

Lao Cattle Industry

Presentation for ROUNDTABLE DISCUSSION ON CURRENT ISSUES AND
FUTURE RESEARCH DIRECTIONS FOR DEVELOPMENT OF THE CATTLE AND
BEEF INDUSTRY IN SOUTH-EAST ASIA AND CHINA

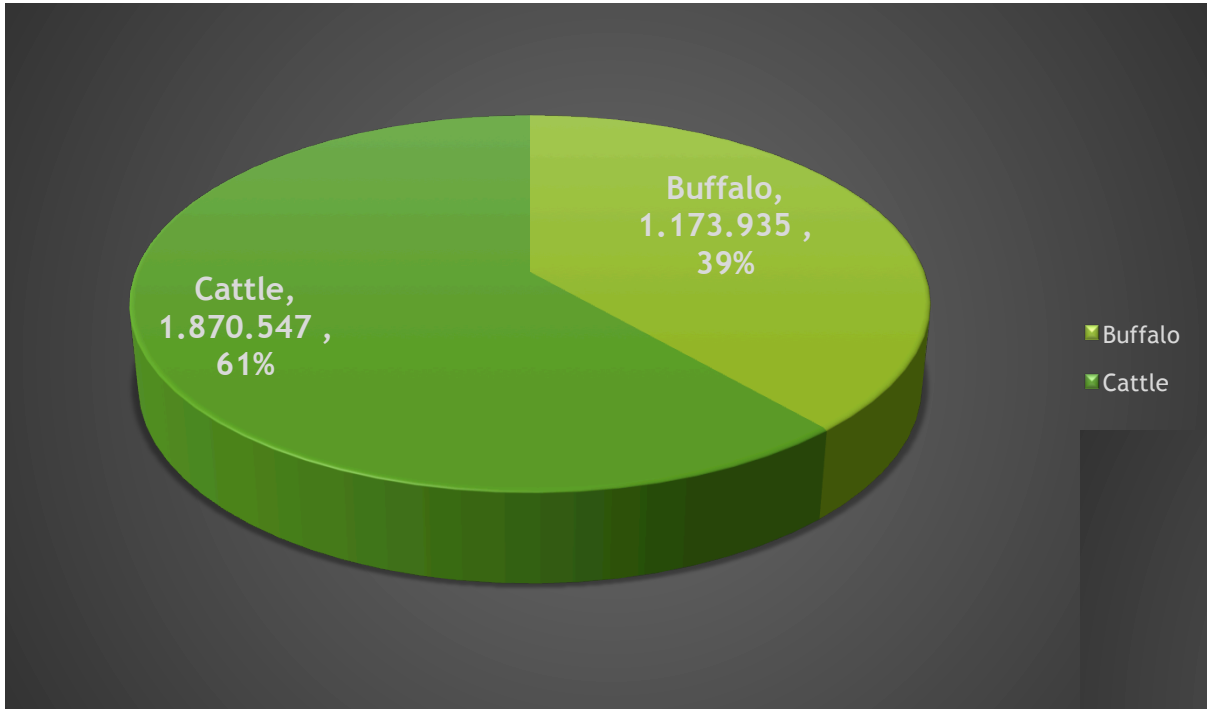
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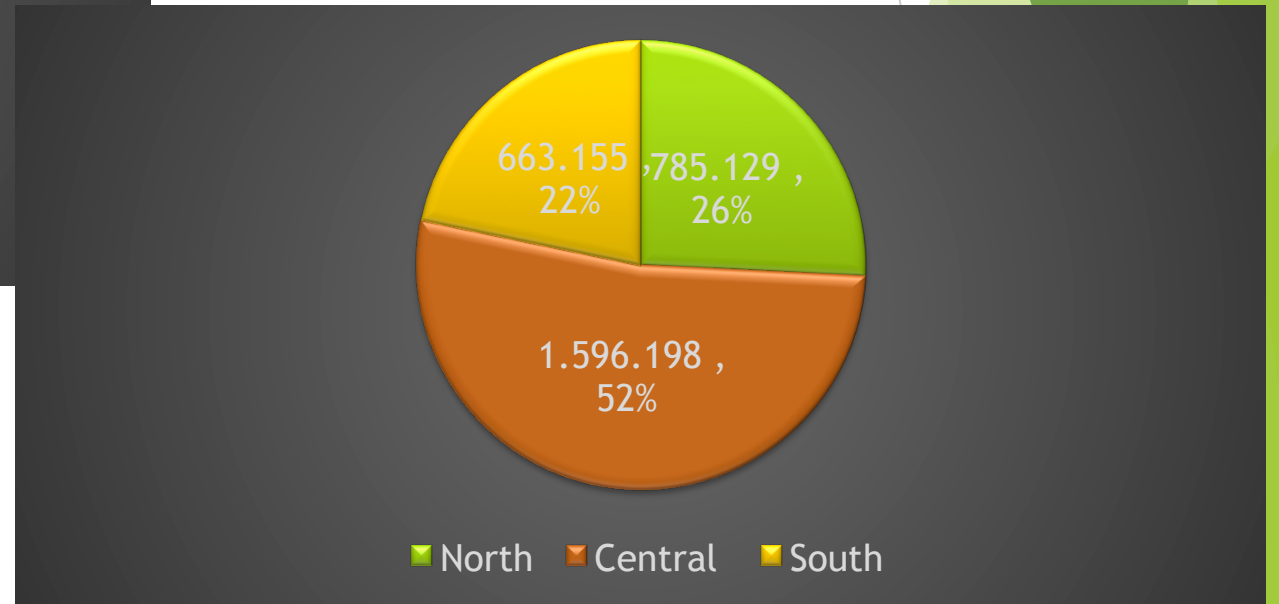


1. Current situation - herd statistics



- Numbers of large ruminant animals: 3,044,482
 - 1.87 million head of cattle
 - 1.17 million head of buffalo

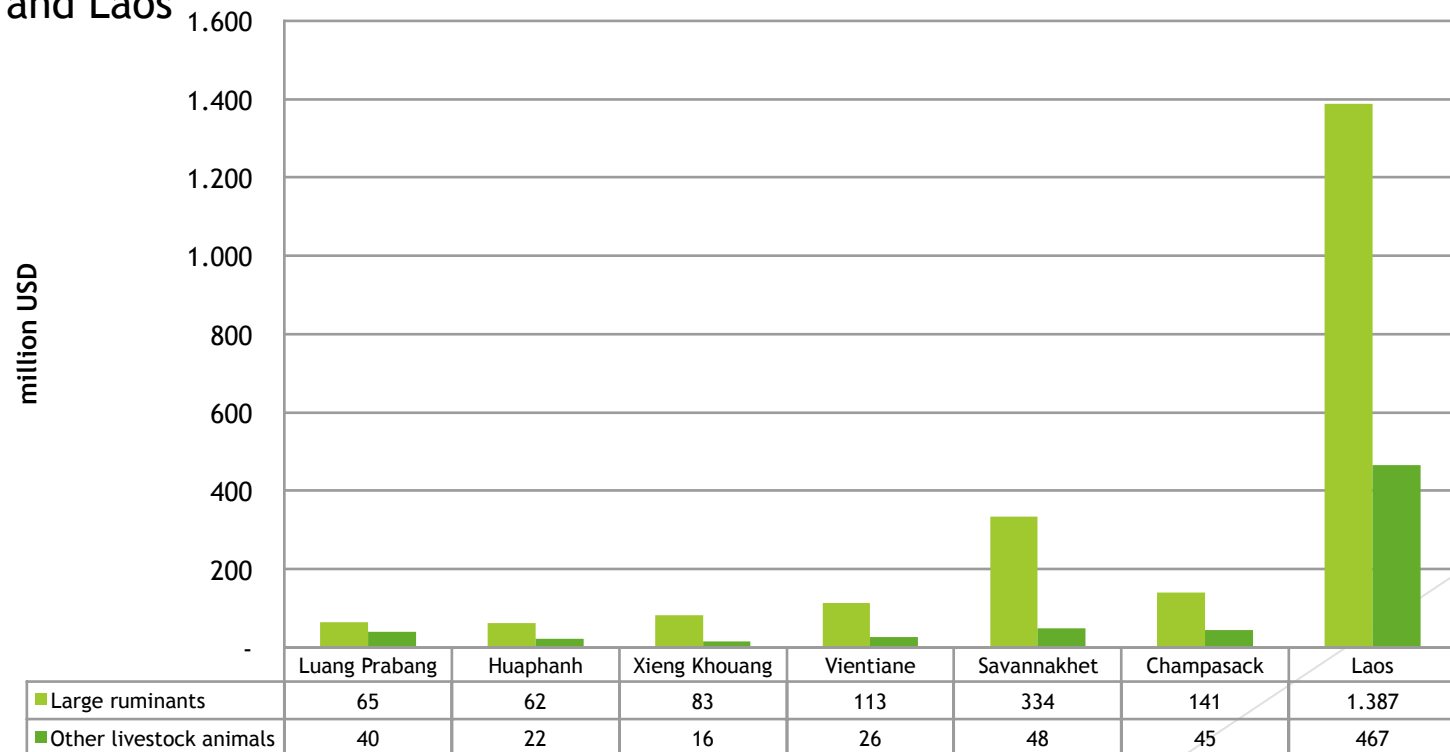
Source: DLF 2017



1. Current situation - herd statistics

- ▶ Importance of cattle and buffalo to Lao economy
 - ▶ 1.4 billion USD of the total stock of large ruminants

Figure 1 Valuation of livestock production in US dollars in selected provinces and Laos



1. Current situation - herd statistics

- ▶ ***Smallholder cattle production systems and productivity***
 - ▶ Free grazing systems which may present at least 60% of total cattle herd in Lao PDR (1 million head or 172,800 households)
 - ▶ Closed extensive grazing systems containing two sub-types which are:
 - ▶ (a) individual or group-fenced fallow systems, and
 - ▶ (b) institutionalized communal grazing systems.
 - ▶ 30% of total cattle herd (513,000 head or 90,000 households)
 - ▶ Cattle fattening and farm systems are intensive production systems may be up to 10% of the total cattle herd (170,000 cattle or almost 30,000 households)

1. Current situation - herd statistics

▶ *Cattle smallholder farmers*

- ▶ 98% of the total cattle from smallholder farmers (DLF 2013)
- ▶ Approximate 297,000 farm households (38% of the total farm households) had cattle
- ▶ This signifies the importance of smallholder farmers in the Lao cattle industry

Table 1 Cattle herd sizes or percentage of cattle holdings in the whole country

	Cattle herd size (% of cattle holdings)					Average cattle per cattle holding
	1-2 head	3-4 head	5-9 head	10-19 head	20 & over head	
Whole country	32%	26%	28%	11%	3%	5.3
No. farm households ('000)	95.04	77.22	83.16	32.67	8.91	

Source: ACO (2012)

Land resources

- ▶ ***Land availability***

- ▶ 654,300 ha of grazing lands and 1.14 million ha of forest areas (MAF 2014)

- ▶ Of 654,300 ha of grazing lands:

- ▶ 7,300 ha of grazing land in lowlands (1.12% of the total grazing lands)

- ▶ ***490,000 ha of grazing land in uplands (75% of the total grazing lands)***

- ▶ 9,900 ha of grazing land in highlands (1.5% of the total grazing lands)

- ▶ 147,300 ha of scattered grazing land in lowlands (each plot was no more than 300 ha) (22.5% of the total grazing lands)

1. Current situation - Consumption

Statistics of meat consumption in the first six months 2017					
No.	Type	Numbers	Average weight (Kg)	% consumable	Consumption (T)
1	Buffalo	29,017	210	55	11,079
2	Cattle	52,906	170	56	16,061
3	Pig	440,651	80	70	50,360
4	Goat	28,350	30	70	1,215
5	Poultry	4,527,384	1.2	80	6,791
6	Egg	29,349,194	20		1,467
Total					86,974

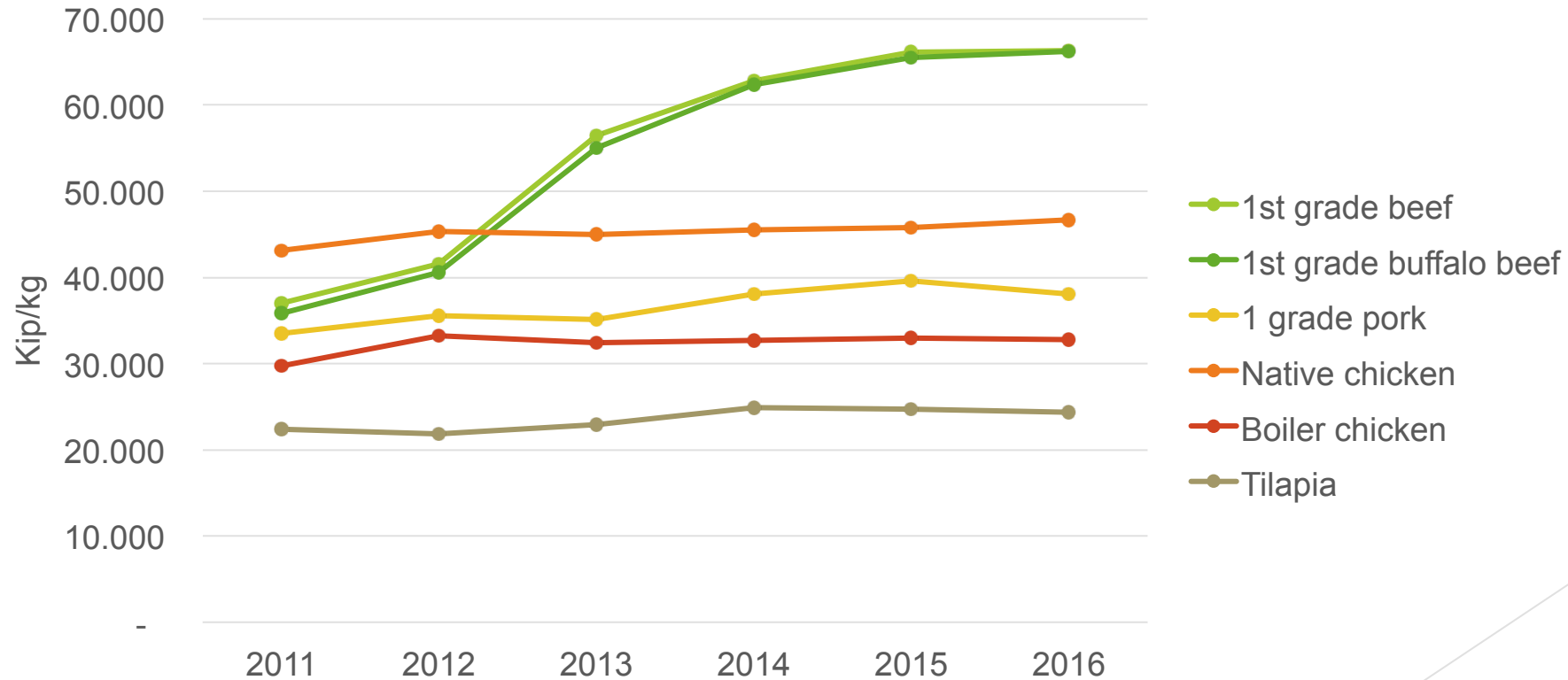
Source: DLF 2017

1. Current situation - beef price

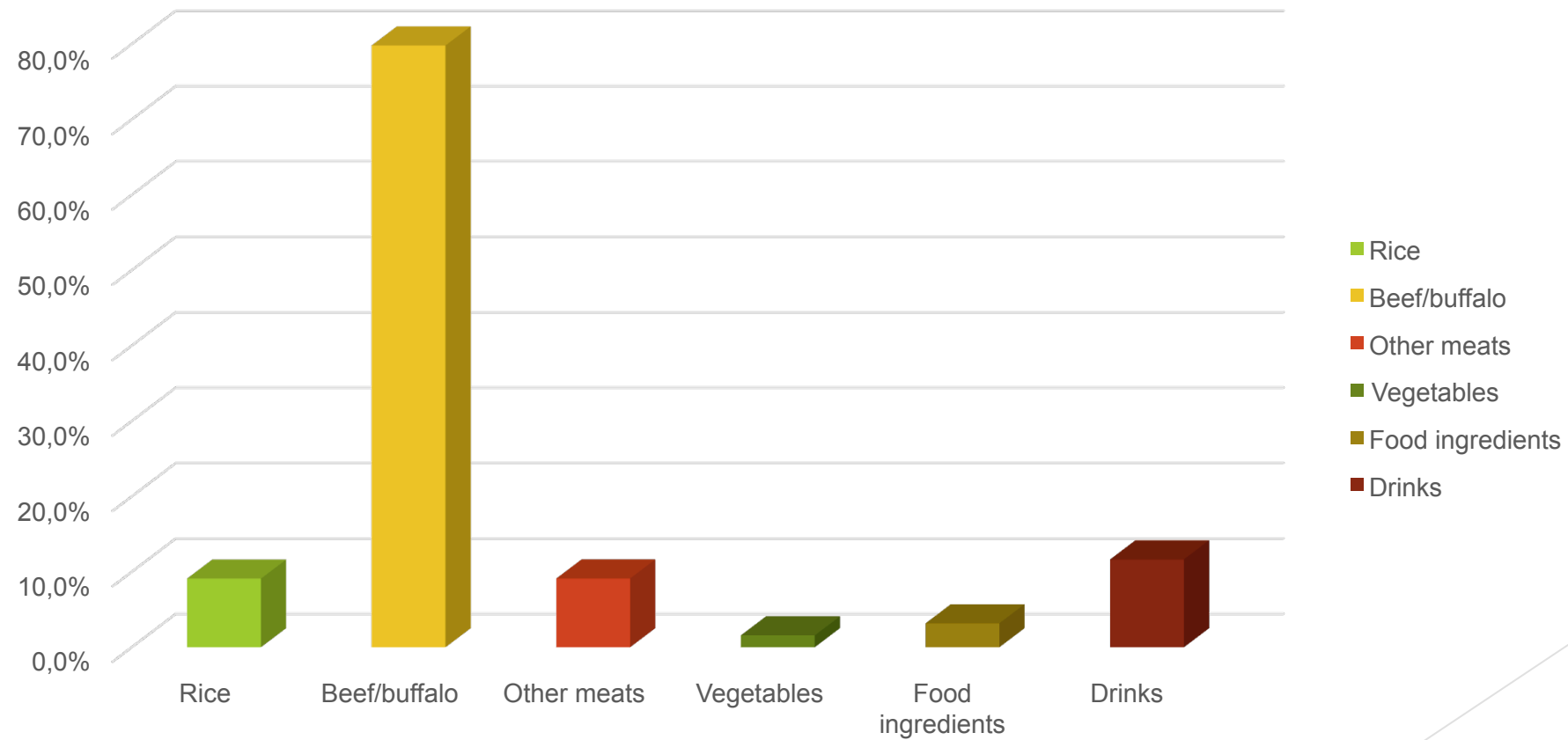
Rank	Countries	Average price (AUD/kg) in February 2017			
		Wet market	Supermarket	Boiler chicken	Live steer slaughter
1	China (Shanghai)	14.80	18.22	4.55	3.11
2	Vietnam (Ho Chi Minh)	14.37	17.36	6.89	3.94
3	Indonesia	12.71	14.96	2.64	4.06
4	China (Beijing)	12.14	13.66	2.85	4.46
5	Laos	11.74	13.64	5.21	3.66
6	Thailand	8.94	10.43	2.61	3.91
7	Malaysia	8.79	9.68	1.90	3.42
8	Philippines	7.83	8.88	3.39	2.61

Source: access to www.beefcentral.com; date access 06/06/2017

1. Current situation - beef price 2011-2016



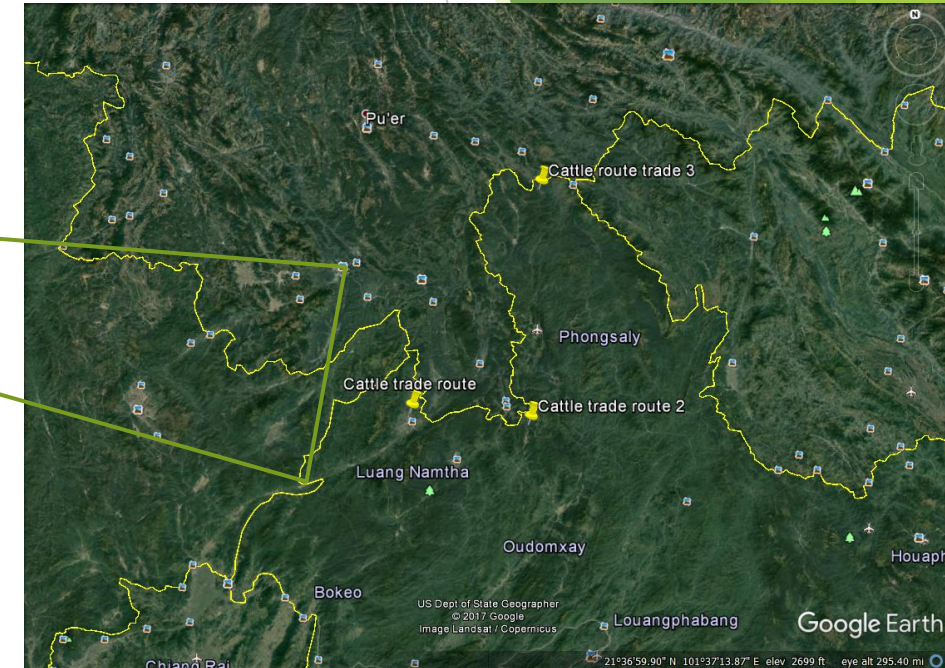
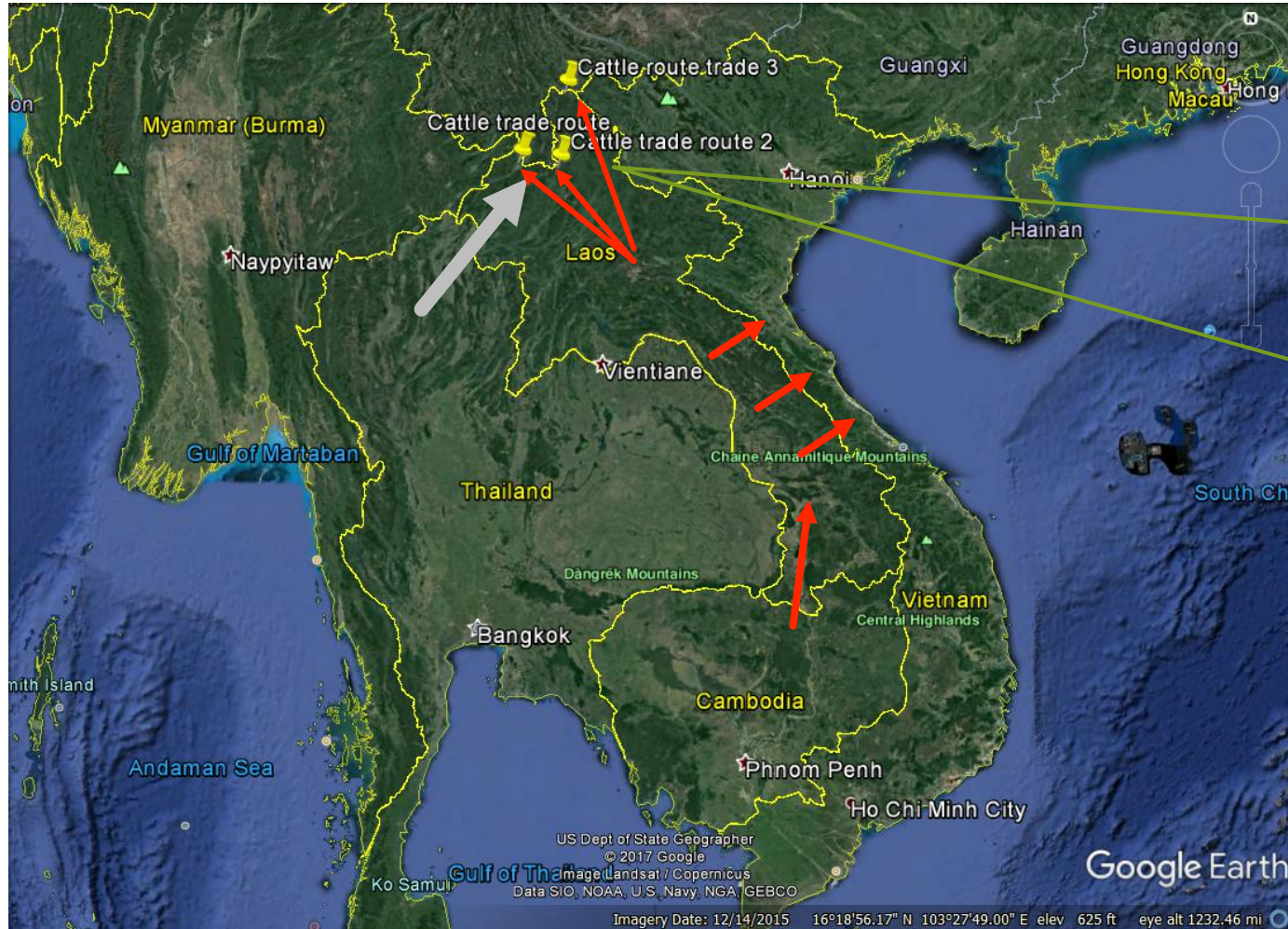
Percentage of increased prices of selected consumption products between 2011-2016



2. Key policies for cattle/beef development

- ▶ Agriculture Development Strategy 2025 with Vision to 2030 (ADS) by Ministry of Agriculture and Forestry
 - ▶ Project of Promotion of Commercialized Products and the Project of Food Security
 - ▶ National Commercialized Livestock and Aquaculture Development Policies since 2013
 - ▶ Policy for promoting land use for livestock and aquaculture husbandry
 - ▶ Labour policy
 - ▶ Finance and bank policy
 - ▶ Energy policy
 - ▶ Policy for promoting processing
 - ▶ Policy for commercialization and commodity price stabilization
 - ▶ Policy for livestock and aquaculture value chain entrepreneurs
 - ▶ Policy for human resource development on veterinary and fisheries sub-sectors

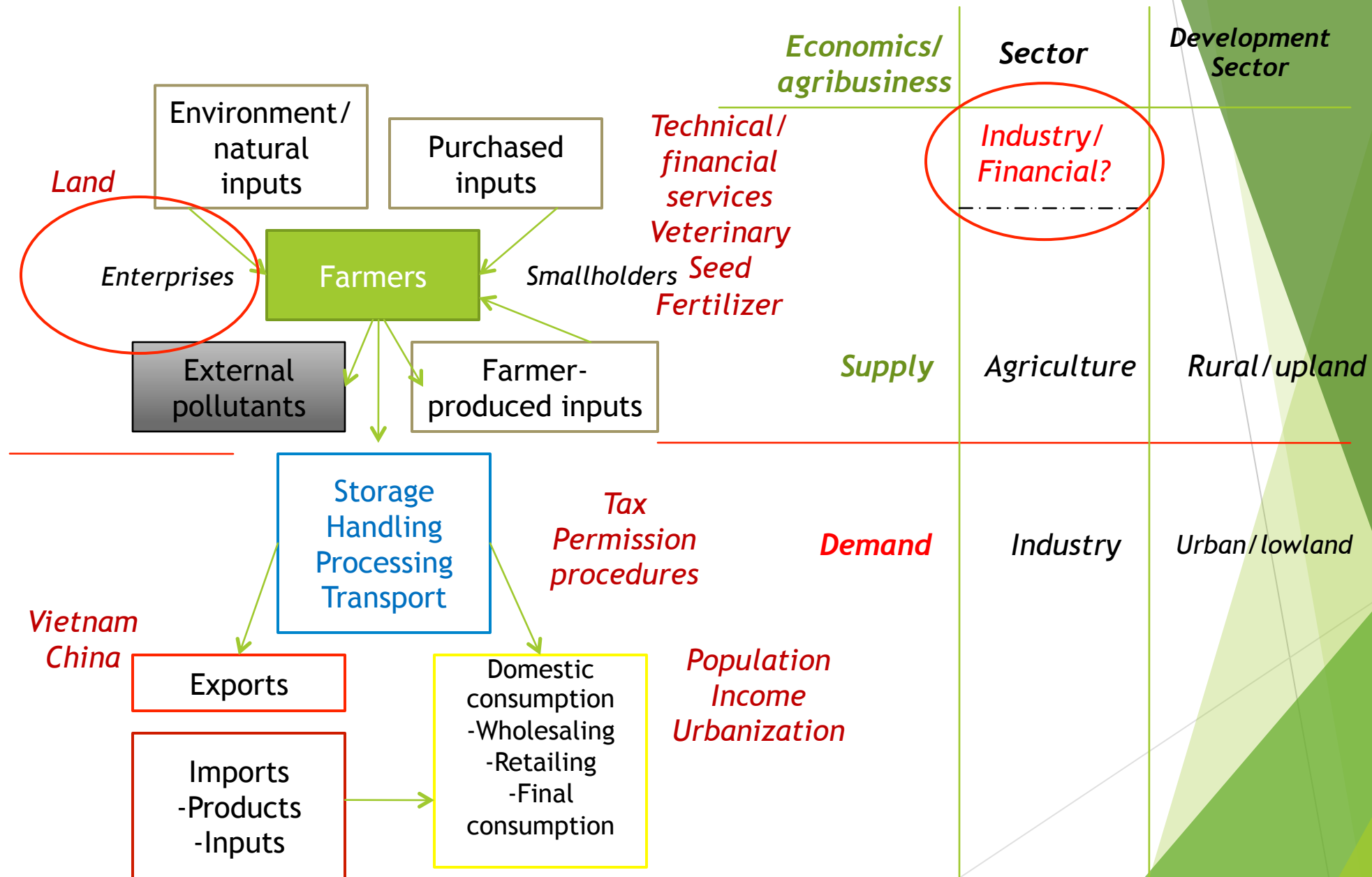
3. Trade: export & import, informal trade



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- ▶ Imports of small volumes of meat and processed goods (sausages, special cuts, salami etc.) for the tiny high-value, foreign, tourist and business market.
- ▶ Laos is a “transit country” for live animals moving from the South (Thailand and Malaysia) to China and Vietnam.
- ▶ The annual volume of live large animals is likely >85,000 head but could be much more.
- ▶ Careful consideration must be given to how future development of the industry fits this powerful regional market.

4. Future directions – Research



4. Future directions - Development

- ▶ Laos as a cattle fattening and quarantine zone for China and Vietnam beef/ cattle markets?
 - ▶ Land linked to Massive cattle/beef markets in China and Vietnam
 - ▶ Abundance of land resources
 - ▶ Low population
- ▶ Geo-politic conditions may shape live-cattle trade routes between ASEAN and China, thereby shaping a cattle and beef industry in ASEAN countries.

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