

DECIDES:

Article 1.- To approve the Planning on sugarcane and sugar development up to 2010 and orientations toward 2020, with the following principal contents:

I. DEVELOPMENT VIEWPOINTS

1. In the coming time, sugarcane and sugar production must be developed in a sustainable manner, ensuring socio-economic efficiency, protection of ecological environment and conformity with the planning on restructuring of agriculture and rural economy along the line of industrialization and modernization.

2. Sugarcane and sugar production shall be developed synchronously, from production of material sugarcane, processing mills and production of post-sugar products to product circulation and consumption; existing sugar mills shall be step by step expanded with modern technology and advanced equipments.

3. To encourage various economic sectors to invest in sugarcane and sugar development, associating processors' benefits with those of raw material producers and boosting the construction of a new countryside.

4. The State shall provide partial support for investment in the development of communications and irrigation infrastructure in consolidated sugarcane zones; and in the research into and transfer of scientific and technological advances to raise the productivity, quality and efficiency of sugarcane and sugar production.

**DECISION No. 26/2007/QĐ-TTg OF
FEBRUARY 15, 2007, APPROVING THE
PLANNING ON SUGARCANE AND SUGAR
DEVELOPMENT UP TO 2010 AND
ORIENTATIONS TOWARD 2020**

THE PRIME MINISTER

*Pursuant to the December 25, 2001 Law on
Organization of the Government;*

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

II. DEVELOPMENT TARGETS

1. By 2010

a/ Sugar production

- The sugar output will be 1.5 million tons,

including 1.4 million tons of industrial sugar (670,000 tons of refined sugar and 730,000 tons of white sugar) and 100,000 tons (white sugar equivalent) of raw sugar.

- The total designed capacity of sugar mills will be 105,000 tons of sugarcane per day, of which the total capacity of mills in four key sugarcane and sugar development areas will be 86,000 tons (accounting for 82% of the total capacity of all mills nationwide). Specifically:

+ In the northern Central Vietnam: The total capacity of mills will be 35,000 tons of sugarcane per day;

+ In the coastal Central Vietnam and the Central Highlands: The total capacity of mills is 16,300 tons of sugarcane per day;

+ In the southeastern region: The total capacity of mills will be 14,900 tons of sugarcane per day;

+ In the Mekong River delta: The total capacity of mills will be 19,800 tons of sugarcane per day.

b/ Production of material sugarcane:

- Total areas under sugarcane will be 300,000 hectares, including 250,000 hectares of consolidated raw-material supply zones.

- The average sugarcane productivity will be 65 tons/hectare.

- The average sugar content will be 11 CCS.

- The sugarcane yield will be 19.5 million tons.

- In four key sugarcane and sugar development areas, the total area under sugarcane will be 222,000 hectares (accounting for 74% of the total area under sugarcane nationwide). Specifically:

+ In the northern Central Vietnam and the Central Highlands: The total area under sugarcane will be 80,000 hectares;

+ In the coastal Central Vietnam: The total area under sugarcane will be 53,000 hectares;

+ In the southeastern region: The total area under sugarcane will be 37,000 hectares;

+ In the Mekong river delta: The total area under sugarcane will be 52,000 hectares.

2. Development orientations towards 2020

By 2020, sugar production will meet domestic consumption and export demands, with a production output of around 2.1 million tons, including 1.5 tons of refined sugar, 500,000 tons of white sugar and 100,000 tons of raw sugar.

To make investment in intensive farming in the existing sugarcane areas and expand areas in regions where conditions permit along the line of growing new sugarcane varieties, applying advanced farming technologies and investing in irrigation systems. By 2020, the total area under sugarcane will be around 300,000 hectares, the average sugarcane productivity will be 80 tons/hectare, the average sugar content will be around 12 CCS, the sugarcane yield will be 24 million tons, and the total designed capacity of mills will be around 120,000 tons of sugarcane per day.

III. MAJOR SOLUTIONS

1. Planning:

a/ People's Committees of provinces where exist sugar mills shall assume the prime responsibility for, and coordinate with the Ministry of Agriculture and Rural Development in, directing the review, adjustment and approval of local material sugarcane development plannings; adjust and supplement the planning on raw-material supply zones of each mill in conformity with the planning on development of processing establishments;

b/ No new sugar mill will be built. To step by step make in-depth investment to modernize existing sugar mills and expand their capacity in a rational manner in conformity with raw-material supply zones and market demands; to raise the total retrieval rate and product quality, reduce environmental pollution and contribute to reducing product price and raising production efficiency and

competitiveness; to diversify products such as alcohol, electricity, microbiological fertilizers, confectionery, etc., so as to raise production and business efficiency.

2. Building raw-material supply zones:

a/ To apply synchronous solutions regarding varieties, farming techniques, infrastructure investment and use of mechanical implements in order to quickly increase sugarcane yield and quality;

b/ People's Committees of provinces where exist sugar mills shall direct the mills and administrations of lower levels to develop material sugarcane supply zones according to the approved plannings, ensuring sufficient raw materials for mills in accordance with their pressing capacity; to quickly increase areas under sugarcane of new varieties with high yield and high sugar content; to accelerate intensive farming, improve farming techniques and apply the method of irrigated cultivation in areas where conditions permit; to direct and guide the mills to formulate investment projects for the development of raw-material supply zones according to planning; to adopt policies on support for investment in infrastructure (irrigation, communications) in raw material zones; to support and encourage farmers to swap and merge land areas in order to build consolidated raw-material supply zones.

c/ Sugar mills and sugarcane processing establishments shall work out plans on development of their material sugarcane zones in conformity the approved plannings; adopt specific solutions and policies to support sugarcane growers to develop consolidated raw-material supply zones, apply intensive farming techniques and mechanical implements to production in order to raise sugarcane yield and quality, and sign sugarcane consumption contracts with sugarcane growers or their organizations.

3. Science and technology:

a/ The Ministry of Agriculture and Rural

Development shall quickly implement and finish the Scheme on propagating three grades of sugarcane varieties, which is titled "Developing sugarcane varieties for raw-material supply zones of sugar mills in the 2003-2008 period;" build a system of sugarcane variety research institutions and centers with adequate equipment and personnel capacity in order to take the initiative in producing sugarcane varieties of high quality, high yield and high sugar content, meeting production requirements. In parallel with the research into, selection and creation of varieties, the Ministry shall work out programs and plans on the import of sugarcane varieties of high yield and high sugar content for assay, and quickly propagate sugarcane varieties which, through assays, are evaluated to suit Vietnam's conditions;

b/ To enhance agricultural extension (to be carried out by both the State and enterprises), training, guidance and building of models in order to quickly transfer new varieties, advanced farming methods and scientific and technological advances to farmers. The Ministry of Agriculture and Rural Development and localities shall allocate funds for the development of sugarcane varieties under approved projects and sugarcane farming extension from the budget for the program on mill varieties, livestock and aquatic breeds;

c/ To formulate and promulgate intensive farming processes suitable to each ecological area, provide guidance for the quick application of these processes to production, and make investment in intensive farming to raise sugarcane yield and quality;

d/ Sugar mills shall soon improve their production and quality management systems toward modernization, ensuring food safety and hygiene and international economic integration. By 2010, all sugar mills will reach ISO management standards.

4. Investment:

a/ The state budget shall support the import and propagation of new sugarcane varieties;

investment in reservoirs and key irrigation works (grade-1 and -2 canals) and communications systems in consolidated raw-material supply zones. Provincial-level People's Committees shall work out plans on using local budgets for investment in infrastructure outside mills and raw-material supply zones;

b/ Together with the state financial support, funds will be raised from other lawful sources for investment in the construction of infrastructure (roads, irrigation, soil improvement) in consolidated raw-material supply zones in order to raise sugarcane yield and quality and reduce freight. To invest in irrigation systems in areas where water sources are available and conditions permit, striving to reach the target that by 2010, 40% of areas under sugarcane will be watered.

c/ To encourage sugar mills to support farmers in making investment in applying mechanical implements to all production steps, from soil working to sugarcane harvest in order to raise productivity and overcome labor shortage.

5. Consumption and trade promotion:

a/ The Ministry of Agriculture and Rural Development shall make annual reports on the production-consumption balance so as to work out appropriate solutions to adjust production; the Ministry of Trade shall assume the prime responsibility for, and coordinate with the Ministry of Agriculture and Rural Development and the Vietnam Association of Sugarcane and Sugar in, working out appropriate measures to regulate domestic consumption of sugar and prevent price fluctuation.

b/ Sugar mills shall sign contracts with sugarcane growers according to the Prime Minister's Decision No. 80/2002/QĐ-TTg and the Regulation on coordination in sugarcane and sugar production and consumption among sugar mills and companies;

c/ The State encourages and creates conditions for sugar mills and companies to develop brands

and trademarks and enhance trade promotion for sugarcane and sugar.

6. Organization of production:

a/ To complete the transformation of ownership and financial settlement of sugar mills under the Prime Minister's Decision No. 28/2004/QĐ-TTg;

b/ To encourage and create conditions for the establishment of sugarcane production, service and consumption cooperatives of farmers; to renew and raise the efficiency of existing sugarcane and sugar cooperatives;

c/ To raise the role and operation efficiency of the Vietnam Association of Sugarcane and Sugar in order to well regulate the coordination among sugar mills in information exchange, market forecasting, trade promotion, science, technology, sugarcane and sugar consumption, thereby taking the initiative in regulating and stabilizing the market, ensuring benefits for enterprises, farmers and consumers; to build an insurance fund for sugarcane and sugar production.

IV. ORGANIZATION OF IMPLEMENTATION

1. The Ministry of Agriculture and Rural Development shall assume the prime responsibility for, and coordinate with concerned ministries, branches and provincial-level People's Committees in, guiding, directing and inspecting the implementation of plannings; shall promptly update information on the market and scientific and technological advances for making appropriate adjustments to plannings.

2. People's Committees of provinces where exist sugar mills shall approve and direct the implementation of local sugar and sugarcane plannings in conformity with this Planning; direct and inspect the signing and performance of contracts between these mills and sugarcane growers and the observance of the regulation on coordination in

sugarcane and sugar production and consumption among the mills in localities; handle cases of fighting over the purchase or sale of raw materials to maintain stability and order in localities.

Article 2.- This Decision takes effect 15 days after its publication in "CONG BAO."

Article 3.- Ministers, heads of ministerial-level agencies and government-attached agencies and presidents of concerned provincial People's Committees shall implement this Decision.

For the Prime Minister
Deputy Prime Minister
NGUYEN SINH HUNG