

DECISION No.166/2001/QĐ-TTg OF
OCTOBER 26, 2001 ON A NUMBER OF
MEASURES AND POLICIES TO DEVELOP
PIG FARMING FOR EXPORT IN THE 2001-
2010 PERIOD

THE PRIME MINISTER

Pursuant to the Law on Organization of the

Government of September 30, 1992;

At the proposal of the Minister of Agriculture and Rural Development,

DECIDES:

Article 1.- To boost the development of commodity pig farming in order to meet the domestic pork consumption and export demands, create jobs for laborers and increase income for peasants. To export 80,000 tons of pork/year by 2005, then proceed to export more than 100,000 tons of assorted pork a year.

Article 2.- To develop the export-oriented pig farming in regions endowed with favorable conditions to ensure environmental safety and sanitation, on a suitable farming scale. In the first period (2002-2005), the pig farming shall concentrate in some regions like the Red River delta, northern Central Vietnam, coastal southern Central Vietnam and eastern Southern Vietnam.

The People's Committees of the provinces and centrally-run cities shall revise their land use planning and plans, so as to reserve a number of adequate land areas far from population quarters for lease to organizations, individuals and family households for building piggeries, planting and producing feeds, building slaughterhouses and export pork-processing establishments, and invest in development of infrastructure facilities in support of pig farming and export pork-processing establishments according to the State's regulations.

Article 3.- To encourage all organizations, individuals and family households of all economic sectors and foreign investors to develop the rearing of breed pigs of the export standards.

Export-oriented pig farming regions must have enough stations for rearing grandparent breed pigs (of a scale of 300-500 pigs) and parent breed pigs for producing sufficient breeds to meet the export-oriented pig farming demands in such regions.

The Ministry of Agriculture and Rural Development shall have to direct the management stations which rear pigs of prototype breeds with capital invested by the State, thus ensuring that the genetic source of such breeding stock is improved and effectively used.

Article 4.- The Ministry of Agriculture and Rural Development shall direct the professional bodies to supply sufficient inoculative and curative drugs, especially those for controlling dangerous contagious diseases, thus ensuring the epidemic immunity for pigs.

To work out plans for investment in upgrading vaccine-producing establishments, first of all the Central Veterinary Drug Enterprise (Hoai Duc district, Ha Tay province) and the veterinary drug-producing establishment under Veterinary Supplies Company II; and to deploy the second phase of VIRBAC-VIETNAM joint-venture project, then proceed to produce sufficient vaccines to substitute for imports.

Annually, the People's Committees of the provinces and centrally-run cities shall direct the veterinary offices to organize compulsory vaccinations against a number of dangerous contagious diseases according to the provisions of the Veterinary Ordinance, then proceed to form epidemic-free areas for export-oriented pig farming in their localities.

The Ministry of Agriculture and Rural Development shall negotiate signing of veterinary agreements or treaties with countries importing Vietnamese pork.

Article 5.- The Ministry of Agriculture and Rural Development shall assume the prime responsibility and coordinate with the People's Committees of the provinces and centrally-run cities, and concerned ministries and branches in revising and appraising the actual situation of livestock feed production in the whole country, working out planning and plans to fully exploit the capacity of the existing feed-producing establishments, and making new investments in necessary places in association with on-the-spot raw materials areas.

To quickly expand areas for planting high-protein maize varieties for use as raw materials for the livestock feed production, with a view to reducing production costs.

To provide peasants with guidance on pig farming techniques, including the processing of feed from sources of raw materials available in the country.

Article 6.- The People's Committees of the provinces and centrally-run cities shall adopt mechanisms and policies, and create favorable conditions in terms of location, investment procedures,

capital support, etc., for organizations and individuals to renovate and upgrade their existing processing establishments, and invest in building new establishments for slaughtering pigs and processing pork for export.

Establishments farming and slaughtering pigs and processing pork for export shall have to comply with the current law provisions on the environment.

The establishments slaughtering pigs and processing pork for export must be furnished with advanced and modern equipment and have material and technical foundations meeting requirements of production process as well as food safety and hygiene standards. The Ministry of Agriculture and Rural Development shall soon guide and promulgate specific branch standards for application by enterprises.

Article 7.- The Ministry of Trade shall help pork-exporting organizations and individuals maintain the existing export markets and continue seeking new markets for their pork; direct Vietnamese economic counselors in foreign countries in supplying adequate and timely information on demand, taste, packing models, prices, payment modes, etc., to pork-exporting organizations and individuals, and pig farmers.

To encourage and create favorable conditions for organizations and individuals of all economic sectors to participate in pork export market research and information, and to organize trade promotion activities.

Establishments slaughtering pigs and processing pork for export must sign pig purchase contracts directly with pig farming organizations, individuals and family households, whereby responsibilities and rights of both parties are clearly stated. To encourage the contractual forms of supplying breeds, feed, veterinary drugs, technical services and sale of products.

The Ministry of Trade, the Ministry of Agriculture and Rural Development shall, together with the People's Committees of Hanoi, Ho Chi Minh City and a number of other provinces, experimentally build markets for auctioning breed pigs and porkers, with a view to helping pig farmers not be imposed with unfair prices.

To continue giving rewards for export of assorted

pork till 2003. To readjust the export value reward level for pork from not-fully-grown pigs to 450 VND/ 1 USD. To assign the Ministry of Finance to add this commodity item to the list of commodity items eligible for export rewards specified in the Finance Ministry's Decision No.65/2001/QD-BTC of June 29, 2001.

Article 8.- Investment and credit policies

1. Regarding investment: Budgets (including the central budget and local budgets) shall be invested in:

- Free-of-charge supply of vaccines for prevention of dangerous diseases in epidemic-free areas to raise pigs for export;

- Upgrading of the Central Veterinary Drug Enterprise (Hoai Duc district, Ha Tay province) and the vaccine-producing establishment of Veterinary Drug Supplies Company II.

2. Regarding credit under the State's plans:

Establishments slaughtering pigs and processing pork shall be entitled to borrow investment credit capital under the State's plans from the Development Assistance Fund according to the Government's Decree No.43/1999/ND-CP of June 29, 1999 and the Prime Minister's Decision No.02/2001/QD-TTg of January 2, 2001 on policies on investment assistance from the Development Assistance Fund for export goods manufacturing or processing projects and agricultural production projects; and entitled to borrow credit capital from the Export Assistance Fund according to the Prime Minister's Decision No.133/2001/QD-TTg of September 10, 2001.

To increase capital sources for the Bank for the Poor and the national target program on employment, so that they can provide loans to poor households and households farming and slaughtering pigs and processing pork.

3. Regarding commercial credit:

The State Bank of Vietnam shall direct commercial banks to ensure sufficient capital sources and carrying out convenient procedures for pig farming family households and individuals to borrow capital from banks; coordinate with the Peasants' Association and Vietnam Women's Union in expanding the form of mutual assistance groups and saving-lending groups in order to help pig farmers borrow capital from banks.

To encourage enterprises, organizations and individuals of all economic sectors to sign contracts with pig farmers for sale of products, capital services, feed and veterinary drug supply.

Article 9.- Establishments raising breed pigs or pigs for export, slaughtering pigs or processing pork for export shall enjoy investment preference policies provided for in the Government's Decree No.51/1999/ND-CP of July 8, 1999 detailing the implementation of the Law on Domestic Investment Promotion.

To apply the tax rate of 0% to imported oil cakes for livestock feed production.

The Ministry of Agriculture and Rural Development shall coordinate with the Ministry of Finance in readjusting to the lowest level various fees related to the veterinary quarantine of export pork, which is subject thereto at customers' requests or under the already concluded veterinary agreements or international treaties.

To set up the insurance fund for export pig farming on the basis of contributions from farmers and exporters as well as initial support from the State budget to offset the price or epidemic risks incurred by producers and exporters. The fund shall be managed and used by the Pork Export Association according to the regulation and guidance of the Ministry of Finance.

Article 10.- Pig farming for export shall be organized mainly in forms of farm households and private enterprises. To encourage each farm household to raise constantly 50 sows or 100 porkers or more, foreign investors to invest in pig farming for export on a suitable scale, without causing environmental pollution and harms to underground water sources. The Ministry of Science, Technology and Environment shall promulgate specific regulations and permitted farming scales in order to ensure the safety and sanitation of the environment and underground water sources, which shall serve as basis for domestic and foreign investors to plan their activities.

To encourage various forms of cooperative economy, including cooperatives providing breeding, veterinary, technical, capital and product consumption services.

The Ministry of Agriculture and Rural Development shall set up as soon as possible the

Pork Export Association consisting of pig farmers, slaughterers, processors as well as a number of scientists, who shall support and protect one another in the pork production, consumption and export.

Article 11.- This Decision takes effect 15 days after its signing.

Article 12.- The Ministers of: Agriculture and Rural Development; Finance; Trade; Science, Technology and Environment; Labor, War Invalids and Social Affairs; and the Governor of the State Bank of Vietnam, the General Director of the Development Assistance Fund, the presidents of the People's Committees of the provinces and centrally-run cities and the heads of the concerned agencies shall have to implement this Decision.

**For the Prime Minister
Deputy Prime Minister
NGUYEN CONG TAN**