



Food and Agriculture Organization
of the United Nations



IOFAO Cambodia

COMMODITY VALUE CHAIN STUDY TO ACCELERATE INCLUSIVE MARKETS FOR SMALLHOLDERS

September 2021

SDGs:



Country:

Cambodia

Project Code:

TCP/CMB/3702

FAO Contribution:

USD 355 000

Duration:

1 January 2019 – 31 August 2021

Contact Info:

FAO Representation in Cambodia

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Implementing Partners

The Department of Planning and Statistics of the Ministry of Agriculture, Forestry and Fisheries.

Beneficiaries

Planners and decision-makers from the Ministry of Agriculture, Forestry and Fisheries, especially the Department of Planning and Statistics, the Ministry of Commerce and the Department of Private Sector Development; and Government institutions, Development partners, Non-governmental Organizations, farmers, and private-sector actors who are engaged in the sector.

Country Programming Framework (CPF) Outputs

Outcome 1 – Increased productivity, diversification and commercialization of agriculture, including livestock and aquaculture, for poverty reduction and food and nutrition security.

Output 1.2 – Increased capacity of targeted stakeholders to develop sustainable and profitable value chains.



BACKGROUND

This project was developed following a request from the Government of Cambodia, represented by the Ministry of Agriculture, Forestry and Fisheries (MAFF), to study the maize (red corn), pig, cashew nut, mango (Keo Romeat), cabbage, and chicken value chains in the country. These commodities were specifically targeted for their potential to generate revenue for local smallholders and other actors along these value chains. The studies aimed to provide a comprehensive and in-depth understanding of both challenges and opportunities for enhancement.

The project design included collaboration between the MAFF and FAO, with strong engagement from other relevant stakeholders. The MAFF provided strong leadership in implementing the project, as well as in supporting the project team to identify and locate important documents. The staff of the MAFF mobilized national and provincial officials to support data collection and data entry for the study.

IMPACT

An increased understanding of the linkages between subsector value chains through an evidence-based analysis of six commodities laid the foundation for improved coordination among value-chain actors and for the development of policies within the MAFF and the Ministry of Commerce (MoC), as well as ongoing programmes and projects. These results are expected to contribute to enhanced food security, nutrition and livelihoods in Cambodia.

ACHIEVEMENT OF RESULTS

The project contributed to the achievement of FAO's Strategic Objective (SO) 4: Enable more inclusive and efficient agricultural food systems, especially to Outcome 4.2 (2014–2017): Agribusinesses and agrifood chains that are more inclusive and efficient are developed and implemented by the public and private sectors, and Output 4.2.1 (2018–2021): Public sector organizations' capacities strengthened to design and implement national policies, strategies, regulatory frameworks and investment plans supportive of inclusive and efficient agricultural and food systems development. The project contributed to the achievement of UNDAF Outcome 1: By 2018, people living in Cambodia, in particular youth, women and vulnerable groups, are enabled to actively participate in and benefit equitably from growth and development that is sustainable and does not compromise the well-being, natural and cultural resources of future generations.

The project made a major contribution to the achievement of the Country Programming Framework (CPF) for 2016–2018, particularly to Outcome 1: Increased productivity, diversification and commercialization of agriculture, including livestock and aquaculture, for poverty reduction and food and nutrition security, and Output 1.2: Increased capacity of targeted stakeholders to develop sustainable and profitable value chains.

The project also responded to Regional Initiatives on One Health and Zero Hunger.

The policy and strategic recommendations from the study were informative for upgrading the six targeted value chains. The project aimed to contribute to poverty reduction by boosting the incomes of value-chain actors and smallholders and to improve food security and nutrition, based on the assumption that there are shared benefits along the value chains.



The project succeeded in producing all of the intended value-chain study reports and related policy briefs. The value-chain analysis of all selected commodities was successfully completed, and enhancements and market opportunities were identified for all actors, including smallholders, along each value chain. In addition, the recommendations at policy and strategic level for these value chains were provided to support the creation of the Agricultural Development Policy (ADP) 2021–2030, the Agriculture Sector Master Plan (ASMP) 2030, and the implementation of ongoing value-chain programmes and projects in Cambodia funded by the Government and development partners.

The analysis of each value chain was conducted to highlight issues specific to each of the selected commodities, as well as potential enhancements and policy recommendations. Consequently, six study reports, including one review on the Agriculture Market Information System (AMIS), were produced. Furthermore, the policy briefs of the commodity value chains were developed to inform policy-makers and practitioners, as well as other key players about the complexities and challenges of each value chain, and to offer policy options to make them more inclusive.

The project raised awareness among the officials of the MAFF and the Provincial Department of Agriculture, Forestry and Fisheries (PDAFF) of a market-driven approach to agricultural development, i.e. the value-chain approach. To some extent, the project changed the behaviour of the officials of the MAFF and PDAFF, who were generally accustomed to interacting only with producers and farmers. During the project period, however, they interacted with a wider range of actors along the value chains, including exporters and processors.

IMPLEMENTATION OF WORK PLAN AND BUDGET

Three no-cost extensions were requested and granted during the project's life cycle. The activities were implemented within the planned budget.

At the project-design stage, the COVID-19 pandemic was not assumed as a great risk, therefore, no related mitigation strategy was developed. While the pandemic did affect the implementation of some activities, adjustments were made, i.e. some field data collection had to be delayed and adjusted, individual stakeholder consultation/interviews were conducted virtually, and all validation workshops were combined and organized virtually to share and validate the key findings from the study reports with relevant stakeholders. In the end, all of the planned activities were carried out, despite the restrictions imposed by the pandemic.

The project successfully managed all of the risks listed in the project document during its implementation. The first identified risk was a lack of locally available consultants and experts to conduct the study, which was mitigated by the recruitment of both local and international consultants with support from experts from FAO headquarters and the Lead Technical Officer (LTO) of the FAO Regional Office for Asia and the Pacific (RAP). Coordination challenges between stakeholders, especially relevant line ministries, were mitigated by discussions, seminars and workshops at national level. These activities familiarized various stakeholders with the project, highlighting its benefits and developing rapport between the parties involved. The final risk was the potential for a low level of participation from line ministries; however, this was mitigated by including the ministries in every phase of the project, from inception to validation. There were no negative social or environmental impacts caused by the project.

FOLLOW-UP FOR GOVERNMENT ATTENTION

While officials of the MAFF and the PDAFF demonstrated an increased level of awareness on the value chain approach, they would benefit from more training on its application.

In order to officially determine the number of stakeholders along each value chain, including the number of farmers, a more in-depth survey should be carried out. Value-chain statistics should be updated regularly as value chains grow and change.

Without technical support from FAO or other development partners in the future, stakeholders and beneficiaries may face difficulty with resources, despite the training and capacity building that occurred under this project. That said, the reports are expected to contribute to future planning and project development in the value-chain sector, especially for the targeted commodities.



SUSTAINABILITY

1. Capacity development

The MAFF's endorsement of all of the study reports is expected to ensure the sustainability of the project Outcome, as the study results presented an evidence-based analysis, market opportunities and potential benefits. Thus, MAFF, relevant stakeholders, the private sector, value-chain actors and farmers can use the analysis to support their policy or strategy development and the implementation of ongoing value-chain programmes and projects, and to enhance business opportunities.

The MAFF requested FAO's technical assistance to conduct a nationwide value-chain analysis of the six selected commodities and to review the existing AMIS in order to provide robust and practical recommendations, which reflected the needs and priorities of the MAFF. As mentioned above, the information from the studies was used by the MAFF for the development of the ADP 2021–2030 and the ASMP 2030.

Because MAFF led and co-implemented the activities, the project had a high level of national ownership and a strong exit strategy. The officials of the MAFF were introduced to the value-chain approach in two trainings, where they learned about various data-collection tools for the value-chain study and tested some of them in the field, together with the study team. Moreover, some of the MAFF officials attended an on-the-job training session on conducting market surveys. By using a Training of Trainers (ToT) approach, some 16 training sessions were held for the officials of the PDAFFs to sensitize them to the value-chain approach, as well as data-collection tools and their use. In addition, the project worked closely with the Department of Planning and Statistics (DPS) to ensure that MAFF will endorse all of the value-chain study reports and policy briefs and disseminate these reports to relevant stakeholders. The studies also used the Technical Working Group of Agriculture and Water (TWG-AW) structure for their coordination and support, as well as inputs, which will be incorporated for future planning, policy formulation and dialogues.

The project was implemented in partnership with the DPS and 16 PDAFFs in different provinces.



2. Gender equality

Equitable gender representation was achieved throughout all of the project activities. Women were active participants in training sessions and workshops, and they were included in the data-collection process. In the study reports, gender-related issues were highlighted, and recommendations and enhancement opportunities were provided to ensure gender equality along the value chains, where relevant.

In the reports, the findings demonstrated the roles, decision-making processes and engagements of men and women at different stages of the targeted value chains. The recommendations and upgrading opportunities were discussed, and they provided for the equitable participation of men and women.

3. Technological sustainability

The project provided technical trainings for national- and subnational-level Government staff on data collection and data entry. In turn, they are expected to use the knowledge gained for future work.

4. Economic sustainability

The value-chain studies analysed end-market opportunities to demonstrate that there is a business case for upgrading and supporting the targeted subsectors. Furthermore, the studies identified many business opportunities along the value chains. The upgraded AMIS platform is expected to enable value-chain actors to make better-informed decisions in output and input markets, and thus, to increase their profits. The enabling environment, which is informed by the results of the study, encourages more small and medium enterprises (SMEs) to run various operations and be formally engaged in the value chains, which in turn contribute to public tax revenue and generate formal employment.

Finally, the inputs from the studies that were used for the development of the ADP 2021–2030 and the ASMP 2030 can be used for further resource mobilization in the sector.

DOCUMENTS AND OUTREACH PRODUCTS

- ❑ **FAO.** 2019. Brochure on the inception workshop report (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2019. FAO in Cambodia – Commodity Value Chain Study – A Key to Accelerate Inclusive Markets for Smallholder Farmers in Cambodia (online). Rome. (30 August 2021). <https://bit.ly/3yvfUXw>.
- ❑ **FAO.** 2019. Inception workshop report. 10 pp.
- ❑ **FAO.** 2020. FAO in Cambodia – FAO trained government officials on data collection for a value chain study [online]. Rome. (30 August 2021). <https://bit.ly/3BuFip3>.
- ❑ **FAO.** 2020. Project factsheet.
- ❑ **FAO.** 2020. Project roll-up banner (available in English and Khmer).
- ❑ **FAO.** 2021. Brochure on the cabbage value chain in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on the cashew nut value chain in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on the chicken value chain in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on the final report of Letter of Agreement with Department of Planning and Statistics, MAFF (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on the maize value chain in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on the mango value chain in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on the pig value chain in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. Brochure on upgrading existing agricultural market information systems in Cambodia (available in English and Khmer). 4 pp.
- ❑ **FAO.** 2021. FAO in Cambodia – Latest studies show challenges and solutions to unlock market potentials of key commodities in Cambodia [online]. Rome. (30 August 2021). <https://bit.ly/3gKo606>.



- ❑ **FAO.** 2021. Final report of Letter of Agreement with Department of Planning and Statistics, MAFF. 37 pp.
- ❑ **FAO.** 2021. Policy brief on the cabbage value chain in Cambodia: Upgrading opportunities and policies for more inclusion (available in English and Khmer). 8 pp.
- ❑ **FAO.** 2021. Policy brief on the cashew nut value chain in Cambodia: Upgrading opportunities and policies for more inclusion (available in English and Khmer). 8 pp.
- ❑ **FAO.** 2021. Policy brief on the chicken value chain in Cambodia: Upgrading opportunities and policies for more inclusion (available in English and Khmer). 8 pp.
- ❑ **FAO.** 2021. Policy brief on the maize value chain in Cambodia: Upgrading opportunities and policies for more inclusion (available in English and Khmer). 8 pp.
- ❑ **FAO.** 2021. Policy brief on the mango value chain in Cambodia: Upgrading opportunities and policies for more inclusion (available in English and Khmer). 8 pp.
- ❑ **FAO.** 2021. Policy brief on the pig value chain in Cambodia: Upgrading opportunities and policies for more inclusion (available in English and Khmer). 8 pp.
- ❑ **FAO.** 2021. Study report on the cabbage value chain in Cambodia. 54 pp.
- ❑ **FAO.** 2021. Study report on the cashew nut value chain in Cambodia. 60 pp.
- ❑ **FAO.** 2021. Study report on the chicken value chain in Cambodia. 60 pp.
- ❑ **FAO.** 2021. Study report on the maize value chain in Cambodia. 56 pp.
- ❑ **FAO.** 2021. Study report on the mango value chain in Cambodia. 66 pp.
- ❑ **FAO.** 2021. Study report on the pig value chain in Cambodia. 60 pp.
- ❑ **FAO.** 2021. Study report on upgrading existing agricultural market information systems in Cambodia. 76 pp.

ACHIEVEMENT OF RESULTS - LOGICAL FRAMEWORK

Expected Impact	Improved coordination among value chain actors, contributing to enhanced food security and nutrition and better livelihood in Cambodia		
Outcome	Better understanding of sub-sector value chains linkages through evidence-based policy analysis to support agribusiness policy development within MAFF and MoC, and ongoing programme/project implementation of targeted value chain development		
	Indicator	– Nationwide comprehensive value chain analysis of the six key agricultural products, namely cashew nut, Keo Romeat Mango, leafy vegetables, maize, chicken and pig completed for Cambodia. – Existing AMIS are reviewed, with robust and practical recommendations for upgrading.	
	Baseline	– Zero – Zero	
	End Target	– Six – One	
	Comments and follow-up action to be taken	In cooperation with the DPS of the MAFF, the project successfully carried out nationwide studies on the value chains of the selected agricultural commodities (pig, cashew, mango [Keo Romeat], cabbage, maize [red corn] and chicken). The activities were carried out even with COVID-19 pandemic restrictions. As a result, six value-chain study reports, together with summaries and policy briefs, were finalized following the validation workshop. The studies provided a comprehensive and in-depth understanding of challenges and enhancement opportunities in these value chains and investigated market opportunities, commercial viability and potential benefits for value-chain actors, particularly smallholders. Strong foundations were built for informed decision-making for the promotion of an inclusive enabling environment to support the subsectors. Key findings are expected to help public- and private-sector actors understand their existing and potential performance and opportunities along the value chains. In addition, the policy and strategic recommendations were proposed to support the ADP 2021–2030 and the ASMP 2030, as well as the implementation of ongoing value-chain programmes and projects in Cambodia.	
Output 1	A subsector/value chain analysed for the six commodities including cashew nut, vegetables, maize, mango, chicken and pig		
	Indicators	Target	Achieved
	Value chain study reports.	One	Yes
Baseline	Zero		
Comments	Six value chains were analysed, as were end markets, governance, margins and the enabling environment. Some important cross-cutting issues, including gender, were also assessed. Six reports were produced in total.		
Activity 1.1	Conduct the project inception workshop		
	Achieved	Yes	
	Comments	An inception workshop was organized on 13 February 2019 in close collaboration with the DPS of the MAFF. All relevant stakeholders, including representatives from national and subnational ministries, private-sector actors, and development partners were mobilized to discuss the project strategy, work plan and action plan and to reach a consensus on the way forward.	
Activity 1.2	In-depth analysis of constraints and market opportunities for value chain development of six commodities and highlighting areas for potential value chain upgrade		
	Achieved	Yes	
	Comments	The analyses of the six subsectors highlighted end-market opportunities, constraints along the value chains, value-chain governance, extended value-chain performance and the enabling environment. A strengths, weaknesses, opportunities and threats (SWOT) analysis identified enhancement opportunities for each value chain and offered policy recommendations to realize these opportunities.	

Activity 1.3	Key value chain actors are identified and documented		
	Achieved	Yes	
	Comments	At the beginning of the project, a thorough literature review was conducted to map value-chain actors and stakeholders. These were preliminarily validated at the inception workshop. During the data collection, the map was finalized; however, an in-depth survey should be carried out, or statistical information should be collected and consolidated to officially estimate a more exact number of actors involved in each value chain, including the number of farmers by category. These statistics should be updated more regularly, as the value chains are becoming more dynamic and the size of land/areas and livestock is changing quickly. The MoC, MAFF and Ministry of Economy and Finance (MEF) could collaborate further in this effort.	
Activity 1.4	Existing AMIS are reviewed, with robust and practical recommendations for upgrading		
	Achieved	Yes	
	Comments	A review on the AMIS in Cambodia was conducted to assess the status and performance of the existing agricultural market information systems between the AMIS of the MAFF and the Market Information System (MIS) of the MoC. The study identified information gaps, upgrading opportunities and possible synergies between MAFF's information system (wholesale and retail prices) and the MoC's information system (retail prices). Recommendations were made to upgrade the current AMIS.	
Output 2	Suggestions/recommendations drawn for practical interventions in developing competitive value chains for the six selected products and robust agricultural market information system		
	Indicators	Target	Achieved
	– Value chain study reports. – AMIS review report.	– One – One	Yes
Baseline	Zero Zero		
Comments	All value-chain study reports provided different opportunities, policy and strategic recommendations in upgrading the value chain of each commodity. The AMIS report also offered robust recommendations, including an applicable model for upgrading the system.		
Activity 2.1	Suggestions/recommendations drawn for practical interventions in developing competitive value chains for six selected products and robust AMIS		
	Achieved	Yes	
	Comments	Based on the value-chain analyses, policy recommendations were drafted to support the development of the ADP 2021–2030 and the ASMP 2030 and to support the implementation of ongoing value-chain programmes and projects in Cambodia. Based on the findings, a model was recommended for the enhancement of the AMIS.	
Activity 2.2	Organizing a validation workshop		
	Achieved	Yes	
	Comments	The validation workshop was organized by the DPS of the MAFF and FAO on 12 May 2021 to discuss and validate the results of the study. Sixty-three representatives of the Government, civil society, development partners, value-chain actors and the private sector participated in the event. As a result, all relevant stakeholders were informed about the key findings, including the value-chain analyses, AMIS review and recommendations. These findings were examined, discussed and validated by stakeholders. Inputs and comments were collected for the finalization of the studies and review reports.	

Partnerships and Outreach

For more information, please contact: Reporting@fao.org

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