

WOMEN'S EMPOWERMENT IN AGRICULTURE: CREATING IMPACT IN THE LAO RICE SECTOR

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CONTEXT

In Lao PDR access to rice is the single most important factor determining people's welfare status as it supplies almost 70% of daily caloric intake. Although food availability at the national level has improved, many households still experience food insecurity and continued increases in production are necessary to keep pace with population growth. According to the UN World Food Programme, approximately 30% of the population has insufficient food for more than six months of the year.

While women account for 54% of the agricultural work force and participate in a variety of agricultural services, their contribution to the national economy and to the rice sub-sector in particular remains largely unaccounted for. Ensuring women's effective integration in the rice value chain is therefore a critical factor in tackling food insecurity and contributing to improved income at the household level.

SNV Lao PDR has had a strong presence in agriculture sector over the past decade. Based on previous experience, the SNV Rice Value Chain programme and its strategic partners (Helvetas and its organic rice project, PRORICE) have identified key actors to collaborate with and an entry point to address the issue of food security.

SNV INTERVENTION APPROACH

This case study describes the results of a joint initiative by SNV and Helvetas launched in 2009 with funding from the European Union's rapid response Food Facility to address soaring food prices in developing countries. The intervention sought to scale up development of the rice value chain by expanding the project area to six provinces, with a target of 20 mills (including 10 female rice millers) and a production network of 20,000 smallholder rice producers.

The overall goal of the intervention was to contribute to a rapid and sustained increase in the supply of good quality milled rice for domestic consumption and trade. The specific objectives included:

- Increasing the output of high quality milled rice through upgraded storage and milling facilities and equipment, coordinated supply chains, and optimised farmer productivity to ensure increased supplies of paddy rice;
- Supporting the targeted provinces, districts and business development service providers (BDP) to facilitate the emergence of efficient value chains and provide technical and market support for the production of good quality milled rice;
- Creating a national policy environment that was supportive of producer, processor and provincial government efforts to anticipate and adapt to supply, demand and price volatility.

In order to ensure gender equity and social inclusion and achieve wider impact, SNV Lao PDR selected rice millers as a driver of change in its "Theory of Change." SNV started by identifying suitable mill candidates to receive equipment grants and, subsequently, to contribute to the establishment of producer networks. Since this 'business model' was attractive to most millers, a number of gender inclusive criteria were set to identify suitable mills. The process started with a public advertisement of the opportunity (78 firms applied). Thereafter an independent committee reviewed and filtered the applications against objective criteria. This process helped to ensure that the selected millers had a broader vision of contributing to gender equity and social inclusion rather than simply maximising profit margins when purchasing rice from smallholder farmers.

A key component of the intervention was the capacity strengthening of farmers and rice millers, especially women, by providing gender inclusive training and extension support. The extension programme focused on, among others: (1) increasing paddy rice yields; (2) improved post-harvest handling practices; (3) improved milled rice recovery rates; and (4) better marketing practices. SNV also facilitated strengthening of farmers' groups with special attention to promotion of women in steering committees,

OUTCOMES

strengthening business linkages between farmers and rice millers, and enhancing the policy environment by linking rice miller groups with concerned national and provincial agencies.

As a result of the SNV/Helvetas initiative, an additional 30,000 tonnes of high quality paddy rice were produced in the target region between 2009 and 2011. 20 millers, half of whom are women, successfully acquired the physical infrastructure and technical skills to produce and profit from milling good quality rice. 20,000 female and male farmers were effectively mobilised and are better organised and connected to markets that support a price premium for high quality milled rice.

Specific results

Increase of output of high quality milled rice and farmer productivity

All the selected millers succeeded in establishing networks of producer groups with a total of 21,361 (2011 wet-season crop) female and male members across 340 villages. A rice farmer producer network typically comprises 10-15 villages with about 1000 members. As a result of millers' support, farmers have gained significant increases in income (>60%) due to increased crop yields (+30-50%); and higher prices (+10%) for improved quality of paddy.

All 20 rice mills that received SNV support (half of which were women-owned) were able to measurably improve their operational capacity. Actual throughput increased from 12,400 tonnes in 2009 to a projected 36,523 tonnes in 2011 - an increase of about 300%.

SNV Lao PDR also worked with selected millers to establish seven rice seed producer groups that are governed by male and female steering committee members. During the 2011 season the producer groups produced nearly 400 tonnes of High Yield Varieties (HYV) seed.

Enhancement of a national policy environment

As a result of the efforts of three progressive¹ miller groups - two of them led by female millers - a number of changes at the sector and policy level were realised. The three miller groups organised 17 public-private dialogues in 2010-2011 that helped to enhance rice production and trading both locally and regionally resulted in significant reviews to local regulations and application of policy. Specific actions included:

- Negotiating with the provincial government for tax exemption on the import of agriculture inputs;
- Securing quotas from the provincial government for rice exports to Thailand and Vietnam;
- Organising various Public-Private Partnership dialogues to revise regulations on rice trading across provinces; and
- Providing training and inputs to farmers' groups.

Building on the provincial dialogues, similar meetings were held at the national level that has helped to kick-start the preparation of a national rice strategy by the Ministry of Agriculture and Forestry.

LESSONS LEARNT

While it has been applied across a wide area, the SNV initiative was only implemented for two years and various issues are still emerging. The final project evaluation and a follow up field visit in July 2012 underscored the importance of the value chain development approach. They also highlighted the role of public-private partnerships in stimulating the growth of the sector and engaging rice millers to support farmers within producer networks. This means that the intervention could potentially make a significant contribution to maintaining and even surpassing national rice sufficiency. The evaluation further identified a number of emerging issues that will need to be addressed in scaling up this approach, namely:

- Enhancing leadership competencies for female millers participating in the steering committees of the miller groups;
- Strengthening knowledge sharing among female and male farmers through village consultative meetings.

¹ Progressive millers are those who have demonstrated outstanding performance and leadership

- Providing long-term support to producer associations involving male and female farmers so they can negotiate prices with millers and effectively participate in policy dialogue at the provincial level.

Currently, there are four agencies² that have, or are in the process of committing funds to replicate the SNV Lao PDR approach. With Rabo Bank support, SNV is currently replicating its approach in supporting two provinces of central and southern regions (Savannakhet and Khamouane) to reduce food insecurity, increase income, and employment opportunities for rice farmers in gender equity and socially inclusive manner.

Millers' role in capacity development of smallholder farmers

SNV provided support to Sokbounmy Rice Mill and its female proprietor, Ms. Manichanh, to contribute to the strengthening of Nady village farmers' group, which was formed in June 2010. The aim of the group was to improve social cohesion, encourage mutual support among community members and enhance the influence of male and female villagers in decision-making processes.



Within one year, most of these objectives had been achieved. Firstly, production increased by approximately 20%. "Now we are part of the project, we get the support of Ms Manichanh. She provides us with good quality inputs and fertiliser," one farmer said.

Prior to getting support from the miller, most farmers were unable to sell their paddy since all of it was used for household consumption. Since the launch of the project productivity has increased and farmers now sell between 20% and 40% of their harvest for cash. The additional income enables them to meet the needs of their families and to improve their access to health services.

Empowering women leaders

Ms. Nipha, is chairperson of Phat Tha Na Khet Phou Doi miller group, which brings together eight millers. Her husband, **Mr. Kenchanh**, serves as secretary. He expressed his happiness in assisting his wife to lead the miller group as well as milling operations. "I feel comfortable to listen to my wife at the same time she also gives me room to share with her." He also shared with us that at the beginning of SNV intervention, his wife active participated in different training and capacity development events including workshops and public-private dialogues. "However, SNV intervention did not just give chance to her to learn new things, but later also for me," he said. He added that they were both sharing the knowledge learnt from those events and trying to internalise it in their business operations and miller group activities.



When asked why she thought she was elected as chairperson of the miller group, Ms. Nipha replied that it was because all members found her performance while working with the SNV intervention as "outstanding." She added that while she had found leadership to be a challenge at the beginning, "... however my commitment to encourage and provide support to and share knowledge with members helps me a lot in building more trust from all members."

² The four agencies are: **McKnight Foundation** – focusing on further strengthening of farmer groups in Savannakhet, Saravan and Xekong; **RABO Bank** - with additional focus on strengthening of mills groups in Khammouane and Savannakhet; **World Food Program** – which is replicating the SNV approach in its "Purchase for Progress" program in eight other provinces, including two in the north of Laos; and **Helvetas and SDC** – replicating the public-private partnerships approach to sector development in four other provinces (Bolikhamsai, Khammouane, Savannakhet, and Salavan).

Ms. Daeng Manilay grows rice on her 1.4 hectare field. As a result of applying the training she received, she won recognition as 'lead farmer' in Phova village in Mahaxay district (Khammouane province). She reported that prior to joining the SNV intervention, her husband always made all the farming decisions, including how to cultivate rice, what seeds to buy, how to store them, how many bags of fertiliser were needed and how to sell paddy. Now, she and her husband make joint decisions at all the stages of rice production and marketing.



Facilitating farmer's access to financial services



Facilitating access to loan services and providing credit extension is a way to consolidate linkages with farmers. It benefits both parties since farmers, with sufficient financial resources and inputs, can produce good quality paddy.

Ms. Manivone Vongvilay worked in a garment factory for many years before setting up her rice milling business in 2004. Before joining the SNV intervention, Ms. Vongvilay did not support farmers and only provided milling services. Since then, she

has been working with about 680 households providing them with input and training. "Supporting farmers really benefits my business. I can get more paddy rice and the quality has improved."

Building trust with farmers has become part of the business strategy of the miller. "It is in our interest to work together and to help each other. When farmers need help, they know they can come to me." In the dry season of 2010, some farmers were affected by drought and were unable to reimburse Ms. Vongvilay who had provided them with fertilizer on credit. To honour their debt, farmers offered Ms. Vongvilay to withdraw money from the village rice bank but Ms. Vongvilay refused and postponed the repayment to the next season. "I told them they can pay me back next season without interest. The money of the rice bank should be used for real emergencies. By doing so I also strengthen my relationship with them."

Women's leading role in public-private partnerships in Khammouane Province



"Several are better than one". By joining a group, millers also make sure that their concerns will be taken into consideration. Their bargaining power is enhanced and it is consequently easier to open the dialogue with the government and to advocate for supportive business policies. In addition, access to finance is often facilitated since associations of millers can ask the banks or the government for bigger loans and share the risks.

Working as a group is also a way to reach new markets. The relatively low production capacity of each mill prevents the millers from individually accessing big markets.



Women millers have played a key role in the formation of the millers' groups. Ms. Nipha, the owner of Pha Heng Xai Nam Xe Cha Leun Sab mill, and chairperson of Phat Tha Na Khet Phou Doi millers group noted that the provincial and district authorities are increasingly aware of the role her millers' group is playing in the improved rice sub-sector in Khammouan province. "Now, our miller group plays role as partner with district agriculture office in providing improved extension services, fertiliser, improved seed, and credit to rice farmers," she informed us.

In another example, the Khammouan Development Rice Miller Group was created in 2009 and consists of 17 millers from two districts in Khammouane Province. Aware of the benefits of teamwork, the members developed a common strategy. Their first objective was to expand and consolidate their network by working closely with farmers.

This strategy has turned out to be successful. The KDRG was able to reach new markets: in 2010, the millers supplied 500 tonnes of milled rice to the Beer Lao Company and 950 tonnes to the World Food Programme. Strong linkages have also been established with government authorities and more particularly with the Department of Industry and Commerce. Millers can now benefit from supportive policies and obtain access to financial services. In 2010, the KDRG obtained a 22.5 billion kip subsidised loan from the government. The KDRG has finally increased its reputation and is known in Khammouane Province and beyond for its good performance and the quality of its rice.

"The competition is getting harder every day. We have to collaborate." Being part of a group first guarantees we as millers can access market information. By comparing our experiences, we are able to effectively ascertain customer needs and to rapidly identify the constraints and opportunities in the market.

Women have played a key role in these achievements.