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White Gold

The Commercialisation of
Rice Farming in the Lower Mekong Basin

Edited by Rob Cramb

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To Harry and Rose

FOREWORD

The development story told of Southeast Asia usually focuses on processes of urbanisation, industrialisation, and rapid sectoral change, which have propelled economic growth and thus delivered rising incomes, improving standards of living, and declining poverty. Where, however, does farming and agriculture, and in particular, the region's signature crop, rice, fit into this story? It is not a simple one, because many of the trends anticipated by scholars and policy-makers have not materialised, while others have worked out far more rapidly than anyone expected. Indeed, some of the trends, or the absence of them, appear on first sight to be puzzlingly at odds.

Landholdings have not—generally—amalgamated into larger units of production, which might drive labour productivity increases. Mechanisation of some aspects of rice agriculture has proceeded rapidly, even in countries that remain poor and seemingly in rural labour surplus. Questions and concerns regarding food security stand alongside the disintensification of some aspects of production, even land abandonment. Most rice farms are sub-livelihood in size, but living standards in the countryside continue to improve and poverty to decline. Parents make huge sacrifices to educate their children so that they can escape the drudgery of rice farming, but nonetheless stay rooted in—and to—their natal lands. Production is increasingly commercialised, but farmers in some areas seem to adopt semi-subsistence mindsets in their approach to rice farming.

This volume, then, comes at a particularly important moment in Southeast Asia's agrarian history. How do we interpret these contradictory trends and how they might work out in the years to come? *White Gold* considers these questions and issues in the context of the Lower Mekong

Basin. This region of one river and four countries encompasses more than half a million square kilometres and a population of 66 million, produces 50 million tons of paddy rice each year, and contributes one-quarter of the world's rice exports. It is also home to some of the earliest rice-growing cultures and the great rice-based civilisation of Angkor, and was a pivotal area in the colonial rice export economy. Where better to consider the past, present, and future of “white gold”?

Bristol, UK
May 2019

Jonathan Rigg

PREFACE

Vietnamese farmers have for centuries regarded rice as “white gold” (*vàng trắng*), reflecting its vital importance to household food security and livelihoods. Farmers throughout the Lower Mekong Basin have a similar view of rice as the traditional basis of their wealth and well-being. A household able to produce abundant supplies of rice was not only secure economically but achieved social and political status within the village community. The frequent depredations of floods and droughts on the one hand and extractive state regimes on the other only heightened the value placed on the household’s rice supplies.

In the past four decades, rice has also become a commercial crop of great importance to Lower Mekong farmers, augmenting but not replacing its role in securing their subsistence. Particularly in Northeast Thailand and the Mekong Delta in Vietnam, rice farming has become a major export industry, spurring a process of rural development that has helped lift many households out of poverty. Farmers in Cambodia and Laos have also increased their output to such a level that both countries have become self-sufficient in rice and are entering into export markets, particularly through cross-border trade with Vietnam and Thailand. Significantly, the Cambodian government adopted the term “white gold” in 2010 to epitomise the country’s push into high-quality rice exports.

This book is the outcome of a collaborative research effort to understand the current status of this process of commercialisation in the rice sector of the Lower Mekong Basin, with a view to identifying prospects and policy issues for the coming decade. This involved studying not just change in rice-based farming systems but in the value chains through

which farmers gain access to resources and inputs and market their outputs, and the institutional arrangements governing those farming systems and value chains. The focus was on the rainfed and irrigated lowlands of the Basin rather than the sloping uplands as it is in the former environments that the commercialisation of rice farming has unfolded so dramatically, whereas rice cultivation in the uplands has been increasingly constrained, both technically and politically.

This publication has been made possible with support from the Australian Government through the Australian Centre for International Agricultural Research (ACIAR).

The main body of this research was conducted as part of an ACIAR-funded project—“Developing agricultural policies for rice-based farming systems in Lao PDR and Cambodia” (ASEM/2009/023). This project was co-led by Rob Cramb of the University of Queensland (UQ), Silinthone Sacklokham of the National University of Laos (NUOL), Theng Vuthy of the Cambodia Development Resources Institute (CDRI), Benchaphun Ekasingh of Chiang Mai University (CMU) in Thailand, and Dao The Anh of the Centre for Agrarian Systems Research and Development (CASRAD) in Vietnam.

The findings from this project were supplemented by socio-economic studies undertaken as part of a second project—“Developing improved farming and marketing systems in rainfed regions of southern Lao PDR” (CSE/2009/004)—involving Rob Cramb and Jonathan Newby (then with UQ), Silinthone Sacklokham (NUOL), and Vongpaphane Manivong (then with the National Agricultural and Forestry Research Institute [NAFRI] of Laos). The results of a third ACIAR project involving Rob Cramb and Jonathan Newby—“Review of rice-based farming systems in Mainland Southeast Asia” (C2012/229)—were also drawn upon in writing this book.

In addition, ACIAR provided John Allwright Fellowships for Chea Sareth (of the Cambodian Agricultural Research and Development Institute, CARDI) and Vongpaphane Manivong (NAFRI) to undertake PhD studies at the University of Queensland on topics closely related to the themes of this book. Nguyen Van Kien and Nguyen Hoang Han of An Giang University contributed Chap. 17 based largely on their research. Dao The Anh would like to acknowledge that Chap. 18 is based on research supported by the Asian Development Bank under Regional Research and Development Technical Assistance (R-RDTA) Project TA-7648.

ACIAR also provided a grant for the book to be available through Open Access.

We are grateful to Jonathan Rigg for kindly agreeing to write the Foreword to the book, to CartoGIS of the Australian National University for permission to reproduce the maps in Figs. 1.1, 2.1, 5.1, 11.1, and 17.1, and to the Mekong River Commission for permission to reproduce the maps in Figs. 1.4 and 1.5.

Both local currencies and United States Dollars (USD) are used in the book. Exchange rates have fluctuated over the 2010s, but the mean rates for the period 2010–2018 are a good guide to orders of magnitude: 1 USD = 32.5 Thai Baht (THB) = 4063 Cambodian Riel (KHR) = 8143 Lao Kip (LAK) = 21,227 Vietnamese Dong (VND).

QLD, Australia
June 2019

Rob Cramb