

IMPACT OF SMALLHOLDERS' AGRICULTURAL COOPERATIVES
ON PRODUCTIVITY AND ON MARKET PARTICIPATION
OF VEGETABLE FARMERS IN CAMBODIA AND ITS SUSTAINABILITY
A CASE STUDY OF SVAY RIENG AGRO-PRODUCTS COOPERATIVE

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ABSTRACT

The Cambodian government established agricultural cooperatives for agricultural development in order to promote smallholder producer's livelihoods through agricultural cooperatives' activities and services offered to farmer welfare. Agricultural cooperatives are important in improving vegetable productivity and market participation of farmers. Vegetable sector in Cambodia has quantitative and qualitative problems because this country imports huge amount of vegetable from Vietnam as well as Thailand. Most of the vegetable either in country or imported are still chemical usage vegetables. Moreover, some general constraints affected smallholders of agricultural cooperatives' operations in Cambodia and they are difficult to be independent and toward sustainable. This study aims to understand impacts of Svay Rieng Agro-Products Cooperative (SAC) on vegetable productivity and on market participation of farmer-members, to identify the obstacles of SAC, and to discover the best practice lessons learned of successful agricultural cooperatives in other countries to develop SAC to be independent and toward sustainable.

Qualitative and quantitative approaches were used in the study. Quantitative data were analyzed using descriptive statistics, T-test, Chi2-test, MPI (Market Participation Index), logit

and tobit regression model while qualitative data analyzed through coding, identifying patterns of data, and building a valid argument.

The study found that vegetable productivity (yield and profit) and market participation of SAC members are better than non-members due to training, farm inputs, and marketing services. However, these three services are still insufficient yet. In addition, SAC does not provide credit and saving services to farmer-members but this cooperative plan to provide these services. Besides lack of these main services, SAC is facing four main obstacles to improve their productivity and market participation. Firstly, SAC lack financial resources to strengthen and expand its business activities. Second obstacle is the limited capacity of management-members and farmer-members. The both committees and all members are farmers and their education level are relatively low. Thirdly, SAC faces some market access problems include lack of contract farming with customers and its members, shortage vegetable varieties, damage of products after post-harvest—particularly in delivery process, no net profit come from the shop in Phnom Penh, low profit for the shop in Svay Rieng, dependency of the shops (rely on support from IVY and PDA), difficulty to deal with farm input suppliers, low vegetable prices, and competition among other vegetable producers. Last obstacle is mistrust and lack of operation between management-members and farmer-members. Based on limitation of services and main obstacles, SAC is still dependent and cannot move toward sustainable operation. To be independent and toward sustainable, SAC requires to strengthen the three main existing services (extension services, farm input services, and marketing services), to add the saving and credit services, to implement requiring solutions and long term solutions. The requiring solutions are improvement the organization structure and clarification the roles of the three levels of the management-members, cooperation with universities, improvement share system, building trust between farmer-

members and the cooperative, produce high quality products and traceability, trust between the cooperative and customers, collaboration with private sector, using internet for promoting SAC's products and electronic commerce, cooperative woman group, building network with other NGOs, donors and government bodies, plus improvement existing and additional product varieties. Long term solutions are referring to the applying concept of associate members, value-addition, and the concept of cooperative company. SAC also requires strong government intervention and support. Cambodia government should establish specific department for agricultural cooperatives, training centers to provide training courses and field visits to agricultural cooperatives members, creating specific financial institution which can provide loans exclusively to agricultural cooperatives, central market, promotion of chemical-free vegetables and chemical-free products, controlling quality of importation vegetables, creation model cooperative, facilitation building network for the cooperative, and creation of cooperative auditing department.

Keywords: Agricultural cooperative, Productivity, Market participation, Sustainability, Cambodia