

FROM VILLAGE TO SUB-SECTOR IMPACTS

SADU's implementation of an Agro-Enterprise Development Processes (AEDP) in Laos has demonstrated the benefits of working with markets to deliver profits to the rural poor. Extension staff work with clusters of villages (30 - 50 households) to identify products for development and then assess their market demand. Opportunities to improve production, transport, and marketing of these products are identified and appropriate interventions designed. Results reveal that these interventions lead regularly to sub-sector wide impacts:

PAPER MULBERRY (porsaa)

The bark of the paper mulberry tree (*Broussonetia papyrifera*) is harvested to make high quality paper products. The AEDP process led to farmers in a cluster of five villages selecting porsaa as a focus crop for development.

Investigation of the porsaa market chain revealed 10,000 tonnes of un-graded bark is being collected from Lao forests by 20,000 households and exported each year to Thailand. This export market is valued at \$4.7 M/y and supplies 70% of the porsaa used by Thailand, which then earns \$50M exporting posaa as graded bark, paper and handicrafts.

SADU interventions include:

- 1. Domestication to increase supply:** managing plots allows for easy collection of leaves for use as a high protein pig feed and facilitates the collection of bark according to grade specifications. The direct income is about \$400 ha/yr (cf. hybrid maize @ \$120 ha/yr).
- 2. Trader fact-finding-missions:** revealed that Thai factories were willing to pay margins for quality and are keen to import porsaa in a semi-processed form as 'pulp'.
- 3. Diversification of existing paper mills:** there is scope for Lao paper mills to diversify and produce porsaa paper on an industrial scale, for direct export to international markets.

This work is providing a new focus for NTFPs as a way of reducing shifting cultivation through domestication, rather than collection from the wild.



LIVESTOCK production and trade

Over 60% of households in Xieng Khouang Province, Laos, raise cattle and buffalo for wealth accumulation, using free-range systems with minimal input. SADU has built on CIAT's previous work on improved forage cultivation systems to enable farmers to expand their livestock production and improve animal management to generate additional income.

SADU interventions:

- 1. Farmer/trader forums:** traders now offer a \$10/head premium if they can collect animals in bulk, as this reduces transport costs and animal weight loss due to holding delays.
- 2. Commercial Animal Health Service Providers (CAHSP):** farmers have paid for training on the delivering of animal health services on a fee-for-service basis. The delivery of services, and the range of services offered, has increased as a result.
- 3. Streamlining of trade procedures:** cumbersome trade procedures result in massive non-compliance, with associated revenue losses estimated at \$200,000/yr. Following discussions instigated by SADU, the Provincial Government has agreed to (a) develop common procedures across all districts, (b) introduce one-stop-shops, and (c) reduce road-side checks.

Streaming of trade procedures will flow on to other agriculture products with the changes observed in Xieng Khouang Province opening the door to trade reform nation-wide.



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