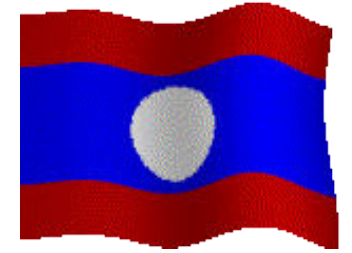




**Lao People's Democratic Republic**



**The Twenty-Eight Meeting of the ASEAN Centre for the  
Development of Agricultural Cooperatives  
(28<sup>th</sup> ACEDAC) Board  
October 2022, Thailand**

**Presented by: Somboune VONGPHET  
Department of Agricultural Extension and Cooperatives (DAEC)  
Ministry of Agriculture and Forestry (MAF), Lao PDR**



# Content



- General Information about Lao PDR
- Policies of Government
- The Organizational Structure and Brief Information about Department of Agricultural Extension Cooperatives (DAEC)
- Main constrains of the Lao agriculture
- The Cooperative Roles
- Number of Cooperatives in Laos
- Key challenges on Agriculture and Forestry Cooperatives Development
- Looking ahead

# General Information about Laos



- Full Name: Lao People's Democratic Republic, commonly referred to as "Laos".
- Capital City: Vientiane
- Land Area : 236,800 sq.km<sup>2</sup>
- Population : 7.23 Millions in 2020
- Density : 27 inhabitants/sq.km
- Province : 18
- District : 148
- Religion : Buddhism
- Official Language : Lao
- Currency : Kip
- Climate : 2 distinct seasons

China (505Km in the North)

Myanmar (2365Km in North west)

Vietnam (2,069Km in the East)

Thailand (1,835Km in the West)

Cambodia (435Km in the South)

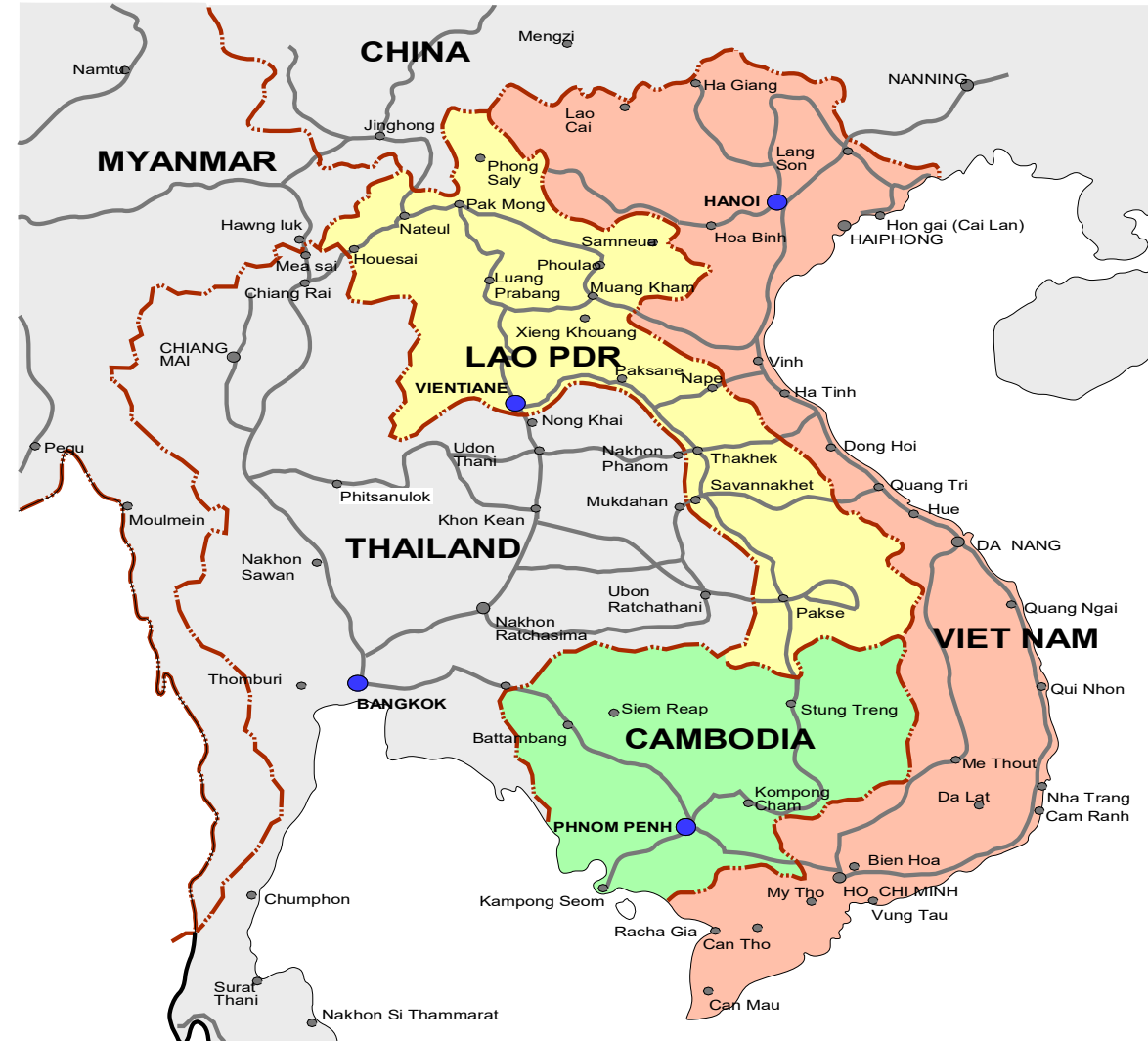




# General Information about Laos (Cont.)



➤ Land-linked country



# Policies of Government



- Policy support for Farmer Organizations Development
  - Prime Minister Decree on Cooperatives No. 136/PM, date 05 March 2010;
    - Minister's Agreement of MAF on Agriculture Cooperatives No.2983, and on Production Groups Establishment and Management No.2984, date 25 September 2014;
- Prime Minister Decree on Groups and Cooperatives No.606/GOL, date 26 November 2020;

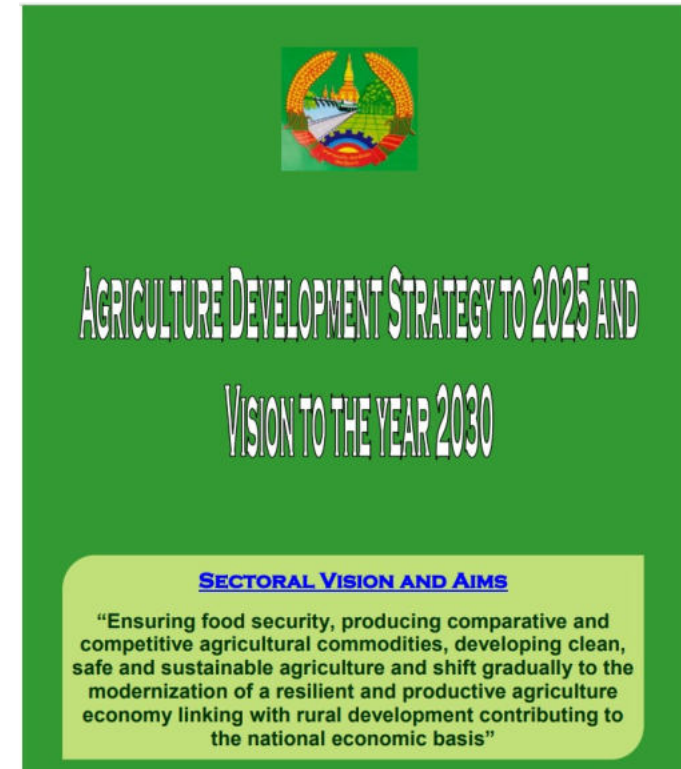


# Policies of Government (Cont.)



## ➤ Agriculture Development Strategy (ADS) to 2025 and Vision to the year 2030

- Aims to ensuring food security,
- Producing comparative and competitive agriculture commodities,
- Developing clean, safe and sustainable agriculture,
- Shift gradually to the modernization of a resilient and productive agriculture economy,
- Connecting with rural development





# Policies of Government (Cont.)



- ADS Action Plans and Projects by 2020 and 2025
  - Agriculture producer's group and cooperative development promotion project;
  - Improve production forces and production relations by establishing strong producer's group with cooperation with people to expand to become association and establish **modern cooperatives** that to be able to access to credit, technology and modern production equipment

# The organizational structure of the Department of Agricultural



## Extension and Cooperatives (DAEC)

Administration and Planning Division

Production Groups Promotion, Coops and Fund Division

Extension Information and Market Linkages Division

Processing Promotion and Nutrition Division

Seed Production and Utilization Division

Promotion of Production Techniques and Mechanization Division

Agricultural Development Centers in 7 provinces



# Brief Information about DAEC



## Roles and Duties

- Farmer organisations development: **producer's group and cooperative development promotion;**
- Provide services and transfer of technical know-how;
- Promote and improve the model of cash crop production, food and nutrition;
- Manage, encourage and promote the post harvest techniques;
- Promote green extension and clean agriculture products;
- Processing Promotion and Nutrition;
- Seed Production and Promotion;
- Production Technique and Machinery;
- Strengthen the capacity of the extension workers at all levels;

# The Cooperative Roles



- Farmer trainers and farmer helpers;
- Improving access to finance;
- Improve market linkages;
- Promote and develop the production;
- Play a significant roles in improving the livelihoods of rural communities;
- Provide services and business operation for their sustainable growth;
- Improve the living conditions of members and contributing to the national socio-economic development;

# Number of Cooperative in Laos



Presently, there are 62 cooperatives by the classification as follows:

- Cooperative in agriculture sector : 27 Cooperatives
- Cooperative in other sector: 35 Cooperatives in micro finance



# Main constraints of the Lao Agriculture



Physical characteristics and climate	Socio-economic	Capacity
Amount and quality of arable land due to mountainous terrain	Farmers lack experience, basic technical production and market skills	Farmers have very limited access to training or other forms of education
Limited water sources during the dry season	Underdeveloped value chains for cash crop and livestock	Limited institutional capacity of government agencies to develop infrastructure, trade and to face economic challenges
Dispersed population with expensive and underdeveloped travel and transport options	Low market prices and strong competition from neighboring countries	Inconsistent policies and regulations create uncertainty in the market
Vulnerability of climate change and natural disasters like floods, droughts and outbreak of pests	Lack of financing for agriculture, and agribusiness as a whole	Inability of farmers and agro-companies to meet standards and food safety regulations

# Key challenges on Agriculture and Forestry Cooperatives Development



- Dissemination and implementation of existing regulations related to cooperatives is still very limited;
- The level of awareness of farmers in production and cooperatives are still low;
- Different understanding on cooperatives among the stakeholders concerned;
- Very limited expertise on cooperatives development;
- No cooperative law;
- Agribusiness is very young;
- Lack of cooperatives development and promotion project;

# Looking ahead



- Some trends can be predicted, although we cannot be sure of the impacts
  - Regional market integration will continue to expand, providing farmers with access to new markets, but can they cope with the competition?
  - The outflow of rural labour will continue, which could force remaining producers to improve productivity, but there will be winners and losers
  - Expansion of communication technology brings new information, but also new expectations



# Looking ahead



- Other trends are even less certain. We don't know what will happen, but some scenarios are worrying:
  - Laos is already affected by climate change. Typhoons, floods, droughts had caused huge damage in recent years and this year.
  - Commodity and currency markets are not stable. Eg. The price of fuel has rise and affected in reduced agriculture production.
  - Regional political stability is also a concern. Lao farmers are increasingly dependent on foreign markets. What will happen if borders are closed?
  - What is the cooperation mechanism should take place or how to strengthen focus on the sharing and exchange best practices related to cooperatives development and human capacity building?

