

CHAIN Accelerates Growth and Inclusivity of Horticulture Market

Authors: LIM Sokundarun and HEM Sovannarith



Mr. HEM Sovannarith (left), has been working with SDC Cambodia since June 2013 as the National Programme Officer for Agriculture and Food Security. His technical background is agronomy, and about 8 years experiences in horticulture value chain.

Mr. LIM Sokundarun (right), from SNV organization, works as Project Deputy Team Leader and as Marketing Specialist for SDC CHAIN mandated project. He has experiences in agriculture marketing with number of NGOs projects in Cambodia.

Focusing on the horticulture sector, the SDC-mandated CHAIN project works in four of the poorest provinces in Cambodia to accelerate pro-poor, inclusive growth of the horticulture sector. The project uses market system development strategies to address constraints and build on opportunities in the market with relevant public and private sector stakeholders. From farmers, vegetable traders, input retailers, national companies to the Government, CHAIN supports productive and gender-sensitive market linkages that generate additional income, support resiliency, and promote business and economic growth, while addressing malnutrition by promoting dietary diversity.

As CHAIN 3 kick-starts in 2021, the market has evolved dramatically. During Phase 2, CHAIN reached over 10,200 farmers (73% women) through 393 farmer groups, including 3'300 home gardeners, 6'000 semi-commercial and commercial farmers, and another 900 farmers of various sizes and commercial orientation reached indirectly. At farmer level, the active semi-commercial and commercial farmers have experienced a two-fold or three-fold increase in income from vegetables due to increase in production and productivity. Key changes include an increase in production, yield, cycles per year, choices of crops and varieties, and a wider network of traders. The average income of homestead, semi-commercial, and commercial farmers increased USD 152, USD 461, and USD 887, respectively.

A recent market study in March 2020 revealed that locally-produced vegetables represented 53% of the market over the four provinces, ranging from 42% in Oddar Meanchey to 55% in Stung Treng. Local production now competes with imports. That same study also revealed that thanks to CHAIN and other development interventions, 80% of surveyed traders believe that farmers can supply larger volumes, 74% believe farmers can now supply vegetables for longer periods of time, 74% believe that quality of local products have increased, and 68% believe that farmers have an improved knowledge of post-harvest handling. In addition to these wider trends, an exciting new business model, supported by the project, emerged in 2020: one trader in Preah Vihear, one in Stung Treng, and one in Kratie switched to selling only local fruits and vegetables. The Preah Vihear trader was the first mover; she has since seen a 300% increase in revenue as a result.



"A lot changed since joining CHAIN, I have more knowledge and profit, happy and satisfied - before I feel like a kid who didn't know how to read and write. I did not even know about net house, but they taught me - plastic, drip irrigation - got to know it all because of CHAIN. Before I had no idea about farming, now I know benefits of covering land and drip irrigation and how much to spend."

– Sroy Theara
Input Retailer, Stung Treng Province

Business-to-business (B2B) facilitation has been a key feature of the CHAIN strategy to accelerate market development. CHAIN staff view smallholders as business people and facilitate greater connectivity and trust between

those farmers and the traders, input retailers, and national companies who increasingly work in the target provinces. This mentality extends to project partners – including local NGOs and the Government’s Provincial Department of Agriculture, Forestry, and Fisheries – whose capacity the project has built through a combination of agronomic and business training and on-the-job coaching. CHAIN 2 facilitated linkages between traders and farmer groups, leading to 64 traders and 25 village collectors buying vegetables regularly from the CHAIN farmer groups.



"I am very happy and now I think highly of myself because I am capable of earning by myself and in 2 years I can build my house!"

– Kim Heang, Vegetable Seller,
Kampong Pronak Market, Preah Vihear town

Market facilitation extends to larger, private sector companies. The team collaborated with ten national companies, supporting (1) the supply of agronomic inputs and materials, (2) capacity building of partner staff and farmers on production and technology, (3) improving capacity and service delivery of input retailers, and (4) buying vegetables from farmers. Moreover, after recognizing the investment potential, other companies have crowded-in to the market. Nine companies have directly approached CHAIN farmers and farmer groups to sell inputs or buy produce. The example of East-West Seed (EWS) is illustrative. EWS’s vegetable seed sales in CHAIN provinces have increased 1,197% from 2016 when it started to sell seeds in CHAIN provinces to 2019.

Looking Forward

With the launch of CHAIN 3 in 2021, the team will continue to support inclusive growth of the horticulture market in Cambodia and work closer with the central government, transferring some of the successful methodologies. CHAIN 3 will include several new intervention areas, including a focus on climate smart water solutions to improve the potential for year-round production, mitigate natural disaster (droughts), and improve resilience.

CHAIN 3 will work with private and public partners to promote wider spread adoption of technologies and techniques during the final two years of CHAIN.

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This lady, Ms. Nai Seang, is a very inspiring person. At her old age with a broken leg, she told her villagers how she irrigated her whole farm on her phone. This leads to everyday, people coming to buy her vegetables and peek on how she does this. Picking her smartphone, she uses the Smart Farm Assistant app, with one click she turns on the drip, and there the water starts. One day when she joined her old crew at the pagoda, all the old grandmas told the monk about her innovative method. Again, amongst the curious crowd, she picked her phone to command water at her farms which is very far away. And everyone in her village keep talking about this new technology."

Mr. Lim Naluch, smart water solution consultant, SNV

