii) the purpose of sustainable agriculture is to create a system that is ecologically sustainable, has economic potential, and is capable of satisfying human needs without destroying the land, does not pollute the environment; (iii) sustainable agriculture creates an agricultural ecosystem that produces more food for humans and animal feed than the natural system. Sustainable agriculture is a system in which people exist and use non-toxic energy sources, save and regenerate energy, and use nature’s abundant resources without continuously destroying the that resource. Sustainable agriculture not only protects existing natural ecosystems but also seeks to restore degraded ecosystems. According to Vo Tong Xuan (2009), former Principal of An Giang University, the concept of sustainable agricultural production can be briefly understood as needing to choose a production method so that crops and livestock continue to be profitable. Every year, the quality of annual water and land resources is maintained well so that future generations can continue to benefit from the land and water environment, not just exploiting for a period of a few years and then the land becomes become barren and the aquatic environment is destroyed. Besides, every day, every month, every year when producing, profits also increase, not just profits for a few years and then losses.

According to Le Xuan Dinh (2009), in order to have a sustainable agriculture, it is necessary to achieve the following points: (i) Achieve harmony of natural and controlled biological cycles. they; (ii) Protect and restore soil fertility and natural resources; (iii) Optimize the management and use of farm resources; (iv) Minimize the use of non-renewable sources and production inputs that must

be purchased from outside; (v) Ensure adequate and reliable farm income sources; (vi) Encourage farming families and communities; (vii) Minimize adverse impacts on human health, safety, wildlife, water quality and the environment.

Thus, there are many different definitions and perspectives on sustainable agriculture, it is clear that the goals of a sustainable agriculture are very great and worthy. However, achieving those goals well is not easy. Even developed countries in Europe and America need to strive to gradually achieve a sustainable agriculture like the goals set out above. These goals aim at sustainability for the whole world, and appropriate steps must be taken to ensure the current life of all inhabitants on earth. We cannot forget other goals, especially the survival of the whole community, because of any rigid goal. Besides, agriculture is only one part of society. To have sustainability in agriculture, society, as a whole, needs to use its resources such as air, water, land, energy and all others in a more sustainable way...

Current status of sustainable agricultural development through the five-house linkage model in An Giang province, Vietnam

Implement Decision No. 80/2002/QĐ-TTg of the Prime Minister on promulgating policies to encourage the consumption of agricultural products through contracts. During the process of implementing the decision, the Ministry of Agriculture and Rural Development, the State Bank, the Vietnam Farmers’ Union organized the signing of a program to link “five-houses” in production - processing - consumption. Link model “five-houses” (The Government (State)-farmers-scientists-entrepreneurs-banks) in agricultural production is of interest to many industries, localities, businesses and farmers. The five-houses linkage model demonstrates the functions and specific duties are as follows:

The government (State): The State participates in the linkage with a supporting and coordinating role through policies to encourage and invest in infrastructure construction, planning of raw material areas, and transfer of scientific and technical advances, trade promotion, and at the same time the person who checks, monitors and ensures the legality of the implementation of contracts between the parties.

Farmers: Farmers directly make products, sign contracts with businesses and are guided by scientists to apply science and technology to increase productivity and are supported by the state on loan policies in agricultural production.

Scientists: Science plays a very important role in the connection process. They are the ones who help farmers apply advanced technology and techniques to improve productivity, quality, reduce production costs, increase selling prices and increase the competitiveness of goods.

Enterprises: Enterprise plays a central role, proactively signing contracts, supporting loans and agricultural materials, and underwriting products at agreed prices to ensure the benefits of both parties.

Banks: Support capital lending with preferential interest rates to create conditions for people, cooperatives, and businesses to feel secure in production and win-win, profits are divided, risks are shared).

Like other provinces implementing this policy, An Giang can be considered one of the leading localities in building the four-house linkage model and being one step ahead. Since 2001, An Giang has soon allowed the province’s businesses to sign agricultural product consumption contracts with farmer households to invest and consume products. In early 2003, An Giang Seafood Farming and Processing Association was established, aiming to form a new way of doing business in the direction of connecting farmers, processors and product consumers, harmoniously combining benefits. useful. In the winter-spring crop of 2004, the province’s state-owned and private enterprises signed contracts to purchase more than 45,000 hectares of high-quality rice. Antesco Company signed a contract to purchase baby corn with farmers...Locations Other places such as: Long An, Tien Giang, Dong Thap, Tra Vinh, Can Tho, Soc Trang, Ca Mau, etc. all have good ways of linking “five houses” (Report of Food Protection Joint Stock Company Animal An Giang, 2023).

However, in the process of implementing the five-house linkage model, there are many advantages but also many difficulties, which are expressed specifically as follows:

Advantages in sustainable agricultural development through the five-house linkage model in An Giang province

According to the Summary Report of the five-houses linkage model of An Giang province plant protection company (2023), the five-houses linkage model has the following advantages:

- This is a new way of doing business and many local governments focus on promoting the connection between businesses and farmers such as proposing five-houses linkage policies; develop agricultural cooperatives, build and implement projects on reorganizing production, associated with processing and consumption markets.
- Farmers create high quality products that are indispensable in the production process. Enterprises have contracted with farmers in the province to produce on an area of thousands of hectares and purchase and sell of thousands tons of products all kinds.
- The “linking together for five houses “ model has changed the awareness of farmers here in abandoning old and outdated farming practices and instead applying scientific and technical advances in production. Save costs, increase profits.
- Farmers have access to new scientific and technical advances more and more quickly, more widely and more widely.

Difficulties in developing sustainable agriculture through the four-house linkage model in An Giang province

According to Mr. Nguyen Minh Nhi, former Chairman of An Giang Provincial People’s Committee (2002), Vo Tong Xuan (2009), as well as some other researchers such as Pham Thi Thu Hong (2007), Tran Van Hieu (2004), Pham Chi Lan (2002) believe that the five-houses linkage model is not really cohesive but is still loose as follows:

- **The State must take the lead:** Playing the most important role in the “five houses” connection is the State. It is necessary to frankly admit that the State has not yet created a suitable legal corridor for resolving disputes in links between businesses, especially production and product consumption contracts between businesses and farmers. In some cases, ministries and branches are still confused and do not have appropriate sanctions to support the resolution of purchasing contract disputes between businesses and producers. For cases of damage due to force majeure causes, the State also does not have a specific policy to support damage to participating parties. In addition, some local leaders do not know or do not fully understand the five-house linkage policy, so they do not have appropriate support.
- **Scientists’ lack of courage:** There is still a lack of bold research agencies or organizations that proactively make linkage a priority in implementing research programs and projects. Even in contracts signed through joint activities, the material interests of scientific agencies or scientists are not clearly defined. Therefore, Scientific Organizations play a very important role in the linkage process. They are the ones who help farmers apply advanced technology and techniques to improve productivity, quality, reduce production costs, increase selling prices and increase the competitiveness of goods. However, up to now, the majority of scientific agencies are still confused when implementing five-house linkage.
- **Businessmen are afraid of risks:** Businesses often blame farmers for not respecting contracts, being willing to “break the deal” when prices move in their favor, while farmers always believe that businesses press prices to “maximize profit making”. For businesses, especially private businesses, they not only lack the attention and support of other “houses” but also have to bear high risks when advancing capital to farmers. When facing risks due to natural disasters or other force majeure causes, farmers cannot repay their debts to businesses, businesses prolong the bank debt period, increasing loan interest rates, increasing the cost of processed products, affecting greatly affects the financial performance of enterprises. Therefore, when signing contracts, businesses are still hesitant to invest in production and business.
- **Farmers do not respect contracts:** Because they are not fully aware of their responsibility to comply with legal regulations, it is easy for them to violate contracts during the association process. For “farmers”, the most obvious manifestation is the limited level of education. This has created a feeling of fear when interacting with other “houses”. The majority of farmers in An Giang province in particular and farmers in Vietnam in particular have not yet been able to get rid of the ideology of immediate profit

and cannot calculate a long-term strategy. In fact, there have been a number of cases of “farmers” taking over debt, causing many “businesses” to lack confidence in the investment process.

Therefore, the difficulties farmers encounter are the following: (i) Not producing market-oriented: It is necessary to clearly determine that it is not possible to produce whatever you want, but you must aim to produce something the market needs it, sells it at a good price, and is economically effective. Therefore, farmers must produce according to market acceptance criteria; (ii) Weak competitiveness: Fierce competition requires us to have standard processes to produce products with lower prices, increased productivity, increased quality and especially high prices; (iii) Poor marketing skills: Currently, marketing is the weakest part of Vietnamese agricultural products.

Solutions for sustainable agricultural development through the five-house linkage model in An Giang province:

- In the five houses linkage model, but everyone does their own thing, the most important role is the “conductor” - the State. The role of the state must be to reorganize production towards community management through the establishment of cooperatives, working together in applying processes that meet GAP and VietGAP standards.
- There needs to be a farmer-oriented, farmer-centered policy, such as Resolution 26-NQ/T. U that the 7th Central Committee Conference (term X) recently passed as the “Tam Nong” policy”.
- There must be a state sanctions policy between businesses signing tight contracts with farmers and vice versa, there must be state witness to ensure the agreement of both parties on output for export. These factors are also the basis for creating brands for businesses as well as Vietnamese agricultural products in the international market.
- The five-houses linkage model, requiring independent supervision in commodity agricultural production, is a type of agricultural production organization that helps consumers enjoy “green products” (safe products). Compliant with VietGAP standards.
- Businesses need to be transparent in providing market information and product quality requirements to the people, scientists and the government to organize the production of products according to market requirements.

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