

Livestock Farming in Houn District



Lao PDR
Oudomxay Province
Houn District

Great cattle ranch opportunity in a vast meadow of Oudomxay!

Estimated revenue after 3 years in operation of approx. US\$ 455,000 per year.

Project Details

Oudomxay is an emerging economy in Northern Laos. Located at the center of the region, it is conveniently connected to the surrounding provinces as well as to Laos' neighboring countries (Thailand, Myanmar, China, and Vietnam) by Route 13N and 2E.

Muang Houn is a district in the west of Oudomxay. 80% of its territory is mountainous. There are vast land areas suitable for livestock farming. Local villagers are hard-working and, for generations, their livelihoods have revolved around animal husbandry. Yet, their techniques have always been primitive, and their animal raising has been mainly for household consumption. In some years, their cattle are wiped out by diseases.

The Department for Investment Promotion is seeking an investor(s) with capital and experience in livestock farming business to start up a company in Muang Houn District. The investment should be operated in an out-growing scheme, where the investor(s) brings in capital and technology to promote livestock farming in the district and find markets for the meat and livestock-related products. The company should have no difficulty in selling meat locally since it regularly needs to be imported into Oudomxay from surrounding provinces. The demand for meat is expected to grow along with the growth of Oudomxay's economy. In the future, the company could expand its production and sell its goods to neighboring provinces, and to China.





Project details (continued)

There are 495 families interested in this project, with the farming land area covering approximately 1,800 hectares.

Project duration: 20 years.

Form of investment: A private, domestic and or foreign, business.

Local services: The site has access to electricity, and clean water (piped straight from a creek, not from a conventional water supply plant), as well as landline and mobile phone services.

Local construction supplies: The developer(s) may utilize available local construction materials such as sand and gravel, cement, bricks, clay blocks, roof tiles, zinc sheets, wooden boards and beams, and steel bars. Some electronic appliances can also be found locally. Other supplies and materials can easily be sourced from neighboring provinces and countries.

Local Produce: The investor(s) may find beef, buffalo, goat, pork, chicken, duck, and fish as well as fresh vegetable and fruits in local markets.

Labor: Muang Houn District has a total population of approximately 72,000 people with the workforce accounting for 35% of the population. Local daily wages range from 40,000 kip to 50,000 kip per person.

Income/Incentives & Minimum Requirements

Income generating opportunities from:

- Selling meat and livestock-related products to local markets and neighboring provinces; and
- Export meat and livestock-related products to China.

Incentives

- Export tax exemption;
- 8 years profit tax holidays;
- Import Tax Exemption for breeders and studs as well as equipment and machinery necessary for the project operation, which are not available domestically.

Support from the Government

- Shorten project application process;
- Provide consultation in every step of the project application process; and
- Facilitate access to other public services.

Minimum Requirements

- Memorandum of Understanding (MOU);
- Feasibility studies and business development plan;
- An Initial Environmental Examination (IEE) if the farm has more than 500 head of cattle. IEEs involve the public and seek to mitigate all negative impacts while maximizing benefits.
- State land concession agreement;
- State land lease agreement;
- Any business operation licenses and agreements required by concerned government authorities;
- Capital of US\$2,000,000;
- Must have a 'buy local' policy;
- Must provide business opportunities and promote livelihood for local community;
- Must give priority to locals in the job recruitment process; and
- Must contribute to the community development fund.



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