



# Laos

# Laos

- Population of 4.5 million (mostly in the south)
- There are over 60 spoken languages
- Agricultural based society; >85% of the population is involved in agriculture
- The agriculture infrastructure in northern Laos is poorly developed, but improving
- The average yearly income is <\$300

# Development Philosophy

Natural Products International is a true Business

NPI is an agricultural business complex (by necessity it has had to do all aspects of agriculture business from seed production and distribution to extension work, commodities storage, and food processing)

Our purpose is to make a sustainable business that produces human-grade and animal feed mill.  
(Sustainable means profitable)

We believe that giving people opportunities and free choices is the best way to bring development to a nation. (Let market demand lead development)

# Economic Impact

- Over 600 farmers plant soybeans for NPI (this does not include corn farmers)
- Seven years ago, no one planted soybeans, now 100s of tons are produced and sold every year.
- The average soybean farmer who plants for NPI realizes a 30% yearly income increase
- NPI mill is the 2<sup>nd</sup> largest business in Bokeo (that does not mean we are large, it means that there is no other industry)
- Currently most of Laos' eggs, fish and poultry come from Thailand or China...we are changing that.
- NPI injects over \$100,000 into the local economy per year.

# NPI employees

- Most of the workers are local villagers
- None of the workers when hired had experience in the milling business
- All received on the job training
- The mill can run with no outside management

# Soybeans

- Good source of vegetable protein
- Useful in human food and animal feed production
- Have a very large market demand
- Can be grown in a variety of soil types and climates
- Easy to store
- Holds true to variety integrity

# Extension

- NPI spoke with experts in Thailand and conducted trials at the mill and on farmer plots to find the best times and methods of growing soybeans
- Trained our mill extension workers
- Selected headmen in the villages to be representatives at the village. They were paid a percentage of beans sold to us
- Contracts were made to guarantee a price
- NPI is now changing to market driven pricing with no contracts

# Soybeans Varieties

There are many types...choose wisely

- Suitable for tofu and soymilk (human consumption)
  - Light colored hylem
  - No small, light or discolored seeds
  - Higher end value (smaller market generally)
- High protein (animal feed production)
  - Lower price normally (larger market generally)
- Specialty markets (Oil and other types)

# Soybeans Varieties

There are many types...choose wisely

- Photosensitive (night length effects maturity times)
- Drought tolerant
- Insect and disease tolerant

Planting dates and rates are very variable. Do your own field trials to determine what is best for your location.

# Dry-season paddy field planting.

Soybeans planted in rotation with rice are an excellent agricultural system:

## Advantages

- Soybeans are an off-season crop and are not in competition with other crops
- The following rice crop yield increases an average of 15%.
- There are very few weed problems in soybeans planted in paddy fields
- Some farmers have planted rice/soy rotations for 6 years with no decrease in the rice or soybeans yields
- Many of our farmers use no inputs

## Disadvantages

- The paddy field must have irrigation during the dry season

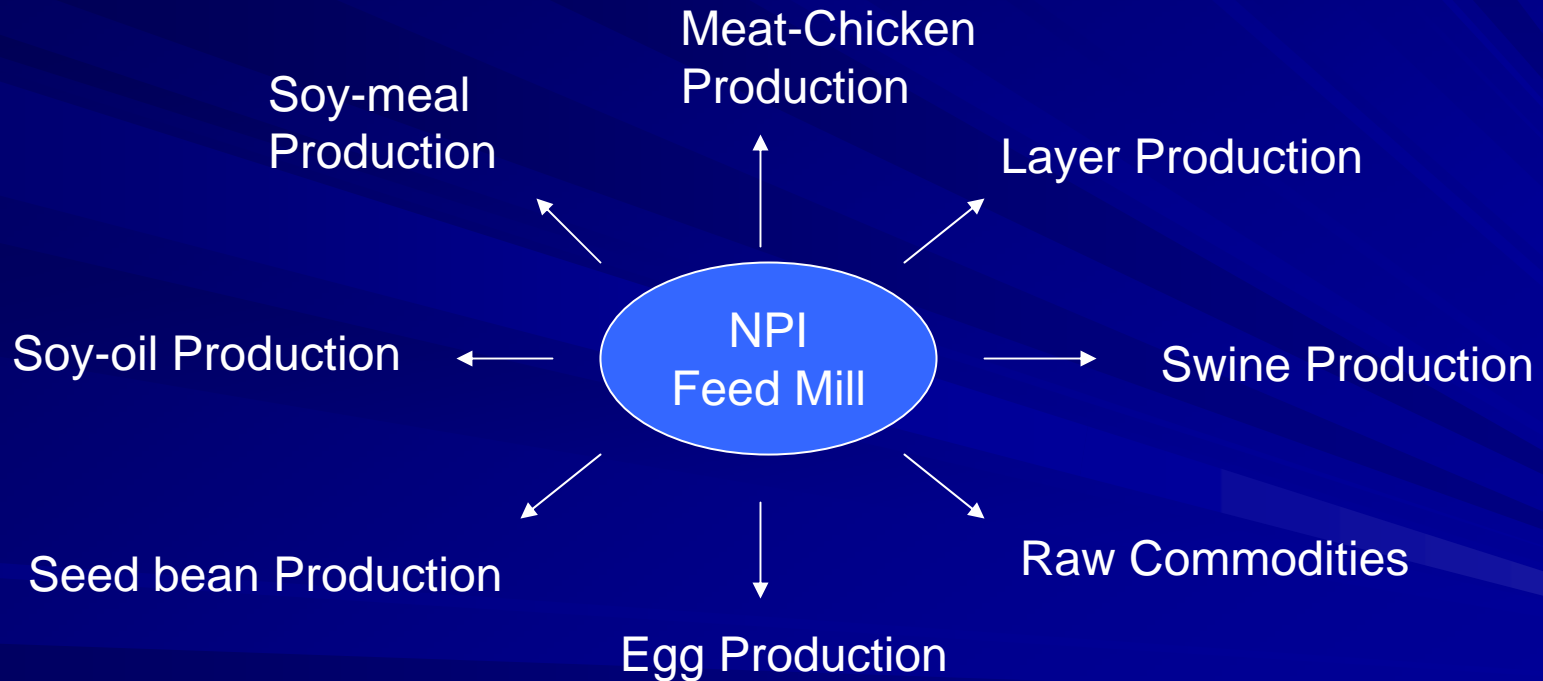
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# Storage

- Soybeans are generally easier to store than corn and some other grains
- Can be stored in sacks before transporting to the market
- Soybeans dry down easier than corn
- Can be stored wetter longer than corn
- Generally more resistant to storage pest than corn
  
- Seed soybeans must be handled gently and not stored in high temperatures

# Natural Products International

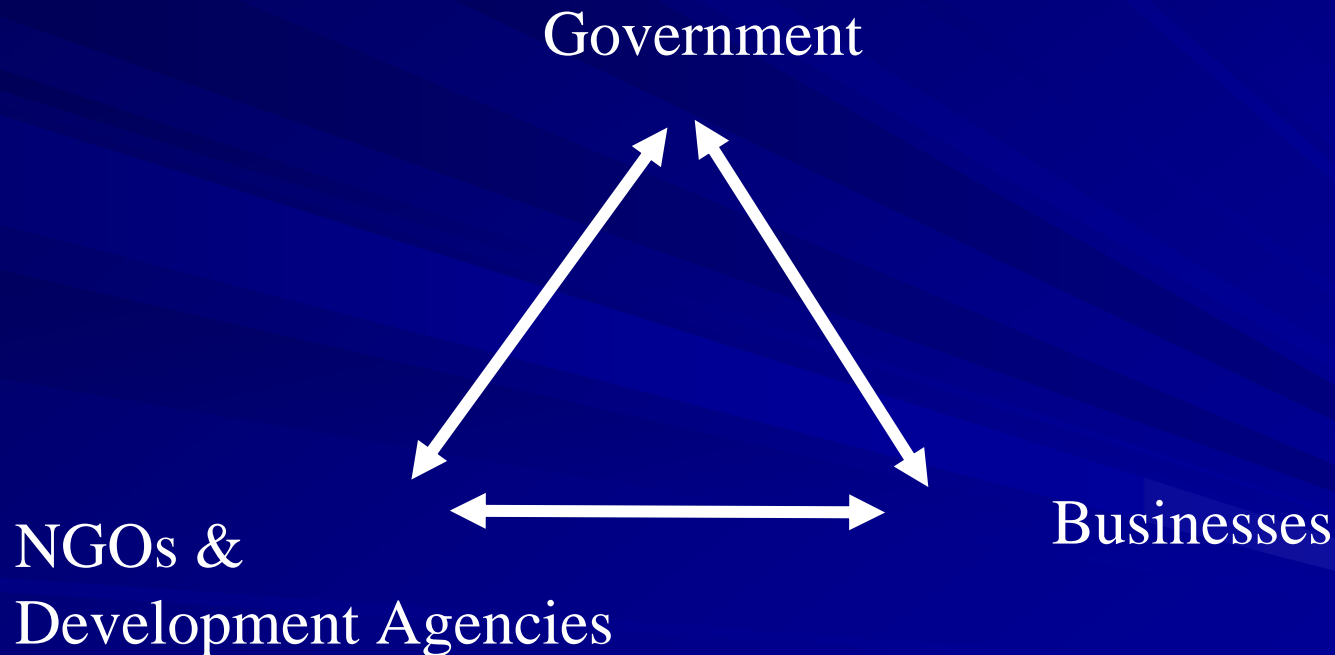
## A business creates other businesses



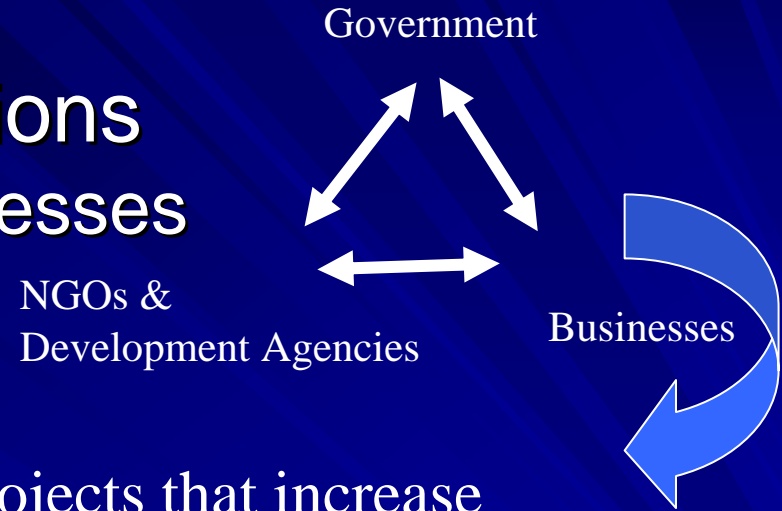
# Hurdles for start-up businesses in developing countries

- Physical difficulties
- Lack of Infrastructure
- Government, NGO and societal prejudices
- High startup and working capital costs
- Lack of technical knowledge in the labor group
- High risks
- Little investment capital available
- Little cooperation between the local government, NGOs and other development agencies

# Sustainable Development Must Include Cooperation Between:



# Development Organizations and how they can help businesses



Continue to do development projects that increase infrastructure such as roads and irrigation systems

Coordinate with local businesses to help establish raw commodity production in a region

Actually promote foreign and domestic businesses

Try to influence the government to make business friendly laws

# Other ways to promote development

- Don't create a subsidy based society
- Don't be afraid to link with business (foreign or domestic owned)
- Don't be afraid to help someone make a profit
- Be willing to work yourselves out of a job



Contact information:

Kirby Rogers

[krcrogers@npisoy.com](mailto:krcrogers@npisoy.com)

P.O. Box 87

ChiangKhong, ChiangRai

57140

Thailand