

--- SWGAB ---
Government / Development Partners Sub-Sector Working Group on
Farmers & Agribusiness

Minutes of the Sub-Sector Working Group Meeting
16th September 2013,
Organised at the
Department of Agriculture Extension and Cooperatives (DAEC) / MAF

A. Background

- The SWGAB was established in 2006 under the auspices of the Sector Working Group on Agriculture, Natural Resource Management and Rural Development (SWG ANR) which was re-organised as Sector Working Group on Agriculture and Rural Development (SWG ARD) in 2012.
- The purpose of the SWGAB is to oversee a capitalization process that will support policy making, smallholder farmers and capacity building with regards to agribusiness.
- The SWGAB is co-chaired by DAEC¹/MAF and SDC with Laos Extension for Agriculture Project (LEAP) as Secretariat.
- At the inaugural meeting, SWG members agreed to focus attention on the interest and needs of smallholders.

B. Minutes of the meeting

1. Welcome remarks by Co-chair – Dr. Liliane Ortega, Deputy Country Director, SDC

2. Presentation of findings of Meta study on Farmers and Agribusiness - Synthesis of lessons learned from previous studies by SWGAB - Rakesh Munankami, SWGAB Secretariat and LEAP Team Leader

Discussions on Presentation

Rik/TA LuxDev/MAF: mentioned that all the studies done by SWGAB have been very beneficial which documented the cases and challenges around agribusiness and smallholder development in Laos. The findings of the meta-study are very valid and key messages are well mentioned.

Mel / NUDP: Inquired about contract farming and monopsonies in the district; he mentioned that private sector investing as advance (e.g. inputs) in contract farming to farmers look for some guarantee (through monopsony) for the return on their investment. He also highlighted the importance of both informal and formal cross border trade and need to produce 'standard' products as Laos is more integrated with ASEAN and WTO membership.

¹ Department of Agriculture Extension and Cooperatives (DAEC) which supersede National Agriculture and Forestry Extension Services (NAFES)

Rakesh/LEAP clarified that while monopsony is between Government and Private Sector, contract farming is relationship between farmers / producer and private sectors.

Sak/CORD: Asked who are responding to the issues raised in the Farmers' Statements?

Viengxong/SDC: asked how outputs of the Farmers Organisation conference (e.g. Farmers Statement) were shared and linked in policy making?

Somxay/DAEC: mentioned that the outputs of the Farmers Organisation conference were presented at the Sector working group meeting and Sub working group was requested to work on different options / pathways on representation of farmers at the national level. He added that the studies done by SWGAB were used in developing Government policy on commercial agriculture / commodity production and identification of 7 commodities.

Isabelle/CIRAD: suggested that Laos has comparative advantage over neighbouring countries and should be supporting Farmers Organisation to make strategies to produce agri products as market demand and on improving the quality of products for niche markets with Geographical Indicators.

3. Presentation on progress of SWGAB in 2013 - Rakesh Munankami, SWGAB Secretariat and LEAP Team Leader

Discussions on progress

Thongdam / SAEDA: informed that SAEDA is a non-profit association working on agriculture sector specially educating and improving health benefits of sustainable agriculture. He reiterated that it was an opportunity for SAEDA to participate as well as present at the Provincial Consultation meeting in Luangnamtha. He suggested on raising awareness of farmers on Good Agriculture Practices (GAP) as it will help to meet harmonised ASEAN standard of agriculture products for export within the region.

Viengxong/SDC: inquired who will be following up with the Farmers Statement and share widely with all the farmers nationwide?

Rio/CORD – asked who is responding to the Farmers Statement and if the outputs of the studies are being used in developing strategies?

Rakesh/LEAP mentioned that the Farmers Statement is for all the stakeholders who are supporting smallholder farmers and response should be provided by Government and its development partners including INGOs, NPAs, and private sector. Farmers Statement can be used by development partners in developing programme, projects etc. for supporting smallholder farmers. All the members and partners of SWGAB should contribute in sharing and disseminating Farmers Statements to farmers across the country.

Somxay/DAEC mentioned that different elements of outcomes of the studies conducted by the SWG and Farmers Statement were used as good inputs by the Government in the current revision of the Agriculture Development Strategy,.

3. Presentation on draft work plan of SWGAB 2013 / 2014 – Souvanthong Namvong, DAEC

Discussions on draft work plan

Liliane / SDC: informed that LEAP project which is acting as Secretariat for the SWGAB is in its completion phase and planned to be closed in January 2014. SDC is committed to provide continued supported for the operation of SWGAB but she requested members of the SWGAB for contribution for implementation of the work plan.

Mel / NUDP: mentioned that Provincial consultation meetings as organised by SWG Uplands with support from NUDP are important and good mechanism to identify and raise key policy issues from the Province level. He suggested that District and Provincial level can identify issues they wanted to learn and SWG to organize exchange visit based on the need from them.

Souvathong/DAEC- thanked for the suggestions and mentioned that District / Provincial consultations as well as exchange visits can be organized based on the needs of SWGAB members.

Peter / GIZ: mentioned that GIZ have cases / experience that can be the sites for possible exchange visits. He suggested having a discussion within GIZ and come out with specific sites and topics for study (e.g. capitalizing experiences of Public Private Partnership in Agriculture sector) to the SWGAB Secretariat.

Thongdam / SAEDA: informed that SAEDA is interested to partner with SWGAB specially in supporting Farmers Organization. He mentioned that in absence of a farmers organization at the national level in Laos, SAEDA has been invited by Asian Farmers Association to participate in certain events (eg meeting and workshop) and would like to see actual farmers organizations attending and representing farmers in the near future. He suggested that the legal aspect of the national level farmer's organization either as Union or Association should be well considered.

Souvanthong/DAEC mentioned that it will be good to have farmer's representation through the national level organisation at the national level, but suggested to see the actual demand, need and capacity of the farmers in establishing such institutions rather than just establishing an institution of farmers.

Liliane/SDC mentioned that year 2014 is being celebrated as UN International Year of Family Farming and the event to commemorate the role of farmers in ensuring food security should not be only one event but a series of events can be planned.

4. Other discussions and information shared by members

Chitthaphone / LNCCI - informed that LNCCI recently supported the establishment of business association in partnership with the mining company in Vilabury district. She suggested the participants to also support the development of business membership associations (BMOs) along with farmer's organisations.

6. Decisions taken

- A. The meeting approved progress report of SWGAB 2012/13 to be presented to the Sector Working Group on Agriculture and Rural Development.
- B. The meeting also approved the draft work plan 2013/14 presented with some improvements to be made as suggested in the meeting.
- C. The meeting also underlined the importance of the results of two consultation meetings organised on rice value chain in Khammouane and Farmers Organization Conference in Luangnamtha, namely:
 - From the consultation meeting in Khammouane:

The major constraints identified by both private sector and rice farmers were limited access to credit. The need of rice millers were on long term loan to invest in processing infrastructure while of farmers were on short term seasonal loan for investment on production inputs and to be repaid back at the end of each season. The farmers also raised the issue of permanent land titling as currently they only have land use certificate which cannot be used as collateral to access credit from commercial banks.
 - From the Farmers Organization Conference

The outputs of farmers organization conference on commercial agriculture was presented as Farmers' Statement. Five most important issues prioritized by the farmers that should be considered by DP, Government, private sector and CSOs for the development of the sub sector are :

 - 1) Provide lower interest credits with reasonable periods related to different type of productions, and strictly implement the policy to ensure that all farmers can access to the policies easily and widely.
 - 2) Provide market information regularly for main commodities such as rice, maize, sugarcane, rubber, vegetables and large livestock. This provides the basis to help farmers access to new markets and increase their negotiation power.
 - 3) Help farmers to learn more relevant production techniques in order to increase productivity, reduce production cost, and ensure quality and sustainability of the productions.
 - 4) Ban or reduce foreign direct investments that cause negative impacts to local agriculture production especially the investments that directly affect to production land and prices of local produced products.

- 5) Implement policies on tax exemption for import of agriculture inputs and equipment; and reduce electricity tariff for agriculture productions. In additions, consider to exclude or reduce service fees and income taxes for farmers and
Reduce health and environmental impacts from the use of chemicals in agriculture production, especially the use of herbicides and pesticides by strictly controlling the import and selling of chemicals in local markets as well as raise awareness about the negative impacts of chemical use to the farmers.

7. Closing

The Co-chair summarized the discussions and decisions taken in the meeting. She thanked all the members for active participation and requested for collaboration in implementing the approved work plan. The Chair thanked all the members for their contribution and closed the meeting.

- **Documents distributed in the meeting**

1. Agribusiness Investments in Lao PDR: Opportunities and Challenges for Poverty Reduction – Oxfam HongKong
2. DAEC Brochure English and Lao
3. Farmers indebtedness – Summary (Lao version)
4. Farmers profile booklet (Lao)
5. Farmers Statement - English and Lao
6. Pesticides Boun Neua - Poster
7. Pesticides Boun Neua – Video (Lao, Phounay, Akha and Khamu languages)
8. Progress report and work plan - SWGAB
9. Think before you sign – Poster

D. Presentations

1. Meta study on Farmers and Agribusiness - Synthesis of lessons learned from previous studies by SWGAB - Rakesh Munankami, SWGAB Secretariat and LEAP Team Leader
2. Presentation on progress of SWGAB in 2013 - Rakesh Munankami, SWGAB Secretariat and LEAP Team Leader
3. Presentation on draft work plan of SWGAB 2013 / 2014 – Souvanthong Namvong, DAEC

E. List of meeting participants

SN	Name	Organization/ Position	Contact Tel
1.	Catherine Perroud	INGO network (Coordinator)	
2.	Chitthaphone Sounthammavong	LNCCI	020 55694655
3.	Dalavanh Vongsakhone	IRAS/NAFRI (Policy Development)	020 23666388
4.	Holger	DGRV / Director	020 22861814
5.	Insone	Deputy Head of Division, DAEC	020 22439686
6.	Isabelle Vagneron	CIRAD / Researcher	020 28283005
7.	Julie Graham	Country Director, SNV	020 55566606
8.	Keolabthavong Songsamayvong	AusAID / Program Manager	020 99389966
9.	Khamphou Phouyyavong	NAFRI DDG, PRC / Head of Division	020 22211712
10.	Khamsai Inthavong	GIZ- LM –RED (TA)	020 22326902
11.	Khetkeo Phouangphet	MAF - DOP Dir of Invest. Div.	020 55612391
12.	Latsamy	ACD, Oxfam	020 55888065
13.	Liliane Ortega	Co-chair SWGAB, DCD, SDC	021 251 794
14.	Mel Jones	NUDP / CTA	020 55529179
15.	Nalongsack	CDA, CORD	020 22079129
16.	Nhounthong Syhalath	DAEC / Div. Head Deputy of Division	020 55599951
17.	Ole S. Pederson	ABD project / FAO (CTA)	
18.	Olivier GILARD	AFD	021 215 022
19.	Peter Asmussen	GIZ LA (Team Leader)	020 55529133
20.	Rakesh Munankami	Secretariat, SWGAB, LEAP TL	021 740253

SN	Name	Organization/ Position	Contact Tel
21.	Rik Delnoye	LUXDEV / IFAD (Advisor)	020 55717855
22.	Rio Pals	Country Representative, CORD	020 59690198
23.	Seiichi Yokoi	JICA / MAF Policy Advisor	021 415374
24.	Sengphachan Sonethavixay	NUDP	020 22228317
25.	Solal Lehec	MAF / IFAD (TA)	020 54388781
26.	Somthong Philavanh	TPPD / Coordinator	020 55429243
27.	Somxay Sisanonh	Co-chair SWGAB, DDG, DAEC	020 2221 0957
28.	Souvanthong Namvong	DAEC	
29.	Thierry Duplan	AFD / Project Officer	02028 193 355
30.	Thongdam	SAEDA / Coordinator	020 22243991
31.	Vanni Villafuerte	SAEDA	
32.	Viengxong Chitavong	NPO, SDC	020 55621969
33.	Vimonlat	DGRV / Advisor	020 22411835

Sub Working Group Farmers and Agribusiness (SWGAB)

Annual Meeting Agenda

Date: Monday, 16th September 2013

Venue: NICE meeting room, DAEC

Time: 13.00 – 16.30

13.00 – 13.15	Registration
13.15 – 13.30	Objectives and Opening Remarks Chair – Mr. Somxay Sisanonh, Deputy Director General, DAEC/MAF Co-chair – Dr. Liliane Ortega, Deputy Country Director, SDC Introduction of participants
13.30 – 13.50	Presentation of findings of Meta study on Farmers and Agribusiness Synthesis of lessons learned from previous studies by SWGAB - Rakesh Munankami
13.50 – 14.10	Questions and Discussions on meta study findings - All participants
14.10 – 14.25	Presentation on SWGAB progress 2013 - Rakesh Munankami
14.25 – 14.45	Questions and Discussions on progress - All participants
14.45 – 15.00	Break
15.00 – 15.30	Presentation and discussions by members on relevant activities - All participants
15.30 – 15.45	Presentation of draft work plan for 2014 - Souvanthong Namvong
15.45 - 16.15	Discussion on draft work plan - All participants
15.15 – 16.30	Summary of decisions and closing Chair – Mr. Somxay Sisanonh, Deputy Director General, DAEC/MAF Co-chair – Dr. Liliane Ortega, Deputy Country Director, SDC

Progress – August, 2013

1. Support development of Farmer Organizations (FOs)

Objectives

- To promote autonomous and voluntary farmers organisation

Progress

1. Farmers Organisation Conference on Commercial Agriculture

A conference of farmers' organisations representatives on commercial agriculture was organised from 19-21 June 2013 at Luang Namtha. 28 representatives of farmers' organisation from 8 Northern provinces representing 5,943 farmers (2,893 women) participated in the two day conference and the output of the workshop was presented on the third day at the Provincial Consultation meeting organised by the SWG ARD.

In the conference, the participants had a chance to learn from others, establish network and discussed opportunities and challenges in commercial agriculture. The outputs of the workshop were presented as "Farmers' Statement on Commercial Agriculture". Five most important issues prioritized by the farmers that should be considered by DP, Government, private sector and CSOs for the development of the sub sector are :

- 1) Provide low interest credits with reasonable periods related to each type of productions, and strictly implement the policy to ensure that all farmers can access to the policies easily and widely.
- 2) Provide market information regularly for main commodities such as rice, maize, sugarcane, rubber, vegetables and large livestock. This provides the basis to help farmers access to new markets and increase their negotiation power.
- 3) Help farmers to learn more relevant production techniques in order to increase productivity, reduce production cost, and ensure quality and sustainability of the productions.
- 4) Ban or reduce foreign direct investments that cause negative impacts to local agriculture production especially the investments that directly affect to production land and prices of local produced products.
- 5) Implement policies on tax exemption for import of agriculture inputs and equipment; and reduce electricity tariff for agriculture productions. In additions, consider to exclude or reduce service fees and income taxes for farmers and
Reduce health and environmental impacts from the use of chemicals in agriculture production, especially the use of herbicides and pesticides by strictly controlling the import and selling of chemicals in local markets as well as raise awareness about the negative impacts of chemical use to the farmers.

The participants also identified a need for developing a national level farmer organisation to represent and express farmer's voice.

Farmers Statement, profile of participating representatives of farmer's organisation and short video of the event is available.

2. Capacity Building for an Agribusiness Advisory Service (ABAS)

Objectives

- To support DAEC in the planning and coordination activities aimed at improving agribusiness knowledge and skills within provincial and district offices.

Progress

Different organisations are supporting the capacity building of Agribusiness Advisory Services (ABAS) so that they are able to provide need based services to farmers and agribusiness development. Different initiatives supported by various development partners and INGOs are in place e.g.

- ADB (SHDP) – Smallholder agribusiness development
- CORD – Capacity building of farmers organisations
- DGRV – capacity building of agriculture cooperatives development
- SDC – HELVETAS implemented LEAP, SURAFCO projects – capacity building to support agribusiness and farmers organisation development
- Korea – Capacity building to support cooperatives development
- SNV – (BIEE) Supporting rice value chain
- WB – (KRDP, TH2) – Smallholder agribusiness development

3. Information sharing and discussions

Objective

- Support rural development in Lao PDR by providing decision-makers with better access to information, analysis and stimulate critical discussions

Progress

Online discussion forums

LaoFAB has more than 3500 members with a total of more than 25,000 messages posted. LaoLINK has more than 1600 members with a total of more than 10,500 messages posted. The LaoFAB repository holds more than 2250 documents and Lao44 host more than 2500 documents and more than 350 videos. LaoFAB document repository is being upgraded with better browsing functions and a beta version is available.

Exchange visit and provincial consultation – rice value chain in Khammouane

SWGAB organized an exchange visit to get first hand exposure to rice value chain development program implemented by SNV, Netherlands Development Organisation in Khammouane Province. The model was developed and implemented by EMRIP project applying value chain development and inclusive business approaches. The program has been successful in creating a win-win partnership establishing fairer commercial relations between smallholder rice producers and private rice millers.

20 members of SWGAB (SDC, DAEC, AFD, World Bank, Oxfam, CUSO, CORD, Farmers' Association etc.) participated in the exchange visit. Discussion and consultations with the Provincial authorities, rice millers and rice producing farmers groups reported that major constraints for both the private sector and rice farmers were limited access to credit. The need of rice millers were for long term loan to invest in processing infrastructures while of farmers were on short term seasonal loan for investment on production inputs and to be repaid back at the end of each season. Farmers also raised the issue of permanent land titling as currently they only have land use certificate that cannot be used as collateral to access credit from commercial banks.

Workplan – 2013 / 2014

1. Support the development of Farmer Organizations (FOs)

Objectives

- To promote the development of autonomous and voluntary farmers organisations

Plans

- 1.1 Support in organising “commodity specific” farmer’s organisation workshops and networking to share experiences between farmers and to identify opportunities and challenges faced by farmers
- 1.2 Conduct a scoping study on developing a national level farmer’s organisation in consultation with farmer’s organisations – with possible options of different models and existing policy implications²

2. Capitalisation on farmers and agribusiness development

Objectives

- To synthesize existing approaches in supporting development of farmers organisations and agribusiness

Plan

- 2.1 Conduct a mapping of different organisations involved in supporting farmer’s organisations in Laos
- 2.2 Conduct a study to capitalise existing mechanisms / approaches of supporting the development of farmer’s organisation by different organisations
- 2.3 Organise a study on existing modalities of Public Private Partnerships (PPP) in agriculture / agribusiness sector and consolidate lessons learned³

3. International Year of Family Farming (IYFF)

Objectives

- Celebrate the International Year of Family Farming (IYFF) 2014 : *Feeding the world, caring for world highlighting the role of farming family in food security and sustainable development*

Plan

- 3.1 Organise a workshop on Contract Farming in Laos jointly with AfD, SDC and INGO Network
- 3.2 Organise an event on family farming and multi-functionality of upland agro-ecosystems
- 3.3 Collaborate with other partners, agencies and SWG to mark IYFF

² If funds are available

³ This study will be funded by GIZ

4. Information sharing and discussions

Objectives

- Support rural development in Lao PDR by providing decision-makers with better access to information, analysis and stimulate critical discussions

Plan

- 4.1 Posting agribusiness and rural development related news on online discussion forums LaoFAB and LaoLink
- 4.2 Upload relevant reports to the LaoFAB repository for sharing with the members
- 4.3 Organise exchange visit and consultation to SWGAB members to identified sites / themes
- 4.4 Organise at least 2 SWGAB meetings on pre-identified themes

SWGAB Work-plan 2013 /14

Activities	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
1. Support the development of Farmer Organizations (FOs)												
1.1 Support in organising “commodity specific” farmer’s organisation workshops and networking to share experiences between farmers and to identify opportunities and challenges faced by farmers												
1.2 Conduct a scoping study on developing a national level farmer’s organisation in consultation with farmer’s organisations – with possible options of different models and existing policy implications (provided there is a funding partner)												
2. Capitalisation on farmers and agribusiness development												
2.1 Conduct a mapping of different organisations involved in supporting farmer’s organisations in Laos												
2.2 Conduct a study to capitalise existing mechanisms / approaches of supporting the development of farmer’s organisation by different organisations												
2.3 Organise a study on existing modalities of Public Private Partnerships (PPP) in agriculture / agribusiness sector and consolidate lessons learned												
3. International Year of Family Farming (IYFF)												
Organise different events to highlight the role of family farming and smallholder farmers for sustainable food production and to achieve food security												
<ul style="list-style-type: none"> Support the organization of a workshop on contract farming in Laos jointly with AFD, SDC and INGO Network 												
<ul style="list-style-type: none"> Organising an event on family farming and multi-functionality of upland agro-ecosystems 												
4. Information sharing and discussions												
4.1 Posting agribusiness news on LaoFAB and LaoLink												
4.2 Upload relevant reports to the LaoFAB repository for sharing with the members												
4.3 Organise exchange visit and consultation to SWGAB members to identified sites / themes												
4.4 Organise at least 2 SWGAB meetings on pre-identified themes												