

QUANG NGAI RURAL DEVELOPMENT PROGRAM (RUDEP) - PHASE 2

A Baseline Investigation of Off-Farm Activities in Quang Ngai Province



VIETNAM-AUSTRALIA

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Acronyms

AusAID	Australian Agency for International Development
CPC	Commune People's Committee
RUDEP	Quang Ngai Rural Development Program
RSIE	Rural Small Industry Enterprises
ToR	Terms of Reference
VND	Viet Nam Dong

Summary

This Baseline Investigation was conducted to survey the diversity of off-farm activities in Program Communes and assess opportunities for Quang Ngai Rural Development Program (RUDEP) to support household off-farm income generation. In lowland Communes, the Baseline Investigation found that:

- The majority of households in Program Communes rely on agricultural activities with off-farm income generating activities commonly undertaken as a secondary source of income;
- Few households officially register their Rural Small Industry Enterprises (RSIE) in Program Communes;
- Many RSIEs lack a stable income and are owed money by local households (particularly poor households);
- Household RSIEs considered that their main difficulties are:
 - Capital (credit) to expand;
 - Technologies to improve practices and efficiency; and
 - Marketing problems and outlets for products.
- In general, the average monthly income earned from off-farm activities is 300,000 VND to 700,000 VND per month:
 - The lowest earning off-farm activities were rice milling, making rice paper and noodles, and broom making (5,000 VND to 20,000 VND per day); and
 - The highest earning off-farm activities were agricultural product suppliers (e.g. pesticides and fertilisers), carpentry enterprises and restaurants (700,000 VND to 1,500,000 VND per month).
- Household RSIEs typically have not received any training in financial, administrative or business management; and
- In most Communes, traditional off-farm activities were commonly practiced in the past (e.g. pottery, weaving, broom making); however these products couldn't compete with factory made goods (cheaper prices) or satisfy consumer preferences and subsequently these traditions have been lost.

Very few RSIEs exist in upland Communes (Son Hai and Nghia Tho). Most RSIEs are owned and operated by the Kinh Vietnamese and they are burdened with long-standing and overdue debt. Few agro-processing or post-harvest technologies have been introduced to households in upland Communes; this is despite the heavy reliance of local people on agricultural products for income and food security.

Based on the results of the RUDEP Baseline Investigation, the Program identified the following activities to support RSIEs:

- Financial and business management skills support and training to existing RSIEs in Program Communes;
- Introduction of new post-harvest and agro-processing technologies for commonly produced agricultural products (e.g. rice, maize, cassava, coconut, etc);
- Improved food production and food processing technologies for commonly produced foods (e.g. rice paper, fish sauce making, rice noodles, etc); and

- Support linkages between off-farm activities or RSIEs and market outlets for locally produced products.

In response, RUDEP has allocated the following Short-Term Technical Inputs to the Program to support RSIE:

- Post-harvest and agro-processing expert (National) to provide technical assistance to the Program on small-scale processing opportunities in Program Communes (1 month);
- Food technology expert (National) to provide technical recommendations on food production and processing activities that can be implemented in Program Communes (1 month); and
- Small business management expert (National) to provide assistance to the Program on RSIE establishment and operation (1 month).

It is anticipated that the implementation of demonstrations (where necessary) and the provision of training support will contribute to off-farm income generation and employment for households in Program Communes.

1 Introduction

The Quang Ngai Rural Development Program (RUDEP) is a nine-year rural development and poverty reduction initiative funded by the Australian Agency for International Development (AusAID) and the Vietnamese Government. The Program aims to alleviate poverty in rural and mountainous regions in Quang Ngai Province (Central Viet Nam) through the use of participatory planning processes to increase household income, improve livelihoods and empower poor rural communities. In order to achieve the objectives of the Program and improve the livelihoods of people living in the Province, RUDEP has four main components: income generation activities; small-scale infrastructure; capacity building; and management and monitoring and evaluation. It is anticipated that such a holistic approach to rural development, whilst promoting participatory planning processes will ultimately result in reduced poverty in target Communes and Districts and high levels of sustainability of Program activities and initiatives.

In March 2003, the Program expanded its activities to encompass six Communes in six separate Districts in the Province¹. In order to develop a broader range of income generating options for households in Program Communes, RUDEP implemented a Baseline Investigation into off-farm income generating activities. This was initiated to identify the current off-farm activities, constraints and opportunities to improve their productivity and income. This Baseline Investigation was also undertaken to outline some off-farm activities that the RUDEP can implement in Program Communes. The Investigation was limited to:

- Small and medium sized businesses and enterprises;
- Agro-processing and post-harvest activities; and
- Food technology and production.

A local national consultant was contracted to conduct the study over an eight week period. This work required visits to each Program Commune to discuss with Commune and District officials about off-farm activities currently undertaken by households. A number of visits to households were also conducted to discuss their off-farm activities. Detailed Terms of Reference (ToR) are attached in Annex 1. It is anticipated that recommendations presented in the report will identify income generating activities that can be supported or introduced in Program Communes and provide information on locally available service providers.

¹ Duc Phong Commune (Mo Duc District); Nghia Tho Commune (Tu Nghia District); Pho Chau Commune (Duc Pho District); Hanh Phuoc Commune (Nghia Hanh District); Tinh Tho Commune (Son Tinh District); and, Son Hai Commune (San Ha District).

2 Off-Farm Activities in Program Communes

2.1 Duc Phong Commune

Duc Phong is a lowland coastal commune in Mo Duc district with a population of 19,078 people. Previously, the Commune had traditional off-farm activities (making cubed sugar and growing mushrooms); however their products could not compete with cheaper goods produced by companies and these activities have consequently stopped. The commune has 126 households that are currently engaged in off-farm activities and are registered establishments (Annex 1 – Table 1). In addition to these 126 ‘registered’ households there are a number of ‘non-registered’ small off-farm activities being conducted (e.g. about 40-50 households in Lam Ha village making rice paper, noodle making, and barber shops). According Commune People’s Committee (CPC) officials and households, many non-registered households do not wish to register because they are not aware that they have to, do not know how to register, or are afraid of having to pay high tax fees. In addition, off-farm activities are typically not their main income generating activity or they conduct off-farm activities seasonally. Interviews were conducted with households who are currently engaged in some common off-farm income generating activities, such as: rice paper making; carpentry; rice milling; rice milling; agricultural product suppliers; and convenience stores.

- **Rice Paper Making:** Rice paper making is considered a secondary job for local people and an additional source of household income. Production quantities are typically low (approximately 5kg/day); though they can earn 5,000 VND to 10,000 VND per day. The production of rice paper is difficult to learn and it takes some time and experience for households to produce a good quality product (round and aesthetically pleasing for consumers). Their product is only sold to local people so they face difficulties in expanding their enterprises due to a lack of capital and knowledge on available markets. In addition, many households don’t want to expand because demand is low and there is a possibility of over supply of the product. Households engaged in rice paper making are not required to register their business or pay tax fees because they earn less than 290,000 VND per month.
- **Carpentry:** Most people involved in carpentry enterprises are male and enterprises typically employ 1-2 workers. These workers have studied carpentry at a Vocational Training College (in Quang Ngai Province). Timber is bought from other Districts and Provinces (e.g. Ba To District or Gia Lai Province) and cut to make tables, door, window frames and chairs. Their products are sold to local people when an order is placed. The average income is generated from a carpentry enterprise from 700,000 VND to 1,000,000 VND per month. Many carpentry enterprises want to expand their business; however they lack capital, technology and market information. Carpentry enterprises (households) have to register their RSIE and they have to pay 300,000 VND for registration fees per year and an average of 65,000 VND sales tax per month.
- **Rice Milling:** Rice milling is typically conducted by a single household using available household labour. Customers are local people living in the Commune. Rice is milled year round despite only two crops of rice being grown each year in Duc Phong Commune. Rice milling is still considered a secondary source of income with a household earning 10,000 VND to 20,000 VND per day. These households have to register their enterprise and pay 325,000 VND for registration fees and an average of 50,000 VND sales tax per month. Many rice milling household don’t wish to expand their enterprise because they have little capital and lack labour.

- **Agricultural Product Suppliers:** These households typically sell fertilisers and pesticide/insecticides to local farming households. They require 2 – 3 million VND to purchase fertilizer from the Quang Ngai Fertilizer Company and sell it locally in the Commune to farming households. One major problem affecting this type of business is the high levels of customers with long-standing and overdue debts; this in turn affects the profitability of the enterprise (700,000 to 1,000,000 VND per month). Many households are willing to expand their business but lack capital.
- **Convenience Stores:** There are a number of small convenience stores in Duc Phong Commune that sell common household necessities (e.g. soap, cigarettes, paper, books, rice paper, etc.). Their businesses are typically very small and require little capital or funds to establish. Many of these enterprises are unregistered and there are a large number of households engaged in this activity; though the size and variety of goods sold varies. Many of the smallest convenience stores don't wish to expand due to an over-supply of similar stores and a limited number of customers.

2.2 Tinh Tho Commune

Tinh Tho Commune has a population of 12,587 people and five Villages. The majority of households in Tinh Tho commune rely on agriculture production as their main source of household income and food security. However, many households are engaged in off-farm activities as a secondary source of income (e.g. making rice paper, carpentry, convenience stores, welding, and pottery). The Commune has 67 households currently engaged in small-scale business and off-farm activities that are registered establishments (Annex 1 - Table 2). There are also a number of non-registered off-farm activities in the Commune: making rice paper and noodles, knitting, etc.). However these are very small scale and provide on average 5,000 VND to 7,000 VND per day; therefore households are not required to pay registration fees. Interviews were conducted with households currently engaged in some common off-farm income generating activities: welding and metal work; tailoring; rice milling; selling fish sauce; abattoir (pigs and cattle); carpentry; and convenience stores.

- **Welding and Metal Work:** This form of off-farm income generation is considered a traditional career in the Commune but has reduced in the number of households involved. The Commune currently has only two households engaged in welding and metal work. They sell their products to local people (when an order is placed) and make an average of 15,000 VND to 20,000 VND per day. These households pay 70,000 VND for registration fees per year and 25,000 VND sales tax per month. They want to expand their business but are afraid that they cannot compete with other goods because they make their products by hand.
- **Tailor:** Four households in the Commune are tailors that sell their products to local people in the Commune. The output of tailors is low (only 1-2 pair of trousers or shirts per day). The average income is 20,000 VND to 30,000 VND per day. Tailors have to pay 100,000 VND for registration fees per year and 28,000 VND for sales tax per month. These businesses wish to expand their businesses but lack capital.
- **Rice Milling:** Rice milling was considered difficult when these enterprises first established. This was due to frequently damaged machines and few customers. However, production is now better and machines can mill 6-7 quintals per day. They earn an average of 6,000 VND - 7,000 VND per quintal.
- **Selling Fish Sauce:** These households currently buy fish sauce from other places (Tinh Ky and Binh Chau Communes) and sell locally to households. On average they sell about 5-7 L per day and earn 15,000 VND to 20,000 VND per day. They are not

required to pay tax fees because they earn little money. They wish to expand their enterprise and require credit.

- **Abattoir (Pigs and Cattle):** These households typically buy cattle and pigs from local people slaughter one pig or cow per day. On average, they earn between 400,000 VND to 600,000 VND per month. The meat and butchered products are sold locally to people for household consumption. They lack the willingness to expand their business because there is little market for meat products in Tinh Tho Commune.
- **Carpentry:** The carpentry enterprises typically employ males (1-4 workers) that have apprenticeships. They purchase timber from other places (Ba To, Son Ha and Tra Bong Districts, and Gia Lai Province) and manufacture it to make tables, doors, windows and chairs. Their products are commonly sold to local people; though occasionally products are sold to other provinces (when people place an order). These carpentry enterprises earn between 1,000,000 VND to 1,500,000 VND per month after they pay salary for their workers (about 800,000 VND per month for each worker). They pay 350,000 VND for registration fees per year and 65,000 VND for sales tax per month. Owners of these enterprises wish to expand their business but lack credit.
- **Convenience Stores:** These households sell a range of goods and supplies to local households (e.g. soap, cigarettes, paper, books, rice paper, beer). Most of these households are considered medium-sized with a high income (about 1,000,000 VND to 1,500,000 VND per month). They have to pay 450,000 VND for registration fees per year and pay 50,000 VND to 70,000 VND for sales tax per month. Despite the high income generated from these businesses, they don't wish to expand their business due to over-supply and long-standing and overdue debts from local households.

2.3 Pho Chau Commune

Pho Chau Commune is situated in Duc Pho District and has a population of 5,072 people. The commune is separated by National Highway No. 1 and has a small tourist trade with many restaurant services. Approximately 85 percent of people in the Commune depend on agriculture, whilst the remaining 15 percent gain income from off-farm activities or employment. Table 3 in Annex 1 provides details of the registered RSIEs in Pho Chau Commune. In addition to these registered RSIEs, there are a large number of small off-farm activities that are non-registered: broom making, making fish nets, carpentry, barber shops, motorbike repair shop, bicycle seller, agricultural product seller (each sector has about 5-7 households). Interviews with households were conducted currently engaged in some common off-farm income generating activities: making bread; rice milling; selling food; agricultural product suppliers; carpentry; broom making; making fish nets; and restaurants.

- **Making Bread:** This household first established their enterprise by purchasing an oven and hired a baker to teach them how to make bread. They can make 600 VND per loaf and sell to local people. They earn approximately 25,000 VND per day after paying the salary for workers (about 2 workers; each earning 15,000 VND per day). These enterprises pay 250,000 VND for registration fees per year and 60,000 VND for sales tax per month. They face difficulties in expanding due to local over-supply.
- **Rice Milling:** These households first invested about 15,000,000 VND to purchase machines. Most of their customers are local people. They are paid per milling session (typically an afternoon) and earn 5,000 VND per session. They pay 50,000 VND for registration fees per year and 15,000 VND for sales tax per month. Rice milling is

considered as a secondary source of income; however they don't wish to expand as they lack time and labour.

- **Selling Food:** Some households in Pho Chau buy food from agents in Tam Quan Town (Hoai Nhon District; Binh Dinh Province). They sell only to local people and earn 5,000 VND to 7,000 VND per day. They don't want to expand their activities due local over-supply and few customers.
- **Agricultural Product Suppliers:** These households require 2 – 3 million VND and buy fertilizers from the Quang Ngai Fertilizer Company. They sell these products locally to farming households. They consider that it is difficult to obtain a profit because they have large outstanding debts with many farming households. They also don't wish to expand there because of local over-supply and over-due debts.
- **Carpentry:** These carpentry enterprises employ 1-2 male workers that have an apprenticeship or received some form of carpentry training. They purchase timber from other places (Tam Quan, Bong Son, Nhon Hoa Districts; Binh Dinh Province) and process it to make tables, doors, windows and chairs. Their products are only sold to local people (when people place an order). They make 800,000 to 1,000,000 VND per month after paying the salary for their workers (about 800,000 VND per person per month). They have an interest in expanding their enterprise but lack capital and knowledge on output markets.
- **Broom Making:** Broom making from coconut leaves was formerly a traditional activity in Vinh Tuy Village. These households required 1 million VND in start-up capital to engage in this activity. They can make about 30 brooms per day and earn approximately 15,000 VND per day. Their products are sold in Tam Quan Town. They are not required to pay tax because their income and business are small.
- **Making Fish Nets:** Fish net making is a common activity performed by women in Vinh Tuy Village. Most people raise animals and fish net making is considered a secondary source of income. The nets are made by hand and people earn 2,000 VND to 3,000 VND per day. They can't expand their activities because they make their nets when they have order. They receive the net twine from customers (local fishing boat owners). Many households consider it difficult to know about additional markets for their products.
- **Restaurants:** Pho Chau Commune has many small restaurants situated along National Highway No. 1. If households wish to establish a restaurant they require about 100 million VND in start-up capital. Each restaurant has 2-3 waitresses (female) and pays about 300,000 VND to 400,000 VND per person per month. Most customers are lorry drivers and businesses earn 100,000 VND to 150,000 VND per day with highest income earned on days near the end of the lunar month. They have to register their establishment and pay 750,000 VND for registration fees per year and 400,000 VND for sales tax per month. Many restaurants consider it difficult to expand because of few customers and competition with many other restaurants.

2.4 Hanh Phuoc Commune

Hanh Phuoc Commune is the largest Commune in Nghia Hanh district with 2,800 households. Most people rely on agriculture and livestock production for income. There are 131 households that are registered as businesses and are engaged in off-farm activities Table 4 in Annex 1 provides the list of enterprises in Hanh Phuoc Commune. Interviews with households were conducted currently engaged in some common off-farm income generating activities: rice paper making; carpentry; rice milling; rice milling; agricultural product suppliers; and, convenience stores.

- **Brick Making:** Brick making is a very common off-farm activity in Hanh Phuoc Commune. Households require some knowledge in brick making technology and require about 10 million VND to buy a brick making machine and build a kiln. Bricks are made in the dry season and an enterprise can produce 20,000 bricks every ten days. Their products are sold to agents in the Province or Danang that transport the bricks to building sites. Each enterprise requires about 15 workers (with sufficient skills) and workers receive their salary following sale of products (approximately 24,000 VND per 1,000 bricks). Owners receive 200,000 to 400,000 VND for every 20,000 bricks sold. These enterprises are registered establishments and pay 550,000 VND for registration fees per year and 450,000 VND sales tax per month. There is a strong market for their products and they require more capital to expand their works.
- **Silk Worm Production:** Households must firstly buy silkworm eggs and require land to grow mulberry trees. The leaves of the mulberry trees are fed to the silkworms and after 25-30 days cocoons form and are sold for spinning, dying and weaving. Some households in Hanh Phuoc have been engaged in mulberry for a long time and previously had a high income from the activity (32,000 VND per kg); however, the profit is now lower (17,000 VND per kg) and there is a frequent problem with mulberry tree diseases. Consequently, many households don't wish to engage in this activity anymore and would prefer to grow grass and raise livestock.
- **Rice Paper Making:** This is considered a very easy enterprise to engage in; however households face some difficulties in making the rice paper round and aesthetically pleasing. These households have the capacity to make 10 kg per day and make rice paper when an order is placed. They can earn up to 15,000 VND per day. Currently, there are many households in the Commune engaged in this activity and therefore many households don't want to expand their production and would prefer to raise livestock.
- **Rice Noodle Making:** Households that wish to engage in this off-farm activity require a noodle making machine and money to purchase rice. They require 30-40 kg of rice per day to make 60-70 kg of noodle and can earn 30,000 VND per day. These enterprises are small (household based) and low profit so fees or taxes are not required. Many households don't wish to expand this activity because they don't like the work and consider livestock cultivation to be more profitable.

2.5 Son Hai and Nghia Tho Communes

Due to the similarity between Son Hai and Nghia Tho Communes in terms of a predominant ethnic minority population and off-farm activities undertaken, these Communes will be discussed together. Both Communes are poor with households commonly lacking food for some months of the year. In addition, they are far away from markets. It is these two factors that contribute to Nghia Tho and Son Hai Communes having few off-farm enterprises or income generating activities being undertaken. Some common characteristics of off-farm enterprises and activities in Son Hai and Nghia Tho Communes are:

- Off-farm enterprises in Son Hai and Nghia Tho Communes are typically owned by Kinh Vietnamese, very few off-farm enterprises are owned or operated by the H're minority.
- Given the extremely high poverty levels in both Communes (>60 percent of households classified as poor), most enterprises are burdened with long-standing and overdue debt owed by people living in the Communes.

- Some small carpentry enterprises exist in both Communes. However, these differ to carpentry enterprises in lowland Communes in that there is no electrical equipment used with most carpentry work done by hand. This low efficiency leads to high prices, poorer quality products and difficulties in competing with timber products from other Communes.
- Rice milling and convenience stores exist in very small numbers and scale. They can earn 10,000 VND 15,000 VND per day.
- Few, if any, businesses are registered or are required to due to their extremely small size and low cash flow. They commonly pay 10,000 VND to 15,000 VND per month in local Government taxes.
- Both Communes have no market or have agricultural product suppliers (fertiliser and pesticide distributors).
- Households undertake small off-farm activities such as basket weaving, however these products are typically for their own household use and are rarely sold in District markets.

Given the high reliance of the H're ethnic minority on agricultural production (rice, cassava and maize) for food security, it is evident that appropriate off-farm interventions in Nghia Tho and Son Hai Communes is the provision agro-processing and post-harvest technologies to households. Such technologies will contribute to stabilising agricultural production, improving food security and contribute income generation. Therefore, the Program is likely to provide technical assistance, demonstrations and training on appropriate agro-processing and post-harvest technologies for commonly cultivated products (e.g. rice, maize and cassava).

3 Procedure for Establishing Small Businesses and Enterprises

The procedure for establishing an RSIE is simple and standard for all Program Districts and Communes. These procedures do not appear to be a restriction for households that wish to establish an RSIE. A household must first go to the Department of Finance and Planning in the District People's Committee to complete a registration form. Any person over the age of 18 years of age can register a business and require a health certificate, identity card and a family register. The registration form also requires information on the business that they wish to establish. Once completed, this form is submitted to the leader of District Department of Finance and Planning and 30,000 VND fee is required. On average it takes seven days for households to receive a licence. For some RSIEs, this process may take longer, particularly if the business is not a 'common' enterprise or is very large. The forms for registering an RSIE are attached in Annex 2.

3.1 Taxation

Paying taxation largely depends on whether a business is officially registered with the local Taxation Department (at the Commune level). Tax is paid monthly with a local tax official from the Commune visiting each household to collect tax fees. Officially, tax levels depend on the size of the enterprise, the type of business and income generated. For example, some small enterprises (earning 5,000 VND to 7,000 VND per day) do not need to register because the local tax group comes and collects taxes monthly (about 10,000 VND to 15,000 VND per month). Households that do seasonal business can apply to the tax department to decrease tax or exempt them from taxation. The Baseline Investigation found that taxation amounts (rates) vary between RSIEs and between Program Communes. Large registered RSIEs appear to have relatively uniform taxation amounts. However, unregistered RSIEs still pay local taxes; the amounts vary between enterprises and some enterprises may not have to pay taxes because they are considered being of a small scale. The taxation fees are collected by local Commune officials.

4 Recommended Off-Farm Activities

Households and Commune and District officials discussed possible activities that RUDEP could support with respect to off-farm income generation and RSIE development. These recommendations are:

- **Financial and business management support to some existing RSIEs in Communes:** RUDEP will support household RSIEs in Program Communes with training in financial and business management skills (including marketing) to support their enterprise and improve their operational capacity and competitiveness. This off-farm activity will largely focus in lowland Communes given that few established RSIEs exist in upland Communes.
- **Food production technologies for poor households currently engaged in rice paper or rice noodle making and the introduction of technologies to produce other food commodities (e.g. fish sauce making):** RUDEP will support poor households currently engaged in rice paper and noodle making with improved production technologies to improve the quality of products. In addition, food production technologies that could be introduced to Program Communes and households will be assessed and where recommended these will be followed up with demonstrations and training.
- **Introduce technologies on post-harvest and agro-processing technologies for commonly produced crops such as maize, coconut, cassava and other commodities:** RUDEP will support the introduction of improved post-harvest and agro-processing technologies in Program Communes. The emphasis of these activities will be to stabilise agricultural production (e.g. better seed storage), improve income (e.g. processing technologies) and utilisation of existing by-products (e.g. coconut processing). Particular emphasis will also be given to upland Communes where agro-processing and post-harvest technologies will contribute strongly to stabilising agricultural production and improve food security.

5 Off-Farm Service Providers

Based on the results of the Baseline Investigation and the recommendations provided above, a number of possible local service providers were investigated. RUDEP has already begun discussions with two relevant Colleges to assess their capacity to work with the Program. Two of these local service providers are:

- **Quang Ngai Finance and Accounting College (No. 4):** Situated in Quang Ngai Town, the College provides short-term training on accounting, administration, and business management skills. The College has over 60 lecturers, of which 25 have either a PhD. or MSc. The Program is currently discussing with this College about their capacity to provide financial, accounting and business management skills training to existing small businesses and enterprises in Program Communes.
- **Quang Ngai Community College:** The Quang Ngai Community College is the leading vocational training centre in Quang Ngai Province offering a range of courses and certificates: computing; food and agro-processing; business administration; and training of skilled workers. If the College does not have the training expertise within, they are able to source suitably qualified trainers from other Provinces. The Program is currently discussing with this College about their capacity to provide training on agro-processing and post-harvest training and vocational courses to improve skills levels of local workers.

In addition to these service providers, RUDEP has also been discussing off-farm activities and technologies with the Department of Agriculture and Rural Development, the Women's Union and Fisheries Extension Centre. RUDEP will continue to work with these Government Departments to determine capacity to work with the Program on its off-farm income generating activities.

In addition to these local service providers, RUDEP has also held discussions with:

- The UNIDO Project '**Promotion of Small and Medium Enterprises for Women involved in Food Production**'. Discussions were held with the Project Management Team and the Danang Women's Union on project activities related to food production technologies for women's food enterprises and the relevance of these activities to RUDEP.
- **Viet Nam Institute for Agricultural Engineering and Post-Harvest Technologies.** Commune and District officials visited this Institute to discuss relevant agro-processing technologies that could be adopted in Quang Ngai Province. RUDEP is currently seeking further involvement of the Institute in the Program's off-farm activities through a possible service contract.

6 Conclusions

The Baseline Investigation provided sufficient information for RUDEP to be assisting households and Program Communes to generate off-farm income. The results demonstrate that:

- There are a wide range of off-farm activities being implemented by households in Program Communes;
- Current procedures for households to establish an enterprise are simple and don't appear to be a restriction to RSIE development in Program Communes;
- Considerable opportunities exist to support households to improve existing RSIE with financial and business management skills (mainly in lowland Communes);
- It is evident that the predominant source of income for most people is through agriculture; therefore RUDEP will need to support household post-harvest and agro-processing technologies to increase income, stabilise agricultural production and improve food security;
- Considerable numbers of households are engaged in food production activities (for local consumption) and it probable that improved food production techniques could be introduced to these households; and
- Market and outlets and improving quality of a range of products will be required to improve income generated through off-farm activities.

Based on the recommended activities provided in the Baseline Investigation, inputs will now be provided to RUDEP throughout the 2003/2004 Annual Plan that focus on:

- Introducing agro-processing and post-harvest technologies appropriate to locally farmed products and household resource constraints;
- Support households engaged in local food production with new food production technologies and practices; and
- Support households engaged in small businesses and enterprises with business and financial management skills training.

These off-farm activities will also be supported through study tours, training and inputs from three National Consultants. Discussions have also been held with local Government Departments and possible service providers to assist RUDEP with its RSIE promotion activities.

Limitations

URS Australia Pty Ltd (URS) has prepared this report for the use of AusAID Quang Ngai Rural Development Program in accordance with the usual care and thoroughness of the consulting profession. It is based on generally accepted practices and standards at the time it was prepared. No other warranty, expressed or implied, is made as to the professional advice included in this report. It is prepared in accordance with the scope of work and for the purpose outlined in the Program Design Document.

The methodology adopted and sources of information used by URS are outlined in this report. URS has made no independent verification of this information beyond the agreed scope of works and URS assumes no responsibility for any inaccuracies or omissions. No indications were found during our investigations that information contained in this report as provided to URS was false.

This report was prepared during August 2003 and is based on the conditions encountered and information reviewed at the time of preparation. URS disclaims responsibility for any changes that may have occurred after this time.

This report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties. This report does not purport to give legal advice. Legal advice can only be given by qualified legal practitioners.

Annex 1

Registered RSIEs in RUDEP Program Communes

Annex 1: Registered RSIEs in RUDEP Program Communes

Table 1: Registered Businesses and Off-Farm Activities in Duc Phong Commune

Off-Farm Activity	Number of HHs
Carpentry	6
Rice milling	31
Selling Insecticides	14
Livestock Feed Stores	1
Convenience Stores	13
Hatching Eggs (duck)	6
Abattoirs (pig and cattle)	12
Bakery	1
Tailors	5
Ice-cream making	3
Window Frame Production	2
Welding	2
Motorbike Service	11
Selling Scrap Metal	1
Meat Selling	2
Pharmacy	1
Clothes Shop	5
Construction Materials	1
Electrical Goods	1
Restaurants (small)	8
Total	126 HHs

Table 2: Registered Businesses and Off-Farm Activities in Tinh Tho Commune

Off-Farm Activity	Number of HHs
Mining	2
Metal Work	1
Rice milling	20
Carpentry	4
Abattoir (pig and cattle)	3
Restaurants	3
Motorbike and Bicycle Repair	7
Meat Selling	3
Fish Sauce Selling	2
Convenience Stores	13
Insecticide and Fertilizer Supplier	4
Tailor	4
Petrol Seller	1
Total	67 HHs

Table 3: Registered Businesses and Off-Farm Activities in Pho Chau Commune

Off-Farm Activity	Number of HHs
Rice Milling	3
Making Ice-Cream	3
Bakery (Bread Making)	2
Convenience Stores	1
Seafood Sellers	2
Restaurants	25
Total	36 HHs

Table 4: Registered Businesses and Off-Farm Activities in Hanh Phuoc Commune

Off-Farm Activity	Number of HHs
Brick Making	40
Mulberry	3
Carpentry	2
Making Ice-Cream	1
Ice Making	1
Rice Milling	23
Restaurant	1
Hatching Eggs (duck)	2
Convenience Stores	22
Fertilizer and Insecticide Sellers	7
Motorbike Repair	5
Barber	2
Tailor	3
Welding (Metal Work)	3
Pharmacy	1
Fish Sauce Selling	2
Construction Materials Shop	2
Electrical Goods Shop	2
Meat Seller (pig)	9
Total	131 HHs

Annex 2

RSIE Registration Form

Annex 2: RSIE Registration Form

Socialist Republic of Viet Nam
Independence - Freedom - Happiness

ĐƠN ĐĂNG KÝ KINH DOANH HỘ KINH DOANH CÁ THỂ

Kính

gửi:.....

Tôi tên là:(ghi bằng chữ in
hoa).....

Sinh ngày:...../...../.....Dân
tộc:.....

Chứng minh nhân dân
số:.....

Ngày cấp:...../...../.....Nơi
cấp:.....

Nơi đăng ký hộ khẩu thường
trú:.....

.....
.....

Chỗ ở hiện
tại:.....

.....

Điện thoại:.....

Fax:.....

ĐĂNG KÝ KINH DOANH HỘ KINH DOANH CÁ THỂ VỚI NHỮNG NỘI DUNG SAU

1/ Tên hộ kinh doanh, hoặc tên cá nhân, hoặc đại diện hộ gia đình (ghi bằng chữ hoa):

.....
.....

2/ Địa điểm kinh doanh:

Thôn:.....Xã:.....

Huyện:.....Tỉnh:.....

.....

Tại thửa đất số:.....Diện tích cơ sở kinh
doanh:.....m

Đông giáp:.....

Bắc giáp:.....

Tây giáp:.....

Nam giáp:.....

3/ Ngành nghề kinh

doanh:.....

.....

.....

.....

.....

4/ Vốn kinh

doanh:.....

Tôi cam kết

- Bản thân không thuộc diện pháp luật cấm kinh doanh; không đồng thời là chủ doanh nghiệp tư nhân, thành viên hợp doanh của công ty hợp doanh.
- Địa điểm kinh doanh thuộc quyền sở hữu/ quyền sử dụng hợp pháp của hộ kinh doanh cá thể.
- Tự chịu trách nhiệm về tính chính xác, trung thực của nội dung đăng ký kinh doanh.

Kèm theo đơn

ngày.....tháng.....năm.....

.....,

.....

Cá nhân hoặc đại diện hộ gia đình

.....

(Ký và ghi rõ họ tên)

ỦY BAN NHÂN DÂN
NAM

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT

HUYỆN
PHÒNG TÀI CHÍNH-KẾ HỌACH

Độc lập-Tự do-Hạnh phúc

.....

GIẤY CHỨNG NHẬN ĐĂNG KÝ KINH DOANH
HỘ KINH DOANH CÁ THỂ
Số:.....

Đăng ký lần đầu, ngày.....tháng.....năm.....

1/ Tên hộ kinh doanh, hoặc tên cá nhân, hoặc tên đại diện hộ kinh
doanh:.....

.....

2/ Địa điểm kinh
doanh:Thôn:.....Huyện:.....

Tỉnh:.....Điện
thoại:.....

3/ Ngành nghề kinh doanh:.....Mã
số:.....

4/ Vốn kinh
doanh:.....

5/ Họ và tên cá nhân, hoặc đại diện hộ gia
đình:.....

Sinh ngày:.....Dân
tộc:.....

Chứng minh nhân dân số:.....Ngày cấp.....Nơi
cấp.....

Nơi đăng ký hộ khẩu thường
trú:Thôn:.....Xã:.....

Huyện:.....Tỉnh:.....

.....

Chỗ ở hiện
tại:Thôn:.....Xã:.....

Huyện
.....Tỉnh:.....

Chữ ký của cá nhân hoặc đại diện hộ gia
đình:.....

PHÒNG TÀI CHÍNH-KẾ HỌACH.