

July 31, 1967

TO: Mr. William Shaw, D/ADO
THRU: Dwane L. Hammer, AC/LP *DLH*
FROM: Edward J. Fallon, ADO/3P/SBY
SUBJECT: Monthly Operations - Narrative Report, July, 1967

A. Summary of Events and Accomplishments during the month

Garlic purchase: As reported in the June report, one farmer had not returned garlic he had borrowed. He borrowed 50 kg., but had a very bad crop because of water problems, and returned 42 kg. in July. Thus ADO made no cash payment to him, but the figures for total garlic returned should be increased to 692 kg. (out of 700 kg. distributed) and total garlic in the ADO warehouse is now 1862 kg.

Buffalo loans: All the money transactions for the 17 buffalos were done in June, and in this month all the full contracts were completed, as well as all the proper vaccinations and official registrations of ownership completed.

Trip to Kene Thao: I went to Kene Thao by special addition to our milkrun flight of July 5, traveling with two ADO agents and the head of extension for RLG/AGR at Sayaboury. In addition to the distribution of rice seed and completion of contracts for rice seed, I also paid 30,000 Kip rental of the warehouse there. Nearly all of the rice distributed in Kene Thao came from this warehouse, with the exception of some improved varieties that we brought with us. While in Kene Thao, I also investigated merchant sales possibilities, possible sale of rice remaining in the warehouse, and rice milling facilities. There is some question as to the disposal of 2D rice returned last week by farmers for rice they had borrowed. I was told by the Kene Thao agriculture head that Mr. Groth instructed him to sell the rice and use the proceeds to furnish the newly-established RLG/AGR office there, but he has agreed not to sell the rice for the time being. The four of us returned from Kene Thao by road through Thailand. The total costs to ADO for transportation, per diem and the overtime necessitated by this I computed as approximately 29,000 Kip, which I expect would be far less than it would have cost to fly us out. I hope to receive authorization to pay per diem and overtime to the RLG extension chief for his assistance on this trip.

Trip to Hong Sa: On July 13, I flew to Hong Sa and investigated ADO possibilities there, as reported in my memo to Mr. Shaw of July 13.

Rice Distributions: All CM, XM and ZD rice has been distributed in Sayaboury, Muong Phiang, Mala, Xieng Hone and Kene Thao. All but the Kene Thao contracts are at this time ready to be sent to Vientiane. Of the Kene Thao contracts, all the ZD contracts and a few of the CM contracts were brought by the Kene Thao agent to Vientiane, from which he expected to come directly to Sayaboury. But he has still not brought them to Sayaboury. I expect to get them upon my arrival in Vientiane July 24 or 25. Also, we received an urgent request through the Chao Khoueng July 19 to bring about 16 tons of rice seed to Paklay, where farmers have almost no rice available for seed. The contracts and rice distribution totals for Paklay will have to be submitted in August.

B. Status of Major Programs

Commodity Sales: A total of approximately 86,000 Kip of tool sales was received by ADO/BP for the month (after deduction of merchants' commission). Sales were especially good in Mala and Sayaboury, somewhat disappointing in Muong Phiang. The people in Muong Phiang cluster area reportedly have about all the tools they really need, thanks to the varied programs carried on by USAID there in the last few years. I hope it will be possible to establish a merchant at Tha Deua before long, and if a regular air service is assured, also at Kene Thao, Paklay, Hong Sa and Xieng Hone.

Half-bag fertilizer distribution: This distribution was impossible to make at the time of rice seed distribution because of lateness of the arrival of fertilizer here at Sayaboury. RLG agents are now distributing fertilizer however and we expect that virtually every farmer with ADO rice seed will also receive a free half-bag.

Credit fertilizer sales: RLG agents are also now completing distribution of fertilizer to ADO contract seed farmers. Emphasis is being placed almost exclusively upon those farmers growing improved (IR-8, Sanpatong and Khamphai) rice varieties. Contracts should be completed during the coming month.

C. Anticipated work schedule for next month

1. Reception of contracts and completion of records for ZD rice in Kene Thao and Paklay.
2. Reception of contracts and completion of distribution records for fertilizer credit sales.
3. Disposal of remaining rice in warehouse, approximately twelve tons, for RMD activities in Muong Phiang Cluster area in Sayaboury.

4. Disposal of remaining 2D rice in rented warehouse in Kone Thao and in villages in Xienh Hone, if and when the RIG chief and myself are told clearly if this is IG or ADO rice.
5. Restocking and inventory of merchants.
6. Planning for projected dry season distribution of rice seed. (There are 3700 hectares of irrigated paddy land in our province, designed for double cropping. Most of it however is in Xienh Hone and Hong Sa where we have as yet inadequate air support.
7. Installation of concrete edging at ground level for warehouse to prevent seepage of water into the warehouse.