

Speech
For the Global Forum for Food and Agriculture 2015
15-17 January 2015 in Berlin

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

It is my great pleasure to be here today and to take the floor on behalf of the Government of Lao People's Democratic Republic.

The Global Forum for Food and Agriculture is an important venue for the Lao government to learn and to share its experiences. This year's theme on the "bio-economy" is intriguing for the Government of Lao PDR.

The promise of the 'Bio-economy' is to make it possible to increase food production efficiently, produce healthy and high-quality food, promote the use of bioenergy and protect the environment and the climate at the same time. As Lao moves to a market based economy and modernizing the agriculture sector we are faced with a number of challenging takes: meeting demands for food security and poverty alleviation while modernizing the sector, ensuring strategic alignment to new trade agreements and coordinating work with other sectors like mining and hydropower.

So we are very interested to learn more how we can go about meeting these competing needs while growing our economy in a sustainable manner.

Laos: An emerging economy

The Economist recently recognized that Laos is one of the fastest growing countries in the world. This is driven by the inflow of foreign investment, mainly in the resource sector. The agriculture and natural resource management sectors play an important role in Lao PDR's economic development. More than 80% of the workforce is still involved in agriculture and the majority of the poor are in rural areas.

The Lao government's agriculture sector policies are focused on food production and poverty reduction. The Ministry of Agriculture and Forestry has four major, inter-linked goals: achieving food security, commercializing agriculture, stabilizing upland areas, and achieving sustainable forest management. The strategic direction for agriculture and forestry based development is to ensure a successful gradual transition from subsistence into commercial smallholder production.

In relation to the "Bio-economy", Lao is focusing on three areas: SMART and clean agriculture, diversified niche products and resilient farming systems for poverty reduction.

SMART Agriculture

A cornerstone of the Lao Agriculture Sector Policy is to focus on SMART Agriculture. In terms of sustainability, we are focusing on two approaches. The first is SMART technologies that can link the private sector investments to a set of social and ecological conditionalities to ensure that rural smallholder farmers and the Lao society benefit from such investments. The SMART technologies we are currently testing include arrangements that promote fair contract farming. They also ensure appropriate measures of value chain governance so that small holders and local Small Medium Enterprises can retain a fair share of the added value

We are also trialing approaches to climate smart agriculture and sustainable intensification. We have had great success in using conservation agriculture approaches in

areas with intense maize cultivation, preventing land degradation and diversifying the system from mono-culture to rotational and inter-cropped systems. Inter-cropping ensures improved nitrogen fixing in the soil and leads to additional profits from inter-crops, such as beans and legumes. We have also had good results from different trials using the System of Rice Intensification to improve yields, without using large amounts of pesticides and fertilizers.

The second is using an ecosystem based approach to agriculture. Here we harness natural ecosystems to improve production. Laos Agriculture built upon diversity. We have more than 15,000 rice accessions, 2,000 Vegetables accessions identified and Non-timber Forest Products account an average of \$325 per rural household. In relation to this, we are considering rehabilitating wetlands and using their natural production cycles as well as other unique, new ideas, such as reconstructing wetlands in hydropower reservoirs to enhance fish productivity and cultivate draw down agriculture.

Diversified Agriculture Portfolio

The second way we are moving towards a 'bio-economy' is through a dual focus on food security and commercial production. A cornerstone of the 10 Socio-Economic Development Plan is to leave behind the status of Least Developed Country by 2020. To do this we will have to ensure food security and improve health and nutrition.

We have taken an innovative 'convergence approach' to food security which brings together the health, agriculture and concerned ministries to tackle food security, malnutrition and health issues in an integrated fashion. This works at all levels of government from village, provincial to national. We are starting to see good results from this approach and shows the need to focus on local level concerns within the 'bio-economy'.

Alongside of our food security, we are targeting high value niche product value chains where Laos has a comparative and competitive advantage. This is based on the Laos diverse agro-ecosystems in the country and responds to regional potentials. This will also enable to us to develop an industrial base through development of targeted niche commodities.

We are using innovative market mechanisms, such as geographic indicators, Fair Trade and GAP, to market and promote unique Lao products. Coffee is one such product.

The Ministry of Agriculture and Forestry has identified coffee as a strategic product in boosting the country's social and economic development. The total coffee growing area in Laos is about 87,000 ha, of which 77,000 ha are on the fertile Bolaven Plateau. Total output is about 40,000 tonnes per annum. About 30,000 tonnes of green beans and milled coffee is exported, earning more than US\$70 million in 2013-14, a provincial report noted.

This year we held a coffee festival to prepare for the ASEAN Economic Community next year, and prepare growers and producers for membership in the International Coffee Organisation (ICO) further down the line. Representatives from some 178 coffee and agricultural outlets, 69 companies including 58 from Laos and 11 from other countries attended the event.

Resilient Agriculture

The bio-economy rests on the need to build resilience into our agriculture systems and policies. To address the volatility of ecosystems and markets, we concentrate our efforts on developing a diversified agricultural sector that can lead to increased food security and poverty reduction, will focus on mixed farming systems and minimize or mitigate risks from natural disasters, price volatility, market failures, and monoculture plantations.

We need to find ways to make agriculture resilient so that farmers can adapt to climate change and fluctuating markets. In the past ten years, we have witnessed the effects of boom

and bust markets, climate change, and weather variability across the country. In 2010, almost 86,000 ha of agricultural land was affected by storms that resulted in more than 20 million dollars worth of damage, including the loss of almost 300,000 tons of rice. Likewise we have experienced problems with cash crops such as Maize and rubber in both price fluctuations and transborder trade arrangements.

We have found that productivity is not only about producing more, but also about how we manage resources and ensure post-harvest value addition. For example, in the Vientiane flood plains, it would be possible to use water from hydropower reservoirs to irrigate an extra 100,000 hectares of paddy land in the dry the season. Similarly, the efficiency of rice milling can be increased--while rice yields in Lao PDR have increased, milling efficiency is about ten percent lower in Lao PDR than in its neighboring countries. To close this gap, we are working on innovative partnerships between millers, government, and NGOs to improve efficiency and effectiveness of the system.

Ladies and Gentlemen,

The integration of Lao PDR into the global economy is an evolving process. To ensure global integration, the Ministry of Agriculture and Forestry will transition from its previous role as the sole provider of agricultural extension system to become a regulator of private sector involvement in service provision and a facilitator of emerging new service providers.

The Lao government also intends to invest in farmers. Investing in farmers means more than connecting them to markets, it means making sure they have secure land tenure, making sure they have fair contracts, making sure they have access to information, credit and secure financing services, and improving the reach of services for health, education, and extension. Strategic thinking is needed to identify measures to restructure the rural economy, to link farmers to the private sector (businessmen, etc.) in order to strengthen markets, to strengthen farmer organizations and rural institutions, and to address new challenges such as climate change, and of course to build our Ministry's own institutional capacity.

Ladies and Gentlemen,

We still have a long way to go and external support, advice, and cooperation is essential for Lao PDR to be able to achieve its potential.

I hope that all of us will work together to come up with a implementable and actionable agenda for the coming years, which focuses on addressing the challenges from food security and climate change and turning them into opportunities for our future generations.

Thank you.