



Cooperative Association of Cambodia (CAC)

Farming and Agriculture in Cambodia

Today approximately 80% of the population in Cambodia live in rural areas. Most rely on their agricultural production for income and for the food they eat. The vast majority of Cambodian agricultural land is used for rice cultivation. Yields on rice crops have been consistently improving after years of war and political instability decimated agricultural productivity. The advent of better farming technologies and practices has seen vast improvements in Cambodia's rice production and farmers' income, yet the Cambodian average rice yield is still well below their Neighbours in Vietnam and Thailand, which suggests there is still plenty of room for improvement.

- ***Cambodia recently re-entered the market as a rice exporting nation after a 30 year hiatus***
- ***Over the 12 years to 2010 Cambodia more than doubled its national rice production***

Whilst rice is the predominant crop and source of income for farmers in Cambodia, maize, cassava, sweet potatoes, groundnut, soybeans, sesame seeds and dry beans are common secondary crops. It is important for the Cambodian agricultural economy and Cambodian farmers generally not to become too dependent on the income from one specific source. Most Cambodian farms

are smallholder farms and many farmers have alternative sources of income and alternative products with which they trade (see the opposite page for two examples of alternative sources of income of rice farmers in Kampong Chnang Province).

The benefit of cooperatives to smallholder farmers:

Agricultural cooperatives have formed in Cambodia to pool limited resources to empower cooperative members. Smallholder farmers can gain major benefits from forming cooperatives. Cooperatives have increased bargaining power enabling them to purchase inputs such as seed, fertilizer and equipment at a lower cost than the individual would be able to purchase on their own. Most of CAC's agricultural cooperatives also provide their members with lending and savings products. Members can access these financial services at a lower cost than offered by the competing Microfinance Institutions and banks; importantly profits stay in the community. Agricultural producer cooperatives provide smallholder farmers access to markets and higher prices for their products.

Essentially, cooperatives give smallholder farmers the opportunity to extract more from agricultural value chains. Agricultural cooperatives are still at a relatively immature stage of development in Cambodia. There are numerous opportunities for groups of people to come together with the common goal of earning a greater income from their products and achieving greater efficiencies from their production.

Alternative Sources of Income For Cambodian Farmers

Case Study 1: Palm Sugar Manufacture

During the dry season Prom Poat (pictured) from Phnom Toat Village in Kampong Chhnang province harvests and manufactures palm sugar from the palm trees that surround his rice farm. He climbs the slender trees on makeshift bamboo ladders; many of the trees are over twenty meters in high. Prom Poat is one of sixty or so rice farmers in the village that harvest the syrup and boil it down in large vats to sell as palm sugar. He can produce around about 35kg of palm sugar per day in the peak of the season in April and May. He currently sells most of his product to a middleman who purchases the sugar from many of the local farmers for 2,000 riel per kilo. CAC and the local cooperative want to help these farmers form of producer groups so that farmers like Prom Poat can have greater access to markets and increased selling power when they go to market. The coop could also help source and purchase inputs such as wood to burn and the vats used to boil down the palm liquid. With the collective purchasing power of the cooperative members could lower their cost of inputs and keep more of the profit in their pockets.



Case Study 2: Pottery



Lock Sokee, pictured with her husband and two daughters, has been hand-making pots for five years. She learnt the skills from her mother and she will pass them down to her daughter when she is old enough. She carefully walks around tapping the pots with a wooden paddle, which look as smooth as though they had been shaped on a spinning wheel. The clay for the pots is collected from the hill 3km away and transported by an ox-drawn cart. Despite the care taken on making each pot, Lock Sokee can make up to thirty per day. She dries them in the sun before firing them in a rudimentary kiln out the back of her house. Lock Sokee thinks there are about 60 families in their village, Tropea who also make similar pots. Once she has one hundred or so finished pots a middleman will come and buy them. The middleman pays 800 riel for the smaller size and 1,500 for the large ones, but Lock Sokee is not sure where her pots are eventually sold.

Like Prom Poat and the palm sugar manufacturers, there is an opportunity for local cooperatives to extract further value from these value chains and deliver it back to members. CAC works closely with cooperative leaders to evaluate and support them in establishing businesses that support the livelihoods of rural Cambodian families.

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