

# Assessing the social and economic implications of transitioning to low-input and organic rice production in Lao PDR



## Key details

### Location

Laos

### Duration

**Start** Oct 2023

**End** Jan 2024

### Budget

AUD 500,000

### Commissioned organisation

The University of Melbourne

### Partners

The University of Melbourne

### Project Leader

Dr Alexandria Sinnett

### ACIAR Research Program Manager

Dr Todd Sanderson

### Program

Social Systems

### Project code

SSS/2023/137



## Overview

This project aims to aid the government of Lao PDR in making informed decisions about transitioning to sustainable agricultural practices that balance economic growth, environmental sustainability, and social equity.

It will investigate the potential impacts of transitioning from conventional to low-input and organic rice production systems on farm/household and industry. Rice is a staple food, providing 80% of the daily calorie and protein intake for the rural population.

The Laos Government prioritises increasing rice production for self-sufficiency and export surplus. However, there is limited knowledge about the impact of low input and organic agriculture on farm households, businesses, and the wider economy in Laos.

## Project activities and expected outcomes

- Developing an Equilibrium Displacement Model (EDM) for the Laos rice industry, focusing on the value chain for rice production and use

- Conducting exploratory research on domestic consumers' willingness to pay for 'green' rice, rice farmers' decision-making processes around input use, and conducting focus groups with farmers to explore their motivations, needs, preferences, and practices in relation to rice production
- Defining a representative case study farm with advisors and industry representatives, allowing for a detailed understanding of the profit, cash, wealth, and risk of the current production system. The farm will also estimate the likely direct emissions of N<sub>2</sub>O and the cost of the negative externality of direct emissions from nitrogen used to grow rice
- Exploring the costs and benefits of a change to a minimal input/organic production system, evaluating the potential welfare effects on rice producers and consumers
- Producing a basic EDM for the Lao rice production sector, one detailed whole farm representative case study, a preliminary understanding of domestic consumers' willingness to pay for minimal input/organic rice, and a preliminary understanding of input use on rice farms
- Producing at least two peer-reviewed papers on project findings.



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