

LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

MINISTRY OF AGRICULTURE AND FORESTRY  
PLANNING DEPARTMENT

NATIONAL REPORT  
TO  
**CFS**

ON THE IMPLEMENTATION  
OF THE WORLD FOOD SUMMIT PLAN  
OF ACTION UNTIL END 2003

Vientiane, September 2004

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## BACKGROUND INFORMATION

1. **Name of the country:** Lao People's Democratic Republic
2. **Name of the reporting institution or unit :** Department of Planning  
Ministry of Agriculture and Forestry
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4. **Institution arrangements**  
established for the follow-up of  
the WFS Plan of Action (if any): N/A
5. **Total population in 1996 and 2003:**

	<u>1996</u>	<u>2003</u>
Total population (Thousand persons)	4,727.6	5,679
6. **Estimated number**  
of the food insecure in the country:

### 6.1 Number in 1996

With a yearly rice intake per person 180 kg/milled rice/person, the total requirement for rice consumption can be estimated at 850,968 tons per year (white rice), or 1,418,280 tons of paddy rice. The production for 1996 was 1,414,000 tons of paddy rice. As 60 percent of the weight are husk and some other percent are lost in various processes, the production of rice can be estimated at 721,683 tons (white rice), which means a deficit of about 129,285 tons if compared to the estimated level of rice requirement for consumption.

### 6.2 Number in 1999

The total production for 1999 in Lao PDR was 2.102.815 tons of paddy rice. The production of white rice was estimated at around 1.073.243 tons. The total requirement for rice for consumption can be estimated at around 916.398 tons. This means that in 1999 there was a surplus of 156.845 tons.

### 6.3 Number in 2003

The total production for 2003 in Lao PDR was 2.375.100 tons of paddy rice. Thus the production of white rice can be estimated at around 1,472,562 tons. Total

requirement for rice can be estimated at 1,022,220 tons per year, or an equivalent 1,703,700 tons of paddy rice. This means the production of rice in 2003 has achieved a surplus of about 402,800 tons of white rice.

**7. The estimate is based on:**

Type of Information	Date Collected
1. Rice balance sheet	<ul style="list-style-type: none"> <li>Summary from FAO/UNDP Crop and Food Supply Assessment Mission, 1996</li> </ul>
2. For analysis of LECS, two poverty lines were constructed; the first at a level of income sufficient to purchase 2100 calories of food per person per day (food poverty lines) and the second a higher line which included some allowance for non-food expenditure. At the time of the survey, the food poverty line was 8,558 kips per person per month and the higher line was 11,472 kips per persons per month.	<ul style="list-style-type: none"> <li>Lao Expenditure and Consumption Survey, 2002/03 by National Statistics Center, State Planning Committee</li> </ul>

	1996	2003
Requirement (kg/milled rice/pers)	180	180
Population	4,727,600	5,679,000
Total milled rice required (tons)	850,968	1,022,220
Production	1,414,000	2,375,100
Seed and Post harvest losses, 16%	226,240	380,016
Net paddy milled (tons)	1,187,760	1,995,084
Milled rice production at 62% recovery	736,411	1,236,952
Less rice for other use 2%	14,728	24,739
Net milled rice available (tons)	721,683	1,212,213
Surplus/deficit (tons)	-129,285	189,993
% self-sufficiency	-11%	10%

Through the Food Production Programme, the Government is committed to meeting its obligation made at the 1996 World Summit (FAO, Rome): to reduce the number

of undernourished people by 50 % of the 1996 level by not later than 2015. From this point of view of Lao villagers, the fundamental causes of their poverty are those that affect rice yields and number of livestock. On the basis of criteria developed by the government, 72 districts have been identified as poor, out of which, 47 have been identified for priority intervention during 2003-05.

Poverty analysis in Lao PDR has drawn heavily from the Lao Expenditure and Consumption Surveys (LECS) which take place every 5 years, starting in 1992/93. The LECS III survey was completed in February 2003. The LECS III is more comprehensive compared to the previous surveys. It includes expanded modules on health, education, labor force and other interests. Poverty has decreased dramatically over the last decade, from 45 per cent of the population in 1992/93 to about 30 per cent in 2002/03.

Table: Percentage of poor by region

Regions	1992-93	1997-98	Annual rate in decrease of poverty
Vientiane Capital	24.4	12.2	-13.9
Northern region	58.4	52.5	-2.1
Central region	39.5	34.9	-2.5
Southern region	45.9	38.4	-3.6
Lao PDR	45.0	38.6	-33.1

The percentage of poor decreased from 45.0% in 1992-93 to 38.6% if compare to 1997-98. The northern region has the highest incidence of poverty. There were considerable variations in the rate of progress in poverty reduction. The north is not only the poorest region, it has experience the lowest rate of reduction in poverty. Progress in poverty reduction has been much more intense in the Mekong Corridor or low-land than in the upland. In addition to differing agricultural potential, this reflects differences in the quality and availability of basic services because roads are better; access to markets for low-land farmers is easier.

Diversification and commercialization have progress considerably. For the most part, upland farmers continue their traditional ways and practices, and face many hardships. The area base development (focal area) approach which, is at the basis of the government rural development strategy, places, high priority on improve services, more sustainable land use, and increases income among the rural poor. Investment in rural development needs to be greatly intensified especially in the poorest districts.

## SECTION II. PRIORITY PROBLEM AND RELATED OBJECTIVE<sup>1</sup>

Achieving food security has always been one of the most important policy objective of the Government of Laos (GoL). The policy of the Government is to support Lao farmer livelihood strategies which objectives are ( I ) achieving household food security and (ii) channeling remaining land, capital and labor resource into diversified crop farming system enterprise.

Lao PDR is classified as a low income food deficit country, according to the data of FAO 1996, the daily per capita availability in Lao PDR was 2,213 Kcal in 1991-92. The shares of the major food crops were cereals 70.8%; root tuber, bananas and plantains 5.8%; pulses, bean and soy bean 3,8%; fruit and vegetable 2,5%; animal products 10.5%; alcohol and beverage 2%; fat and oil 0.9%. Food self sufficiency is based on the production of rice to meet domestic needs and stock. Since rice is the main staple food of Lao people ( participation rate is nearly 100%) and covers more than 64%; of total area by land use 1/. of total area of cultivated land so the priority problem is how to increase the rice production.

From 1975 to 1995 the production growth rate of rice fluctuated from year to year and remained stagnant for a long time. In a good year the Northern provinces record deficit of rice for about 2 to 3 months and in the case of the Central and Southern provinces there is just a small surplus. But when natural calamities occur, especially droughts and floods, all 3 regions of the country suffered heavy deficit of rice. GoL had to request emergency aid and import rice.

Since 1996, GoL has established programs for national economic development where the food production program is ranked as a top priority. This coincides with the implementation of the World Food Summit Plan of Action. Thank to concrete measures laid down to accelerate the expansion of dry season irrigated area, the production of rice, in the country has now reached, for the first time in history, basic rice self-sufficiency.

Nevertheless the pace of change in Lao PDR has been markedly uneven. Along the Mekong corridor, market forces are now driving the agricultural economy. In the mountainous area, subsistence agriculture and acute rural poverty predominate. In order to remedy this situation GoL has developed the Government's Strategic Vision for the Agricultural Sector which is now being disseminated to all provincial staff. This Vision will be translated into concrete action programs and projects in always to serve as a reference for the harmonization of resource allocations into priority development requirements.

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<sup>1</sup> "National Growth and Poverty Eradication Strategy" (NGPES), Committee for Planning and Cooperation, Lao PDR, 2004

### SECTION III. IMPLEMENTATION

POA Objective	Progress in Achieving the Objective	Actions Taken
<p><b>Commitment 1:</b> we will ensure an enabling political, social and economic environment designed to create the best condition for the eradication of poverty and for durable peace, based on full and equal participation of women and men, which is most conducive to achieving sustainable food security for all;</p>		
<p><b>Objective 1.1:</b> To prevent and resolve conflicts peacefully and create a stable political environment, through respect for all human rights and fundamental freedoms, democracy, a transparent and effective legal framework, transparent</p>	<ul style="list-style-type: none"> <li>• Since 1996 to date, Lao PDR has enjoyed a period of peace with a stable political environment. The government of Lao PDR (GoL), through its consistent foreign policy based on the principle of equality,</li> </ul>	<ul style="list-style-type: none"> <li>• Regular exchange visits and negotiations with leaders of neighboring countries</li> <li>• Lao joined ASEAN in 1997</li> <li>• Undertakings of border demarcation with neighboring counties in progress</li> </ul>

<p>and accountable governance and administration in all public and private national and international institution, and effective and equal participation of all people, at all levels, in decisions and actions that affect their food security.</p>	<p>peace, non-interference and mutual benefit based cooperation, has made many progress in improving the national political environment. In addition, many policies and legal framework has been created and implemented to ensure the respect of human right, freedoms and democracy.</p>	<ul style="list-style-type: none"> <li>• Implement Policy of decentralization</li> <li>• Implement Policy of equality among ethnic groups</li> <li>• Implement Policy of participatory planning and bottom up approach.</li> </ul>
<p><b>Objective 1.2:</b> To ensure stable economic condition and implement development strategies which encourage the full potential of private and public, individual and collective initiatives for sustainable, equitable, economic and social development which also integrate population and environmental concerns.</p>	<ul style="list-style-type: none"> <li>• In spite of the effects of the financial and economic crisis in South East Asia in 1997, the GoL has put a lot of efforts to ensure stable economic conditions and implement development strategies especially in the field of agriculture. Since then many important laws had been endorsed. Major national road network has greatly been improved. A number of concrete measures such as the elimination of inter-provincial commodity transport licensing and removing a number of restrictions on</li> </ul>	<ul style="list-style-type: none"> <li>• GoL is committed to trade liberalization and regional economic integration along the guidelines of AFTA, WTO and ASEAN</li> <li>• In October 2004, GoL will participate to the WTO First Working Party</li> <li>• GoL is prepared to take concrete moves in this direction in concert with parallel and reciprocal moves by its trading partners.</li> <li>• National road from north to south is nearly completed.</li> <li>• Increase of dry season irrigated area from 17.000 ha in 1996 to more than</li> </ul>

	<p>commodity exports have also been undertaken. The government has also streamlined licensing procedures for businesses, including agri-businesses and plans to make additional reforms over the coming years to intermediate term.</p>	<p>100.000 ha in the year 2004.</p> <ul style="list-style-type: none"> <li>• Endorsement of laws: <ol style="list-style-type: none"> <li>1. Forestry law 11/1996</li> <li>2. Land law 4/1997</li> <li>3. Agriculture law 10/1998</li> <li>4. Water resource law 10/1996</li> <li>5. Investment law 3/1994</li> <li>6. Veterinary law under consideration by GoL and others...</li> </ol> </li> <li>• Implementation of Policy on equal footing for all economic enterprises.</li> </ul>
<p><b>Objective 1.3:</b> To ensure gender equality and empowerment of women.</p>	<ul style="list-style-type: none"> <li>• It is the government policy to ensure gender equality and empowerment of women.</li> </ul>	<ul style="list-style-type: none"> <li>• Lao Women Union has been established longtime ago and has been strengthened continuously.</li> <li>• The policy on empowerment of women has always been promoted and encouraged at all levels (from central government to local government and among village communities).</li> <li>• Regional workshop on Gender with FAO assistance organized in Vientiane in September 2004</li> </ul>

<p><b>Objective 1.4:</b> To encourage national solidarity and provide equal opportunities for all, at all levels, in social, economic and political life, particularly in respect of vulnerable and disadvantaged groups and persons.</p>	<ul style="list-style-type: none"> <li>• GoL recognized that national solidarity is the foremost important policy objective. In this respect, GoL has put great effort to improve the livelihood of vulnerable and disadvantaged groups and persons.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of participatory and decentralization policy.</li> <li>• Implementation of integrated rural development projects focusing on the most vulnerable areas in collaboration with the international organizations such as UNDCP, UNDP, WFP as well as with NGO...</li> </ul>
<p><b>Commitment 2: we will implement policies aimed at eradicating poverty and inequality and improving physical and economic access by all, at all times, to sufficient, nutritionally adequate and safe food and its effective utilization;</b></p>		
<p><b>Objective 2.1:</b> To pursue poverty eradication, among both urban and rural poor, and sustainable food security for all as a policy priority and to promote, through sound national policies secure and gainful employment and equitable</p>	<ul style="list-style-type: none"> <li>• Many concrete measures to pursue poverty eradication in both urban and rural poor areas have been undertaken by the government as well as the private sector since 1997 to 2000. This is illustrated by the fact</li> </ul>	<ul style="list-style-type: none"> <li>• Increase investment in irrigation schemes in all provinces</li> <li>• Establishment of credit services by APB in both the urban and remote provinces.</li> <li>• Establishment of National Leading</li> </ul>

<p>and equal access to productive resources such as land, water and credit, so as to maximize the incomes of the poor.</p>	<p>that before 1997 half of the total dry season irrigated area (about 17000 ha) is confined to the Vientiane plain, now more than 100.000 ha irrigated area is spread all over the country. Vientiane plain represent only about a quarter of the total irrigated area. In the past only government agencies supply most of the agriculture inputs, at present the private sectors are more active in providing services. The Agricultural Promotion Bank (APB) has extended their branches over the whole country The amount of credit has also increased. Most of the credit is to support agricultural production and diversification, special attention is given also to the more remote highlands.</p>	<p>committee for Rural Development Committee as with networking in all province.</p> <ul style="list-style-type: none"> <li>• Land Allocation for farming communities is gradually carried out over the country.</li> </ul>
<p><b>Objective 2.2:</b> To enable food insecure households, families and individuals to meet their food and nutritional requirement and to seek to assist those</p>	<ul style="list-style-type: none"> <li>• In 2003 there was a surplus of rice production at national level.</li> <li>• Food security at household, family and individual levels are considered</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of Extension Agencies for crop, Livestock and Forestry</li> <li>• Establishment of seed animal breed multiplication center to ensure the</li> </ul>

<p>who are unable to do so.</p>	<p>the ultimate aim of the national food security program. So far there are many programs aimed at increasing food production by intensification and diversification of the farming systems. Home garden and other income generation activities have also been encouraged throughout the country.</p>	<p>supply of seed and animal breed, as well as the rehabilitation of the animal feed mill in Vientiane (the capital is nearly self sufficient)</p> <ul style="list-style-type: none"> <li>• Creation of model farmers throughout the country</li> <li>• Investment in animal feed mills over the country.</li> </ul>
<p><b>Objective 2.3:</b> To ensure that food supplies are safe, physically and economically accessible, appropriate and adequate to meet the energy and nutrient needs of the population.</p>	<ul style="list-style-type: none"> <li>• The level of pesticide use is still very low compared to other countries. The government has also established rice stock to ensure safe supplies all over the year. However the level of consumption of meat, fruit and vegetable is still low especially in the rural area.</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of rice production and other crops.</li> <li>• Promulgation of Pesticide Use Regulations</li> <li>• Creation of rice stock by the government</li> <li>• AEAN Food Security Board member.</li> <li>• Creation of Food and Drug inspection Board (inter ministerial body) with office located at the Ministry of Public Health</li> <li>• IPM for rice and vegetable production</li> </ul>

<p><b>Objective 2.4:</b> To promote access for all, especially the poor and members of vulnerable and disadvantaged groups, to basic education and primary health care provision in order to strengthen their capacity for self-reliance.</p>	<ul style="list-style-type: none"> <li>• Since approximately 80% of the population is living in the rural area, integrated rural development is considered as the main instrument to overcome the problem of inaccessibility. Basic education and primary health care projects are now being implemented all over the country. Land allocation program and the irrigation management transfer to the communities are now implemented nation-wide in order to increase their capacity to achieve food self-sufficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory planning at grass root level undertaken in the whole country</li> <li>• Land allocation programs accelerated</li> <li>• Irrigation Management Transfer is a priority policy.</li> </ul>
<p><b>Commitment 5:</b> we will endeavor to prevent and be prepared for natural disasters and man-made emergencies and meet transitory and emergency food requirements in ways that encourage recovery, rehabilitation, development and capacity to satisfy future needs;</p>		

<p><b>Objective 5.1:</b> To reduce demands for emergency food assistance through enhancing efforts to prevent and resolve man-made emergencies, particularly international, national and local conflicts.</p>	<ul style="list-style-type: none"> <li>• Lao PDR is not anymore in great need for emergency food assistance. However food security achievement in the more remote areas of the country is still problematic (that is access of households to food).</li> </ul>	<ul style="list-style-type: none"> <li>• Increase foreign cooperation</li> <li>• Increase investment in rural development especially to remote areas.</li> </ul>
<p><b>Objective 5.2:</b> To establish as quickly as possible prevention and preparedness strategies for LIFDCs and other countries and regions vulnerable to emergencies.</p>	<ul style="list-style-type: none"> <li>• At regional level GoL has joined the Asian Food Security Board. Lao PDR has given 3000 tons of rice for effective emergency response within ASEAN. GoL is strongly supporting the East Asia Emergency Rice Reserved (EAERR) initiated by the ASEAN + 3 Meeting in Vientiane 2002</li> <li>• At national and local level GoL has allocated budget to buy paddy rice in the surplus areas for establishment of a reserve.</li> <li>• Development programs in irrigation and diversification of agriculture programs are given national priority.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of state owned enterprises for purchasing food product in the country.</li> <li>• Promote rice production on contract basis with guaranteed price</li> <li>• Promote private sector to participate in the purchasing, processing and distribution service sectors.</li> <li>• Increased investment in agriculture</li> <li>• Promote irrigation programs.</li> </ul>

<p><b>Objective 5.3:</b> To strengthen linkages between relief operations and development programmes, along with demeaning activities where necessary, so that they are mutually supportive and facilitate the transition from relief to development.</p>	<ul style="list-style-type: none"> <li>• To facilitate the transition from relief to development the Government has invested, with the participation of farmer, in the flood prone area of the Mekong corridor plains so that the farmers can double crop production and increase the rate of recovery after the flood. Food for work is also practiced in same areas especially with the construction of irrigation schemes.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the policy to encourage investment in irrigation in the drought and flood prone areas.</li> <li>• Extension work to promote crop intensification and diversification including flood escaping technique by using improved non-photo sensitive rice varieties and other input such as manure, compost and chemical fertilization.</li> </ul>
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## **SECTION IV. LESSON LEARNED**

### **1. Commitment and Objective:**

- Rice self sufficiency by increasing the production to meet the local demand with surplus for reserve and sale.

### **2. Problem addressed:**

- Rice production growth rate fluctuated due to predominance of a subsistence agricultural system and the increased frequency of natural calamities especially drought and flood.

### **3. Priority action:**

- Accelerate the extension of dry season irrigated areas in the lowland.
- Promotion of rice intensification practices using improved varieties, IPM, fertilization and mechanization.

### **4. Action began :**

- 1996-97 dry season diversification of existing rice based agricultural systems.

### **5. Concrete steps have been taken to ensure success of the action:**

- Government decision for development of dry season irrigation in the lowland and diversification of agriculture especially.
- Increase investments in agriculture through foreign /local investment and credit programs
- Promoting Irrigation Management transfer programs.
- Increase production of improved rice seed
- Increase private involvement in supply of input
- Support extension systems and network.

### **6. Success have been achieved thus far:**

- Increase dry season irrigated areas from 17.000 ha in 1996 to 102.000 ha in 2000.
- Dry season rice production increase from 71.500 ton to 436.200 ton.
- Total rice production in 2000 is 2.201.700 tons that means at national level basic rice self sufficiency has been reached.

### **7. Policy reorientation or budgetary reallocation have been implemented thus far:**

- Irrigation Management Transfer or project ownership transfer to farmers.
- Budget reallocation to develop dam and weir and improve the existing schemes.

**8. Constraints and difficulties have been encountered :**

- Still weak extension systems
- Appropriate technology
- Lack of post-harvest facilities
- Weak support institutions at district and village level
- Weak managerial and technical capacity at local level.
- Supportive legal framework
- Weak market information systems.

**9. The country intends to overcome these constraint:**

- Improve rice marketing within the country and increase export-oriented production
- Create more effective extension system, generate more extension workers.
- Sell for closer collaboration and cooperation with international partners.
- Promote the investment in post-harvest and processing
- Improve the Irrigation Management Transfer

**10. If this action had a high priority, but was not taken the seasons for the lack of action are:**

- Good lessons of the success cases in the past but not documented as a reference for possible dissemination
- Promoting local production of bio-fertilizers (for pesticide-free production)

**11. Bilateral or multilateral cooperation to implement the actions and to overcome the constraints:**

- FAO for FPM farmer field school
- JICA for same irrigation construction and human resource development
- SDC + IRRI for rice research
- Farmer Irrigated Agriculture Trainer Project (UNDP) for the development of training of Trainer
- SDC Extension project

- Holland (Mekong Committee) for Irrigation Management Transfer.
- Many NGO are also involved in the implementation of this action.
- Agricultural Development Project (ADP)-World Bank
- FAO Special Programme for Food Security (SPFS in Lao PDR)
- IPM, FAO/GCP/RAS/160/NET
- IPM, FAO/GCP/RAS/172/NOR REW 2
- Strengthening of Livestock Services and Extension Activities –European Union (EU)
- Improving Livestock Production Systems through the Integration of forages on smallholder farms in Northern Lao PDR (AusAID)
- Increased productivity of rice based cropping systems in Lao PDR (AusAID)

**12.The implementation of this priority action contribution to the reduction of the member of undernourished more than half of the total population**

- In case the above mentioned action programs are implemented in concerted efforts, it is believed that food security could be achieved, not only in the lowlands but also in the more remote areas in the mountainous areas, that is the more vulnerable areas. Thus it is believed that by year 2015, undernourishment in Lao PDR would be resolved.