

# **The Law on Agriculture**

(National Seal)

Lao People's Democratic  
Peace Independence Democracy Unity Prosperity

No. 105/OP

DECREE  
of the  
PRESIDENT  
of the  
LAO PEOPLE'S DEMOCRATIC REPUBLIC

On the promulgation of the Law on Agriculture

- Pursuant to Chapter V, Article 53, clause 1 of the Constitution of the Lao People's Democratic Republic;
- Based on the Resolution of the 2d Ordinary Session of the National Assembly of the Lao People's Democratic Republic, No. 01-98/NA, dated 10 October 1998, 1Vth Congress on the adoption of the Law on Agriculture.
- Based upon the Proposal of the Standing Committee of the National Assembly, No. 13/SCNA, dated 15 October 1998.

The President of the  
Lao People's Democratic Republic  
decrees:

Article 1: The promulgation of the Law on Agriculture.

Article 2: This Decree is effective from the day it is signed

Vientiane, 6 November 1998  
President  
(seal of the President)  
(signature)  
Khamthay Siphandone

## **Law on Agriculture**

### Part 1 General Provisions

#### Article 1      Function of the Law

The Law on Agriculture has the function of establishing principles, rules, and measures regarding the organization and activities of agricultural production which is the basis of the country's economy, including management and preservation of agricultural activities and production to encourage, promote, and expand agricultural production to guarantee the food supply and [to guarantee] commodity production, to create favorable conditions for building and expanding agro-industrial processing, to contribute to national economic growth, to make people wealthy, to strengthen the nation, and to prevent damage and danger to the environment.

#### Article 2.      Agriculture

Agriculture is [the undertaking of] cultivation, animal husbandry, and fisheries for consumption and as food for the public, as raw materials to supply industrial processing factories, as well as serving as domestically consumed and exported commodities.

#### Article 3.      Promotion of Agricultural Production

The State encourages all the [multi-ethnic] peoples and all economic parties, both domestic and foreign, to progressively make broad and modern investments in agricultural production as foodstuffs, as commodities, as raw material supply to domestic processing factories and for export.

#### Article 4.      Protecting the Rights and Interests of those who Carryout Agricultural Activities

The State protects the rights and interests of those carrying out agricultural activities by establishing rules, laws, provisions, and regulations as well as [granting] allowances, such as: credit allowances, allowances for the exemption or reduction of duties [and] taxes, restricting the importation of some types of unnecessary agricultural products in order to promote agricultural production and to encourage the domestic and foreign distribution market.

#### Article 5.      Protection of Agricultural Land

Individuals and organizations who have received permission to undertake agricultural activities do not have the right to backfill agricultural land or excavate agricultural lands, no matter the form or manner, causing such agricultural land to change from its original condition, without first receiving approval from the agriculture and forestry division.

The protection of agricultural land must be undertaken as provided for in Article 6 of the Land Law.

Article 6. Environmental Protection

Individuals or organizations undertaking agricultural production are obligated to protect the environment. Agricultural producers must have appropriate means and measures to protect the land, water, forests, the climate, etc.

Article 7. International Agricultural Cooperation

The State promotes international agricultural cooperation to create conditions enabling agricultural activities to grow and to progressively become modern.

**Part II**  
**Agricultural Activities**

Article 8. Part 11 Agricultural Activities

Agricultural activities are works involved with horticulture, animal husbandry, and fisheries.

Article 9. Types of Agricultural Activities

Agricultural activities in the Lao People's Democratic Republic are divided into various types such as: activities relating to agricultural land, irrigation, plant, and animal species, fertilizers and animal feed, insecticides and curative drugs for animals, agricultural tools, vehicles and machinery, warehouses, processing of agricultural products, the agriculture market, [and] international agricultural contacts and cooperation.

Article 10. Rights and Duties of Those Who Undertake Agricultural Activities

Those who undertake agricultural activities have the following rights:

- receive legal protection;
- own assets and the products of their agricultural activities;
- receive professional and technological advice and assistance from the agriculture and forestry division;
- transfer and succeed to [ownership rights in respect of] agricultural activities.

Those who undertake agricultural activities have the following duties:

- properly use agricultural land according to objectives and regulations and laws;
- not cause damage to other people's production or the environment or the public or nature;
- report animal epidemics;
- [respect and] adhere to unavoidable circumstances; adhere to technical safety standards;
- meet tax and duty obligations and other obligations related to agricultural activities; report the results of agricultural activity undertakings under contract;
- cooperate with administrative and inspection officials in respect of agricultural activities.

## Chapter 1 Agricultural Land

### Article 11. Using Agricultural Land

The State allocates and promotes the use of agricultural land for production in conformity with targets, [and] according to the abilities of each area [of land] in order that each household have [sufficient] land to undertake production subject to their labor and capital capacities by granting the right to use or a lease according to regulations and laws, based upon the primary objective of raising the productivity of the land to progressively transform it into intensive agriculture.

The State attends to the allocation of land to the [multi-ethnic] peoples for fixed cultivation to progressively decrease slash and burn cultivation and ultimately to stop the practice of slash and burn cultivation altogether.

### Article 12. Types of Agricultural Land

Agricultural land is divided into two types:

- land for cultivation;
- land for raising animals.

Land for cultivation is land used in cultivation which includes:

- flat lands;
- highlands or hilly land.

Land for raising animals is degraded land or types of weeded areas which can be converted to plant crops and grass for raising animals or land upon which a pond can be dug for raising aquatic animals.

### Article 13. Conversion of Agricultural Land

The conversion of one type of agricultural land into another type of agricultural land must be first approved by the agricultural and forestry sector according to the size of the land to be converted.

### Article 14 Upgrading Agricultural Land

Individuals and organizations who undertake agricultural production must attend to improving the land to make it fertile, usable for long periods of time and be productive for cultivation and raising animals by using various fertilizers, such as: animal waste, heat-treated fertilizers, raw [green] fertilizers, salt peter, lime, peat, [and] gypsum.

Individuals and organizations who have received approval to use agricultural land as provided for in paragraph one above must properly use such [land] in [an] agricultural [manner] in conformity with the objectives [of the land], [must] be productive, and in accordance with regulations and laws.

If those who have received approval to use agricultural land do not adhere to the conditions referred to hereinabove within three years [from the effective date Of this Law], their rights to use such land shall expire as provided for in Article 18 of the Land Law.

## **Chapter 2 Irrigation**

### **Article 16. Irrigation**

Irrigation is the supply of water to agricultural production by various means, such as: building reservoirs, weirs [dykes], flood gates, pumping water, and building irrigation ditches.

### **Article 17. Use of Irrigation**

Because our agricultural production still nature-dependent and subject to the threat of droughts and floods, for productive commodities production, it is necessary to build irrigation for use in agricultural production.

The use of irrigation in agricultural production must conform with the Water and Water Resources Law.

### **Article 18. Building and Managing Irrigation**

Irrigation activities are comprised of three sizes:

- small-scale irrigation;
- medium-scale irrigation;
- large-scale irrigation.

Small-scale irrigation is irrigation that covers a production area of less than 1 00 hectares; Medium-scale irrigation is irrigation that covers a production area of 1 00 to 500 hectares; Large-scale irrigation is irrigation that covers a production area in excess of 500 hectares.

Small-scale irrigation [occurs when a] family, group, or association of water users invest in and build, manage and use [the irrigation]. In necessary cases, the State will encourage and contribute to building small-scale irrigation.

Medium-scale irrigation [occurs when] a cooperative, [or] an association of water users invest in and build, manage and use [the irrigation] themselves. For medium- scale irrigation with sophisticated technical [specifications] and which demand a lot of investment, the State and the people will jointly invest in the building [of such] and then transfer the ownership to the people for their own management and use.

Large-scale irrigation [occurs when there is] an investment to build [irrigation] between the State and the people. In the case that management of such irrigation does not involve sophisticated technical [specifications], ownership will be handed over to the people for their management. If the management of such irrigation involves sophisticated technical [specifications], the State will participate in the management of such irrigation.

### **Article 19. Reservoirs**

A reservoir is a system for collecting water by excavating a holding area [and] damming a stream or river for a sufficient water supply and for storage to ensure agricultural production, family consumption, [and] the [ongoing] existence of the environment and of society.

#### Article 20. Weirs [Dykes]

Weirs [dykes] are the damming of water flows, such as: streams and rivers to increase water levels and to use such water in agricultural production areas. ,

#### Article 21. Pumping Water

The pumping of water is taking water from the surface of the ground or from underground for use in agricultural production by means of rudimentary or modern equipment, such as: a water pump [or] a water turbine.

#### Article 22. Unavoidable Natural Facts and Circumstances

Those who possess land below [a watercourse] must accede to the regular and natural flow of the watercourse from the land above [one's lower placed land] down to or across one's land.

In the case that the person who possesses land below [a watercourse] dams up water causing damage to the person who possesses land above [the watercourse], the person possessing the land below [the watercourse] must be liable to compensate for the damages that occur.

The person who possesses land above [the watercourse] has no right to interfere with the regular and natural flow of the watercourse down to the land below [the watercourse] causing damage to those who use water on the land below [the watercourse].

If there is interference causing damage to those who use water on the land below [the watercourse], the person possessing the land above [the watercourse] must be liable to compensate for damages under the law.

#### Article 23. Unavoidable Legal Circumstances

Individuals or organizations who have agricultural land in the middle or at an end of another person's land who has no [means of] exit [ing their land, and] who has no irrigation ditches, or electricity installed on that land for use in production, has the right to request that a road [or] irrigation ditch be built or that electricity wires be pulled onto their land over others' surrounding land as appropriate, and the person [from who permission is] being requested must give approval for such passage according to the request as provided for in Article 35 of the Water and Water Resources Law, Article 61 of the Land Law and Article 28 of the Electricity Law.

If the building of a road, an irrigation ditch or the installation of electricity wires over another's land causes damages to persons who gave permission for such passage, the person receiving the right to pass onto his/her agricultural land, must compensate for such damages according to the laws.

In the case that the person providing passage also receives benefits, there is to be no demand for damages, except [in the case that] providing such passage causes damage in excess of the benefit received.

### Chapter 3

#### Seeds and Animal Species

#### Article 24. Seeds

Plant species are species of either annual or perennial plants which may be pure species or hybrids, or traditional species which have been improved upon, developed, expanded, or made into a new more productive species by scientific and technical processes with the acknowledgment and approval to use such in production from the Ministry of Agriculture and Forestry.

#### Article 25. Animal Species

Animal species are types of animal species that are comprised of pure breeds, cross breeds or traditional species including quick growing land animals and aquatic animals that can provide a large production supply, with good quality and are a species derived by selection, improvement, expansion or as a new species by means of scientific and technical processes that has been acknowledged and approved for use in production by the Ministry of Agriculture and Forestry.

#### Article 26. Use of Species

The State encourages people to create and use high quality plant and animal species appropriate to the special conditions of each locality of the country for high productivity.

The import or export of plant and animal species must be approved by the agricultural and forestry sector.

### **Chapter 4 Fertilizers and Animal Feed**

#### Article 27. Fertilizers

Fertilizer is a material which is comprised of a mix of organic and chemical substances that has nutrients necessary for plants to grow quickly, to have a high level of quality, including improving the fertility of cultivated land.

#### Article 28. Types of Fertilizers

Fertilizers used in agricultural production in the Lao People's Democratic Republic are comprised of two types, i.e., scientific [chemical] and organic fertilizers.

Scientific [chemical] fertilizers are fertilizers comprised of one type of chemical substance or a combination that is a direct plant nutrient, such as: urea, phosphorus, potassium, etc.

Organic fertilizers are comprised of a combination of substances derived from the disintegration of vegetable remains, animal corpses, and many kinds of minerals that are indirect nutrients for plants which also help to improve the quality of the soil, such as heat-treated fertilizers, animal waste, etc.

#### Article 29. Using Fertilizers

The use of all types of fertilizer must be done properly and strictly according to rules for fertilizer use such as: use according to purpose, type and volume for efficient fertilizer use, ensuring that no danger arises to life or the health of people or animals.

The Ministry of Agriculture and Forestry issues rules regarding fertilizer use and determines the types of fertilizers that are seriously dangerous, the use of which is prohibited. In addition, [the Ministry] must assist in training and encouraging farmers to primarily use organic fertilizers and properly use fertilizer according to means, technical standards, and according to seasons of production.

#### Article 30. Animal Feed

Animal feed is material used to raise animals that is derived from nature, production, or processing, from agricultural produce and other substances that have nutritional value.

Animal feed is comprised of three types, i.e.

- Fresh foods, such as: green grass, seeds
- Semi-processed foods, such as: rice bran, rice stalks, fermented grass, hay;
- Processed food, such as: food processed according to a nutritional formula for each type of animal.

#### Article 31. Management of Fertilizers and Animal Feed

The Ministry of Agriculture and Forestry determines rules regarding the management of chemical and organic fertilizers and animal feed in coordination with relevant parties, such as: industry and handicrafts sector, commerce, finance, banks, science technology and environmental organizations in order to determine the type and quality of fertilizers, to administer the importation, transportation, distribution, storage and packing and other activities related to fertilizers to ensure that all types of fertilizers meet the mix standards determined by their formulas, be of good quality as well as encouraging domestic production of fertilizers and animal feed.

### **Chapter 5 Insecticides and Animal Medicines**

#### Article 32. Insecticides

An insecticide is a chemically reactive product used to protect and dispose of plant enemies that cause damage to cultivation, including chemical substances used in storing, maintaining and transporting such.

Insecticides are derived from combining various chemical substances processed by factories or which are directly derived from plants called traditional insecticides.

Animal vaccines are chemically reactive products comprised of chemical components or derived directly from plants or animals with medicinal features, used in preventing and curing [treating] diseases in all domesticated animals.

#### Article 34. Using Insecticides and Animal Vaccines

Those using insecticide or animal vaccines must strictly adhere to rules and regulations and use such in compliance with their objectives, including the storage of such medicines for the efficient use of such insecticides or animal vaccines, to ensure that there is no danger to health or the lives of people or animals.

## Article 35. Management of Insecticides and Animal Vaccines

The Ministry of Agriculture and Forestry determines rules for managing insecticides and animal vaccines in coordination with concerned parties, such as: the Science Technology and Environment Organization, the Ministry of Public Health, the Ministry of Industry and Handicraft, the Ministry of Commerce, [and] the Ministry of Finance to determine the type and quality of dangerous insecticides, and types prohibited for use, controlling the import, transport, distribution, storage, and other activities related to insecticides or animal vaccines to ensure that these types of medicines have proper composition according to their formulas, and according to technical standards and be of good quality.

All types of insecticides and animal vaccines that are approved for use and distribution must have affixed upon them a clear, conspicuous, and easily understood label, which will state the nature and kind of chemical substance, and detailed means and time period for such use, dangerous properties, as well as means of initial treatment for poisoning.

## Chapter 6 Agricultural Tools, Vehicles, [and] Machinery

### Article 36. Agricultural Tools, Vehicles, [and] Machinery

Agricultural tools, vehicles, [and] machinery are tools, vehicles, [and] machinery used in cultivation and in raising animals including:

- tools and vehicles used to clear areas for cultivation or raising animals, modification of land surfaces, plowing, disking, transplanting seedlings, weeding, fertilizing, repelling or killing insects, harvesting, threshing, storing, milling, grinding, and transporting, comprised of unsophisticated or elementary tools, such as: hoe, spade, shovel, oxcart, and modern vehicles and machinery, such as: bulldozers, plows, mechanized threshers;
- Tools, vehicles, and machinery to defend, maintain, raise and treat animals;
- Tools to process and cull agricultural products, coolers, etc.

### Article 28. Production of Agricultural Tools, Vehicles, [and] Machinery

The Ministry of Industry and Handicrafts establishes rules and technical standards for the import or production of agricultural tools, vehicles [and] machinery in coordination

With the Ministry of Agriculture and Forestry and the Science Technology and Environment Organization.

## Chapter 7 Warehouses

### Article 38. Warehouses

Warehouses are buildings [or] places for the storage of agricultural products, fertilizers, animal feed, insecticides and animal vaccines, for long term maintenance of quality that includes: rice cribs, granaries, fertilizer and animal feed silos, cold storage for vegetables, fruits, fresh meats, fresh milk and special storage for insecticides and animal vaccines.

### Article 39. Building Warehouses

The building of warehouses must ensure that such is in accordance with regulations and technical standards determined by the Ministry of Agriculture and Forestry. In addition, such must be in accordance with town planning regulations.

## **Chapter 8**

### **Agricultural Product Processing**

#### Article 40. Agricultural Product Processing

Agricultural processing is taking produce derived from planting and animal husbandry and fishing and processing such as a finished product, such as: fermenting, drying, and as a finished food product, canning, pressing vegetable oils, producing consumables, etc.

#### Article 41. Building Agricultural Plants and Agricultural Products Processing Factories

The building of agricultural plant and agricultural products processing factories must ensure that such are in accordance with regulations and technical standards established by the Ministries of Industry and Handicraft and Public Health. In addition, such must conform to town planning regulations.

## **Chapter 9**

### **Agricultural Markets**

#### Article 42. Agricultural Markets

An agricultural market is a place where agricultural products are bought and sold between producers and consumers, including the sale of agricultural products in the stream of commerce. Agricultural markets are important in encouraging the agricultural production movement in the Lao PDR in order to provide a sufficient level of food stuffs and to serve as export commodities.

#### Article 43. Building Agricultural Markets

Agricultural markets must be widely established in many forms and levels, both domestically and abroad, as places to distribute agricultural products, to establish agricultural cooperatives, and companies who bind themselves to buy and sell through direct links to farmers, [and] to establish agricultural products export companies.

## **Chapter 10**

### **Foreign Agricultural Relations**

#### Article 44. Technical Cooperation

The State opens wide [the channels of] international agricultural cooperation for exchange of know how, technical expertise, management, use of science [and] modern technology for development of agricultural activities in our country for growth and [to achieve a] high level of efficiency.

#### Article 45. Foreign Economic Relations and Cooperation

The Lao People's Democratic Republic vies for foreign capital to expand cultivation, animal husbandry, as well as attracting foreign investment into agricultural activities.

### **Part III Investment in Agricultural Activities**

#### Article 46. Investment in Agricultural Activities

Investment in agricultural activities is investment in cultivation, animal husbandry, and fishing to undertake agricultural production or agri-business.

#### Article 47. Forms of Investment

The forms of investment in agricultural production are comprised of:

- Investment by family units;
- Investment by means of cooperation by the public;
- Private investment;
- State invests in the entirety in the case that no other party invests, but such investment is important and necessary for the benefit of the people;
- State invests with domestic or foreign private parties;
- Wholly foreign investment.

Investment in agricultural production is divided into three sizes, such as:

- Small-scale production and agri-business;
- Medium-scale production and agri-business;
- Large-scale agri-business.

The Ministry of Agriculture and Forestry determines the size of production and agribusiness in coordination with the Committee for the Management and Promotion of Investment.

### **Part IV Promoting Agricultural Production**

#### Article 48. Objectives

The promotion of agricultural production has the objective of ensuring that agricultural products are quantitatively and qualitatively guaranteed to satisfy the demands of society and that there are [amounts] sufficient [to serve as] reserves and [sufficient to] be sold as commodities.

#### Article 49. The Substance of Agricultural Production Promotion

To ensure maximum productivity of agricultural production, the promotion of agricultural production must be undertaken in a comprehensive manner comprised of:

capital and a promotion fund; plant and animal species; fertilizer and animal feed; insecticides and animal vaccines; agricultural tools, vehicles [and] machinery; irrigation; technicians; agricultural information and data; research center and experimental stations farmer training; warehouses, curing and cold storage; agricultural products processing; seed banks and animal banks; marketing; pricing; protecting farmer benefits.

#### Article 50. Capital and Promotion Funds

Capital and promotion funds are financial vehicles used in agricultural production. The State will promote people taking loans to undertake agricultural production from time to time, i.e., short, medium and long term [loans], with concessional interest rates while also attracting foreign assistance to encourage agricultural production.

Where there is a natural disaster such as: drought, flood, animal epidemic, insect infestation or other events causing serious damage to agricultural production, the State may have reasonable policies to grant grace periods for the repayment of loan principal and interest for loans from the State to farmers.

The State establishes an agricultural promotion fund to encourage efficient agriculture. The agricultural promotion fund is derived from:

- capital contributed by the State;
- capital contributed by the people;
- International assistance.

#### Article 51. Plant and Animal Species

##### I

The Ministry of Agriculture and Forestry is responsible for scientific research to seek out plant and animal species both domestically and abroad that are good and suitable for the local climatic conditions of each locality of the Lao People's Democratic Republic for highly efficient agricultural production in coordination with the Science Technology and Environment Organization, the National University and local administrative authorities.

#### Article 52. Fertilizers and Animal Feed

The State promotes the extensive and timely [according to seasons] supply of fertilizer to farmers to ensure high volume and quality for agricultural production by promoting domestic production of organic and scientific [chemical] fertilizers and where necessary, fertilizers may be imported from abroad according to laws and regulations.

The State promotes the supply of animal feed to animals raised by families or animals raised as a business by encouraging the search for good species for animal husbandry, both domestically and abroad, production of raw materials to supply animal feed plants, as well as building animal feed processing factories.

In the case that domestic animal feed production is insufficient, imports from abroad will be permitted according to laws and regulations.

#### Article 53. Insecticides and Animal Vaccines

For a prompt and sufficient supply of insecticides and animal vaccines, the State promotes domestic production of insecticides and animal vaccines and allows the import of such from abroad in necessary cases according to laws and regulations.

#### Article 54. Agricultural Tools, Vehicles [and] Machinery

Agricultural tools, vehicles [and] machinery are necessary and important vehicles in improving the productivity of agricultural production. The State promotes the domestic production of suitable and modern agricultural tools, vehicles [and] machinery, and in necessary cases, prompt and sufficient imports from abroad are allowed. In addition, the State also encourages the organization of agricultural machinery organs [associations] in various areas, primarily in agriculture intensive areas.

#### Article 55. Irrigation

In order that agricultural production can be undertaken in many seasons and be efficient, the State extensively promotes the development of irrigation at many levels and sizes, primarily the excavation of water containment, reservoirs, the production of water pumps domestically and their import from abroad in a sufficient number according to laws and regulations.

Administrative authorities have the duty to encourage and mobilize the building of irrigation with individual or collective capital, from State and private ventures, or by only State investment.

#### Article 56. Technicians

In agricultural production, technical issues are determinative. The State has the duty to build up agricultural technicians at many levels to supply the necessary requirements to encourage and instruct farmers from the date of preparation for production to the date of harvest as well as storage, initial processing and packaging and transporting [produce] to market.

In addition, the State also encourages other parties to build up agricultural technicians.

#### Article 57. Agricultural Information and Data

The State must provide information and data and statistics regarding agricultural production such as: planting techniques, animal husbandry, fishing, plant and animal species, international quality and standards, price fluctuations in the market place, meteorological information, hydrological data, etc., create a system of information,

data, and statistics collection from the village level, [and] grass roots units up in order to derive factual information. In addition, the State also encourages other parties to contribute agricultural information and data.

#### Article 58. Research Centers and Experimental Stations

Research centers and experimental stations have a role in research, in using good experiences within the country and in integrating the utilization of international agricultural successes within the country to enhance the productivity of agricultural production.

Research centers and experimental stations have the duty to research and experiment with plant and animal species, fertilizers and animal feed, insecticides and animal vaccines, agricultural vehicle and machinery production techniques, including cultivation and animal husbandry techniques.

The State promotes the building and expansion of research centers and experimental stations in various production areas as seen suitable.

#### Article 59. Farmer Training

To make agricultural production efficient [and] capable of [producing] commodities, the State attends to training farmers regarding cultivation, animal husbandry and fishing so that they have a broad based knowledge of how to use scientific techniques and new technology in agricultural production by organizing training, study tours, and seminars, both domestically and abroad, to learn international standards relating to agricultural produce while also disseminating, learning from, [and] broadly and timely propagating good experiences from model families and agricultural production units.

The State promotes parties to participate in the training of farmers regarding agricultural production.

The State will integrate basic agriculture studies into the educational curriculum.

#### Article 60. Warehouses, Curing and Cold Storage and Processing Factories

To maintain stable agricultural products that can be stored over a long period of time, the State extensively promotes people in building of warehouses, curing rooms, cold storage and initial processing factories in conformity with technical standards.

The Ministry of Agriculture and Forestry has the duty to recommend and to provide technical training regarding warehouse systems, curing rooms, cold storage and initial processing factories for the people.

#### Article 61. Seed Banks and Animal Banks

To ensure that farmers have capital to undertake production and [which is sufficient to meet] their family expenses, the State encourages and promotes the establishment of seed and animal banks to satisfy farmers' needs in times of necessity by using one's production as loan security and farmers have the right to use such products which were used as security to then distribute such when such products yield higher prices [in the market].

In addition, seed and animal banks also have the purpose of providing farmers with the ability to take seed or animal loans in times of necessity.

#### Article 62. Marketing

The stream of distribution is very important in encouraging commodities production and broad-based production, therefore, the State encourages economic units to seek out both domestic and foreign markets by advertising commodities, holding exhibitions of agricultural commodities and by expanding international relations regarding buying and selling and exchanging agricultural commodities. In addition, the State also encourages people's agricultural production by means of bi-lateral agreements while also encouraging the establishment of farmer's cooperatives and State enterprises to create binding arrangements to buy agricultural products.

The import or export of agricultural products must adhere to laws and regulations.

#### Article 63. Prices

The State ensures minimum prices for certain agricultural products necessary for people's lives.

In necessary cases, the State will itself buy such agricultural products to maintain stable prices, especially during harvest seasons. In addition, the State must seek every means to prevent oppressive pricing of agricultural products, all meant to protect producers' and consumers' interests.

#### Article 64. Protection of Farmer's Interests

t

The State attends to the protection of farmers' interests by encouraging the expansion of production and the use of domestic agricultural products, reducing and restricting the importation of unnecessary agricultural products from abroad, including applying various measures to encourage [such production] as provided for in Part IV of this Law.

### **Part V Environmental Protection**

#### Article 65. Environmental Protection

Individuals and organizations undertaking various types of agricultural activities must attend to the protection of the social and natural environment, such as: people, animals, soil, water, forests, and the air.

#### Article 66. Environmental Protection in Cultivation

Clearing, preparing and using land, building irrigation activities, and water and fertilizer use and the storage of insecticides must limit negative impacts upon people, animals, the soil, water, forests and the air.

#### Article 67. Environmental Protection in Animal Husbandry

Animal husbandry must be established in a suitable place, animals should not be penned under one's house or near public artisan wells, or near streams, ponds, canals, or marshes. In

animal husbandry, one must regularly attend to sanitizing animal pens to avoid creating an environment endangering people's health and the environment. Animals are not to be raised at the side of national roadways. In animal husbandry, one must attend to controlling and caring for one's animal to prevent the destruction of other's crops and to prevent the occurrence of road accidents.

#### Article 68. Environmental Protection in Fishing

Fishing must ensure the protection and expansion of fish species and other aquatic animals. It is forbidden to use fishing equipment or means [of fishing] with destructive characteristics that can destroy fish species and other aquatic animals, such as: poison, explosives, electricity, and fine mesh cast nets, fine mesh gill nets [or] [scuba] masks [and snorkel] [or swimming goggles], including the use of enclosed fence traps, fence filter traps, [and] box funnel nets in streams to collect small fry [or] large fish primarily during the breeding season.

When raising fish and other aquatic animals, care should be taken to avoid putrid water endangering the environment.

## **Part VI Agricultural Activities Administration and Monitoring**

### **Chapter I Administration of Agricultural Activities**

#### Article 69. Agricultural Administration Agency

The Agricultural Activities Administration Agency is comprised of:

- The Ministry of Agriculture and Forestry;
- The provincial, prefectural and special zone agriculture and forestry divisions;
- The district agriculture and forestry bureaus;

In necessary cases, additional specific committees may be organized to contribute to administration of agricultural activities.

#### Article 70. Rights and Duties of the Ministry of Agriculture and Forestry

The rights and duties of the Ministry of Agriculture and Forestry with respect to the administration of agricultural activities are as follow:

- To serve as the logistical center for the Government in propagating the agricultural production strategy in transforming such into a plan, into a detailed project, and rules for administration and inspection of agricultural activities;
- To draw up a master plan, a long, medium, and short-term plan, and projects relating to agricultural production development;
- To issue terms and regulations on production, environmental protection and agricultural activities development throughout the country;
- To study and comment on applications seeking to conduct large scale or significant agri-business;

- To undertake technical and scientific agricultural research, to establish a central research network and a station for experimentation, and agricultural promotion units throughout the country, provide statistical agricultural information and data, [and] meteorological and hydrological information and data;
- To coordinate with administrative local authorities and relevant parties to survey natural resources potential and agriculture intensive areas;
- To inspect agricultural activities in the implementation of regulations and laws, and other technical standards for productive production;
- To build, strengthen, [and] upgrade technical abilities of mid-level and highlevel technicians in coordination with the National University, including instructing the building and upgrading of low level technicians and farmers throughout the country;
- To cooperate with foreign parties in agricultural development;
- To exercise other rights and duties in the administration of agricultural activities within one's scope of responsibility.

#### Article 71. Rights and Duties of the Provincial, Prefectural, and Special Zone Agriculture and Forestry Divisions

The rights and duties of provincial, prefectural, and special zone agriculture and forestry divisions with respect to the administration of agricultural activities are as follow:

- To be the direct logistical center for the Ministry of Agriculture and Forestry and for provincial, prefectural, and special zone administrative authorities with respect to agriculture tasks; To propagate the master plan, [and] long, medium, and short term plans as detailed projects to facilitate implementation;
- To build, strengthen, [and] upgrade low level agricultural technicians at the district and farmers within the province;
- To study and give opinions on applications seeking to conduct agri-business within their areas of responsibility;
- To survey the natural resource potential and agriculture intensive areas, including allocating agricultural land within their areas of responsibility;
- To exercise rights and duties relative to the administration of agricultural activities within their areas of responsibility.

#### Article 72. Rights and Duties of District Agriculture and Forestry Bureaus

The rights and duties of the district agricultural and forestry bureaus with respect to the implementation of agricultural activities are as follow:

To be the direct logistical center for the provincial, prefectural, special zone agriculture divisions and for district administrative authorities in the implementation of plans, provisions, regulations, and instructions from the provincial, prefectural, and special zone agriculture divisions regarding agricultural production; To conduct the actual implementation of long, medium, and short-term plans and various agricultural projects relative to agricultural development at each village; To survey natural resources potential and agriculture intensive areas including allocating agricultural land within their areas of responsibility; To train and instruct the peoples with respect to intensive agricultural techniques regarding cultivation, animal husbandry and fishing; To exercise other rights and duties relative to the implementation of agricultural tasks.

## Article 73. Rights and Duties of Village Administrative Authorities

The rights and duties of village administrative authorities with respect to the implementation of agricultural tasks are as follow:

To conduct the actual implementation of plans, activities, terms, regulations, and instructions from district agricultural and forest bureaus and district administrative authorities regarding agricultural production; To mobilize and encourage farm families to produce food stuffs for selfsufficiency, have an excess to serve as reserves and as commodities by means of intensive agriculture, primarily by disseminating the use of new and modern techniques and by leading the peoples to undertake actual works for productive results; To allocate areas for cultivation and animal husbandry for each family within the village; To exercise other rights and fulfill other duties regarding the implementation of agriculture tasks as assigned to it by the district administrative authorities.

## **Chapter 2** **Inspection of Agricultural Activities**

### Article 74. Inspection of Agricultural Activities

The inspection of agricultural activities is the inspection and observation of the undertaking of agricultural activities in order that such be undertaken in accordance with its objectives in compliance with the Law on Agriculture, rules, and other laws in order to ensure that agricultural production is productive as well as properly ensuring safety and protection of the environment.

### Article 75. Agricultural Activities Inspection Agency

In the agriculture and forestry sector, in addition to the Agricultural Activities Administration Agency, there is also an Agricultural Activities Inspection Agency.

In necessary cases, specific committees may be established comprised of many parties to inspect agricultural projects and activities in certain areas that violate the directives, policies, regulations and laws.

### Article 76. Substance of an Inspection

The inspection of agricultural activities is comprised primarily of the following substance:

Implementation in compliance with an outlined plan; Implementation of production targets; Productivity of the production; Adherence to regulations and laws with respect to production; Fulfilling obligations with respect to production; Meeting safety measures in production; Environmental protection.

### Article 77. Method of Inspections

The inspection of agricultural activities may be conducted by means of a system of regular inspections, inspections by advance notice, or surprise inspections, as the case may be.

For technical or professional inspections, the Ministry of Agriculture and Forestry may organize technical or specialized committees comprised of technical or relevant specific professional personnel appointed by the Minister of the Ministry of Agriculture and Forestry.

The inspection of agricultural activities must be coordinated with relevant parties, such as: the industry and handicraft sector, Science Technology and Environment Organization, the National University and local administrative authorities.

## **Part VII**

### **Policies for Those who are Productive and Measures Against Violators**

#### Article 78. Policies for Those Who are Productive

Individuals and organizations with very good results in technical and scientific research used in agricultural production, in productive administration, encouragement, promotion, and agricultural production development as well as being a representative of one's village, district, province, or throughout the country, in protecting the environment and in the legal operations of agricultural activities in accordance with the rules and laws of the Lao People's Democratic Republic, will be commended and will receive various allowances such as: credit allowances, tax and duty reductions or exemptions, and other allowances in respect of which the Government will detail.

#### Article 79. Measures against Violators

Those who violate this Law shall have imposed upon them educational measures, be fined, or be punished under the law.

#### Article 80. Educational Measures

Individuals or organizations committing minor violations of this Law, such as: failure to report results of agricultural activities undertaken by contract; failure to report an (animal) epidemic; operating in conflict with technical standards and other minor violations will be warned and will be educated.

#### Article 81. Fines

Individuals or organizations violating this Law shall be subject to a fine of double the value of actual damages arising from any of the following wrongful acts:

Operating an agri-business without a license for businesses that require licenses as provided for in Article 8 of the Business Law, or failing to extend an expired license; Inaccurate reporting; Failure to adhere to technical safety measures and causing damage to others; Failure to implement measures to avoid affecting the environment; Causing damage to production arising as a result one's wrongful acts, such as: causing deterioration of agricultural land, failing to prevent the spread of crop or animal diseases, damaging others production, irrigation systems, streams, ditches, canals, marshes, etc; Failure to cooperate with officials administering and inspecting agricultural activities or failing to perform according to an agricultural production contract.

#### Article 82. Penal Measures

Any individual committing a criminal violation of this Law, such as: falsifying licenses to conduct agricultural activities, abuse of duty and title to seek personal interest, failing to implement safety standards causing death, injury or causing damage the assets of the State, collective or those of the people will be punished according to the Penal Code.

#### Article 83. Additional Punitive Measures

Besides the punishment provided for in Articles 81 and 82 hereinabove, violators causing serious damage to State assets [or] to the social or natural environment, will receive additional punishment, such as: suspension of agricultural activities, withdrawal of license, nationalization of vehicles used in the offense.

### **Part VIII Final Provisions**

#### Article 84. Implementation

The Government of the Lao People's Democratic Republic is assigned to implement this Law.

#### Article 85. Effectiveness

This Law is effective from the date that the President of the State of the Lao People's Democratic Republic issues an Executive Decree promulgating it.

Terms and provisions inconsistent with this Law are hereby terminated.

Vientiane, date 10 October 1998  
President of the National Assembly.  
(Seal of the President of the National Assembly)  
(Signature)  
Samane Vignakhet