

## CHAIN accelerating support to Market Actors



Picture by Long Rithyvorn (CHAIN)

Focusing on the vegetable sector, the SDC-mandated CHAIN project tackles market system constraints to improve service delivery to smallholder farmer households in four of the poorest provinces in Cambodia. CHAIN encourages farmers to diversify their agricultural activities with commercial production of vegetables by introducing horticultural techniques and establishing market linkages required to generate additional income, while addressing malnutrition by promoting dietary diversity.

Article by Marieke Van Schie and Hem Sovannarith

CHAIN kicked off its efforts in 2014 in four remote Cambodian provinces where farmers had limited access to the agronomy inputs, materials and technology needed for high quality, year-round production. In each of these provinces, vegetable traders in the local markets sold mostly imported vegetables instead of sourcing from local farmers.

The project's work has catalysed promising positive change at the farmer level and production and local vegetable market size have increased overall, especially year-round production for local markets. In the more commercially focused areas, farmers are now supplying to national level buyers through agri-business clusters. On the demand side, CHAIN stimulates interest in and access to local produce, while national public private dialogues aim to improve the enabling environment that supports the supply of local (safe) produce.

Partnerships and co-investments with the private sector at the local and national levels have also boosted the amount of necessary inputs in these areas, which means stronger local traders and agro-input retailers can work towards the expansion of their businesses. Input retailers and distributors sell necessary agricultural inputs (seeds, fertilizers, pesticides, tools, etc.) to local farming communities. By supporting these retailers through involving them in farm demonstrations and variety trials attended by farmer groups, and by connecting them with nationwide input suppliers who previously had no representation in the provinces, these collaborations have resulted in an increase in the market presence of input companies in the target provinces.

### Looking forward

In 2020, one of the interventions is a market actor rural business accelerator (RBA) programme that will last six months and include between four and five actors per province. The programme is a series of workshops delivered over four-six months period. By June, the RBA has been delivered in Stung Treng with six market actors and started in Preah Vihear with four market actors. Participating actors receive training and one-on-one coaching, a basic package of tools and materials, and upon completion, a seed capital grant to support business scale-up. Two of the market actors are Mrs Theara and Ms Sothida, two agro-input entrepreneurs. Read their stories so far...

## Starting from scratch

Mrs. Srouy Theara used to be an input seller in Samaki market, Stung Treng province, but in 2015 a fire destroyed her market stall and she had to start over. Since September 2016, she started to attend CHAIN activities in her area – such as variety trials, farm improvement demonstrations and horticulture training sessions – where she met many of the local farmers and took note of their requirements. She also met with national distributors of agricultural inputs and learned about high-quality seed varieties, organic fertilizing, and pest control methods. The networking facilitated by CHAIN allowed her to start a successful retail business selling agricultural inputs in Stung Treng town, get back on her feet and build a successful input retail business.

As her business grows, she faces a new type of challenge. She finds it difficult to expand her business because she manages almost every aspect of her business by herself, which puts a constraint on her time. The RBA programme has taught her to better manage her business and set clear priorities and strategies to grow.

Her store now welcomes between 40 and 60 customers every day, including many CHAIN farmers. Her best-selling products are fertilizers, vegetable seeds and trellising nets.

*“The RBA has taught me to determine clear customer segmentation for my business. After joining this programme, I realised the importance of building strong customer relationships, so I made time to visit my customers and sometimes provide them complementary delivery services. My SMART goal for the coming months is to make a deal with at least five new smaller input retailers and continue to provide them with support to use the inputs correctly and effectively.”*

## Building her business

In the past, Mrs. Yousothida operated a small shop in Stung Treng, where she sold many construction materials and agricultural products mostly for fishing. Since starting to collaborate with CHAIN in November 2018, her business has grown significantly with a more diverse inventory focussed on agriculture; her sales volume has doubled. She has built good relationships with CHAIN’s farmers to introduce her products widely and competitively and obtained new knowledge on how to source a wide variety high-quality brands of seeds, drip irrigation, fertilizer and pesticides. In addition, she now has increased technical knowledge so that she can provide recommendations to her customers.

Mrs. Sothida now works closely with a network of reliable companies, including from Phnom Penh and other dealers from Battambang. As her business grows, she increasingly realises the need to better manage all aspects of it, especially her stock. After joining the Accelerator programme, she has improved her skills in setting priorities for her business and is making a plan to save to build a new warehouse.



*“I am really happy to see good results after getting involved with CHAIN, and my business is becoming bigger and bigger,” she said. “I really want to see farmers be able to supply local vegetables to the market regularly and significantly. I am really thankful to CHAIN for always supporting the market actors and providing technical knowledge and encouragement for all actors to grow together.”*

Mrs. Yousothida in front of her shop, picture by Raeun Un (CHAIN)