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## **Acacia Wood Production and Commercialisation Systems for Smallholder Livelihood Development in Central Vietnam**

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### **Abstract**

Since the 1990s, the Vietnamese government has adopted the policy of allocating degraded forest land for afforestation and sustainable management to smallholder households. This policy aims to achieve environmental objectives as well as simultaneously improve rural livelihoods and forest-based industries. After the restriction of timber harvests from natural forest in 2014, domestic material sources for forest-based industries mainly come from plantation forests of which more than half is under the management of smallholder households. One of the most important species currently cultivated by smallholder is hybrid *Acacia* (*Acacia auriculiformis* × *Acacia mangium*) due to its suitability for local conditions, early benefits and low upfront investment. The *Acacia* hybrid plantations contribute to smallholders' diversification strategy which enables them to reduce farm-risk, increase income and enhance food security. However, a comprehensive analysis of this sector, so far, is lacking.

This paper elucidates the contribution of *Acacia* hybrid plantations and commercialisation in Thua Thien Hue province, where the species has been cultivated since approximately 20 years. 60 household heads in 3 villages of Nam Dong district were interviewed, following a stratified random sampling approach. 6 in-depth household case studies have been conducted to further complement qualitative insights. The findings were validated in group discussions and expert interviews.

Initial results illustrate that *Acacia* hybrid system accounted for more than 70% of the total timber quantity provided by the plantation forest in Thua Thien Hue province. The crucial position in rural livelihood of such system was unequivocal and sometime it constituted the only income source for smallholders. However, the commercial potential of these plantations wasn't fully utilised as premature harvesting by growers commonly occurred to fulfill their urgent cash demands. Smallholders were also negatively affected by lack of information, limited capital sources and difficult market access. Recommendations refer to the improvement of the productivity and profitability of *Acacia* hybrid plantations and the role of the government, supporting organisations and industry sectors in achieving these targets are delineated.

**Keywords:** *Acacia* hybrid, livelihood, profitability, smallholder, timber, Vietnam