

Farmers' Statement



Preamble

The Lao PDR is traditionally and socially agrarian, with 80% of the population residing in rural areas. Farmers are the backbone of Laos food security and sovereignty, relying on Lao's bio-diverse & rich natural resources to both feed and support their families, communities and the society at large.

In recent years Laos has increased investments in its natural resources namely water for hydropower, land for commercial plantations & agriculture and mining. In doing so Foreign Direct Investment (FDI) has contributed significantly to Lao PDRs economic growth addressing several Millennium Development Goal objectives.

Striking a balance between FDI and rural community needs which rely on the same natural resources being conceded for FDI remains a challenge. Gaps in poverty alleviation related to rural economy, food security and malnutrition remain of critical concern to the Government of Laos, its development partners and civil society.

In response, the Government of Lao PDR has recognized the importance of strengthening governance, rule of law and people's participation in the development process. The Government of Lao PDR also recognizes the critical role of farmers in this process. Efforts include both the Non-profit Association Decree and Cooperative Decree, as well legislative reviews of key natural resources and agriculture policies and increased oversight by the National Assembly.

Farmers do and can play a critical role not only in addressing malnutrition and food security gaps, but if effectively supported can significantly contribute to sustained and equitable poverty alleviation.

However to do this an enabling environment is critical.

In August 2012, the Department of Agricultural Extension and Cooperatives (DAEC) under MAF together with Farmers group representatives organized a 2 day workshop to exchange and strategize how to optimize the potential of small holder farmers in Lao PDR. Based on these exchanges, the Farmer group representatives produced a statement highlighting both challenges and opportunities to strengthen their engagement in the sustainable development of the country.

As partners in development, you are invited to share this statement and refer to it in your planning, dialogue, cooperation and implementation.

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Farmers' Conference on Farmers Organizations

August 2012, Vientiane

We, the representatives of 33 Farmers' Organizations (production groups, associations and cooperatives) from different parts of the country covering 15 Provinces and representing more than 3,103 farmers (1,061 female) exchanged experiences, opinions and discussed issues and challenges in organizing our activities which are summarized in the following statements:

1. 80% of the national population is farmers who play a very important role in maintaining food security and supplying raw material to processing industries contributing to the development of national economy.
2. We support the development policies and targets set by the Party and the Government, particularly poverty reduction targets and the goal for upgrading the country from least developed country status by the year 2020. We are proud to see that the Government is paying attention to the important role Farmer Organizations play to achieve national development goals.
3. Farmers organizations; representing production groups, associations and cooperatives, play an important role in maintaining solidarity amongst the farmers to improve production techniques, provide better access to production inputs, improved processing and quality of products and to improve market linkages leading to increased knowledge and income of their members. Apart from this, Farmers Organizations can also assist the Government in monitoring and reporting progress and impacts of investments by the private sector.
4. We would like to express our gratitude to the Party and the Government for facilitating the establishment of farmers groups, associations and cooperatives. So far, establishment of Farmers Organizations have received full support from the Government authorities at all levels and from International Organizations contributing to the success in organizing farmers.
5. Concurrently, we would like to express our gratitude to the authorities for their support in areas of our capacity building, support on technical production, linkages with production inputs, product processing, market linkage including export market and other supports provided. These are fundamental aspects for further development of our organizations in the future.

6. However, we are facing with a number of constraints, such as access to resources, particularly land. Therefore, we would like to request the relevant agencies to help allocate sufficient land area and issue permanent land titles to the farmers.
7. Farmers throughout the country are facing problem of higher production costs. The price of all inputs e.g. seed, fertilizers, labour, electricity and other services charges are increasing. Therefore, we would like to request the relevant agencies to implement policies to support Farmers' Organization for tax and duty exemption for import of production inputs and equipment and reduction of electricity tariff for agricultural production. We also request for their consideration to exempt or reduce fees and income tax for agricultural production.
8. Our production capitals are limited which make it difficult for us to enhance the production for our members and to strengthen the Farmers' Organizations. Therefore, we would like to request relevant agencies to put into place, policies that provide us with lower interest loans for longer term period of 3-5 years, and such policies should be enforced, for improved access to credit and wider coverage throughout the country.
9. Market access remains our key problem for commercial production. Farmers can't be successful in commercial production unless there are secured markets. We would like to request the relevant agencies to provide us with market information, establish market linkages for agricultural products and facilitate access to domestic and international markets (finding the markets) for our products.
10. The commercial production should go along with the market demand and relevant agencies should set up appropriate price of our product and farmers should be involved in setting the price of the product.
11. The exports to international market require certification on quality and origin. Therefore, we would like to request relevant agencies to help the farmers to establish a certification system in effective and diversified manner.
12. Apart from these, we are facing the problem of competition with the large foreign investors. They are competing with us in the use of land, water and markets. This causes direct impact to small scale agricultural producers resulting in many families and production groups to reduce or cease production. Therefore, we would like to request relevant agencies to limit approval of foreign investment that causes negative impacts to domestic producers and smallholder farmers. There should be a policy that supports Farmers Organization with equal incentives as provided to foreign investors.
13. We request for stricter control over import of agricultural products which lower the price of products produced locally reducing income of the farmers.

14. Nowadays, there is increasing use of chemicals in agricultural production with negative impacts to the environment and health conditions of farmers and consumers. Therefore, we would like to suggest that there should be tighter controls on the imports and use of chemicals and pesticides to reduce these negative impacts.
15. Incidents of contract farming have increased over the recent years. Contract farming has helped farmers to have access to production inputs, improved production techniques and to increase their incomes. However, production under contract in some areas are unfair; for instance, farmers are paying higher price for fertilizers. Therefore, we would like to request relevant agencies to assist farmers so that they can be involved in setting price of production inputs, selling price of agricultural products and other terms and conditions in contract.
16. Agriculture productions are changing rapidly, e.g. new commodities are introduced, but farmers do not have adequate knowledge to deal with the changes. Therefore, we would like to request relevant agencies to help us in building capacity and to upgrade technical knowledge in order to increase production, reduce production costs, improve product quality and ensure sustainability of production.
17. Along with the needs of capacity building in technical production areas, it is also equally important to support capacity building in areas of administration and management. Therefore, we would like to request relevant agencies to support us in capacity building in areas of administration and management such as business planning, financial management, group management, monitoring and reporting.
18. There is an increasing problem of farmers getting into debts caused by internal and external factors. Therefore, we would like to request relevant agencies to support us in capacity building in order to reduce the debts. Meanwhile, there should be an information campaign to create awareness of farmers and to understand the risks associated with debts as a result of borrowing money.
19. At present, Farmers' Organizations do not have systematic representation and coordination arrangements. This limits the farmers from consolidating productive forces and representation of farmers' voice at the National level. Therefore, we would like to request relevant agencies to support the farmers to establish a Farmers Union (Federation) at the national level.

We request the relevant agencies to take our statements for consideration and we hope that we could receive support in accordingly.