

The Challenge

How can Cambodian smallholders increase their incomes and improve family nutrition?

Cambodia imports two thirds of its vegetables and average rice yields are among the lowest in Asia (~2.5 t/ha).

With the right inputs and knowledge, yields and profits can easily be doubled.

Existing public extension system is under-resourced and reaches few farmers. NGO extension systems have limited reach and are unsustainable after funding ends.



The Solution

Create a commercially viable model to deliver quality agricultural inputs and know-how.

A private sector option can improve on existing systems by introducing market incentives, integrated products and services, a strong customer focus, and long-term financial sustainability.

Farm Business Advisor Model

Lors Thmey (meaning 'New Growth' in Khmer) is a franchise company that creates value for its smallholder clients through high quality agricultural inputs, advice, and service.

Lors Thmey provides centralized services to the franchise network including:

- Business – strategy, promotion, ICT systems
- Product – bulk purchase, quality control, distribution to FBA
- Training – business, sales, agronomy
- Technical – agronomy backstopping, R&D

Regional branch offices are currently owned by Lors Thmey but can be franchised in the future.

Farm Business Advisors (FBAs) are franchisees who earn income by selling inputs and services to their smallholder clients. FBAs provide advice as an embedded service at the time of sale and throughout the growing season.

Product mix is designed to reduce risk, improve productivity, and increase income from rice and vegetable crops: seeds, fertilizer, pest control, and others. Produce collection and marketing services are also being developed.



Results

Since 2009, FBAs have sold **\$400,000** of agricultural inputs to smallholder clients

14,000 smallholders served by **150** FBAs

Full-time FBAs earn upwards of **\$500** per month

Smallholder clients earn an average of **\$150** net additional income in the first year (**300%** ROI)

Half of the smallholder clients are from the **poorest third** of the population



Success Factors

(with current Lors Thmey status)

- Quality products and excellent agronomic advice (Strong and improving)
- Professional, relationship-based sales approach (Strong and improving)
- Efficient inventory control and on-time delivery (Weak, needs improvement)
- Access to appropriate credit products (Under development)

Partners

