



# Ministry of Agriculture, Forestry and Fisheries

## Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE)

IFAD Loan No. 2000000744 and ASAP Trust Grant No. 2000000743

### Guideline for Cluster Development



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## Introduction

The Ministry of Agriculture, Forestry and Fisheries released agriculture extension policy in Cambodia in 2015. The policy stated that agriculture extension shall change its strategy from supply driven to production to market driven extension. According to the reform programme of the Royal Government of Cambodia, agriculture extension services and activities shall be decentralized to local level through strengthening the capacity of district and commune level officials, in particular over the planning and facilitating agriculture value chain.

Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE) started its implementation since mid 2015 following agriculture extension policy in Cambodia and contributed to the implementation of public financial management. ASPIRE implemented agriculture extension policy in Cambodia in 5 target provinces namely Kompong Chhnang, Pursat, Battambang, Kratie and Preah Vihear in its first phase and will expand in 2018 to five other provinces namely Kandal, Kompot, Prey Veng, Svay Rieng and Takeo and three other provinces in phase 2.

**ASPIRE's objective:** Reduce poverty and increase resilience of poor and vulnerable smallholder farmers in Cambodia.

**Achievement 3:** At least 120,000 smallholder families enhance their agriculture businesses in a resilient manner through agriculture extension service and programme investment over climate change resilient infrastructure provided.

**Indicator:** At least 90,000 smallholder farmers who are doing agriculture businesses increase their profit through the application of new technology learnt and take part in ASPIRE agriculture extension activities.

In order to achieve the objective and achievement above, ASPIRE has prepared a strategic plan to support target farmers to promote their resilient agriculture business through the provision of agriculture extension service and marketing assistance following the steps below:

1. Market needs assessment and analysis
2. Meetings and discussion with groups or community
3. Organizing forums between production groups and buyers
4. Supporting agriculture extension service
5. Preparing contract between producers and buyers
6. Monitoring and evaluation
7. Roles and duties of specialized officials
8. Budget plan

## 1. Pre Assessment of Market and Production Potential

### 1.1. Market needs assessment and analysis

#### Objectives:

- Study on the needs for various agriculture produces (crops) in the local markets (commune, districts...)
- Understand the difficulty and competitiveness in pushing local produce to regional markets
- Identify the type of agriculture production/business for market supply
- Identify buyers to work in partnership with the groups or community for market supply.

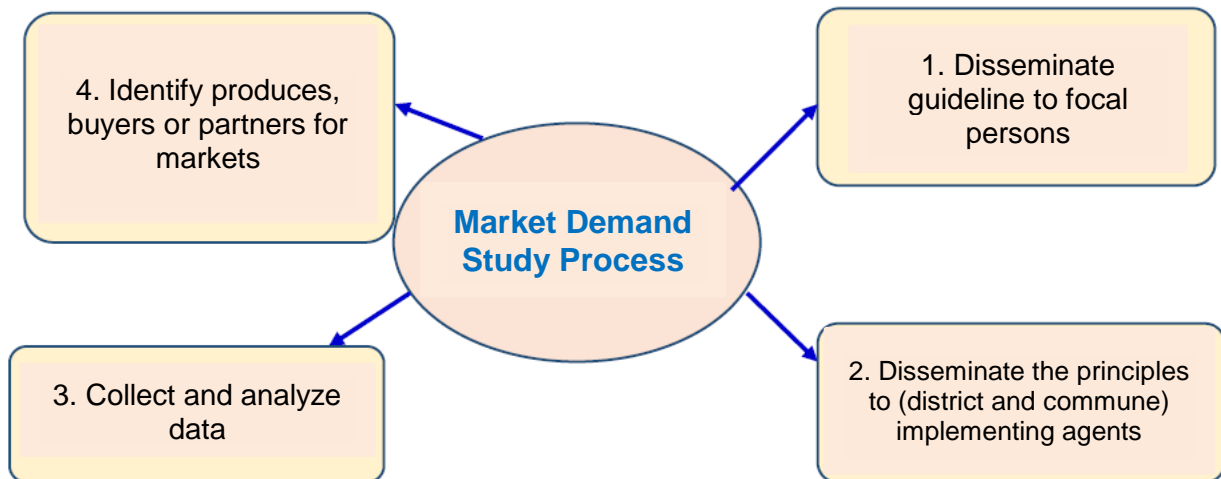
#### Expected outcomes:

- Relevant officials and staff understood the procedures or approaches to market study/data collection

- Data analyzed and potential produces for market demand identified
- Supply partners or buyers contributing to market functioning identified.

Studies conducted: Target communes, districts.... potential for production and market supply.

**Summary of market demand study process:**



**1.1. Disseminate guideline to focal persons**

**Objective:** Disseminate guideline to specialized officials so that they gain the knowledge to support potential smallholder farmers or community to produce to supply the market.

**Expected outcome:** Specialized officials possess the knowledge of the process and method to support smallholder farmers. Agriculture Extension Department and Department of Planning and Statistics / Agriculture Market Office and Provincial Department of Agriculture, Forestry and Fisheries shall be responsible for leading the whole process and taking part in the training provided to the specialized officials or staff or the provincial department of agriculture and M&E/MIS officials (annex 1).

**1.2. Disseminate the principles to (district and commune) implementing agents**

**Objective:** Guide data collection and data entry of market demand study process and farmer group support techniques.

**Expected Outcome:** District specialized officials and commune extension agents understand and feel confident in the implementation of smallholder farmer groups support process and enhancing community and production group to supply agricultural produce to the market. Specialized marketing officials of the provincial department of agriculture, forestry and fisheries are responsible for leading the continued dissemination of principles and approaches to district specialized agriculture officials and commune extension workers (annex 1).

**1.3. Methodology and Market Data Collection**

Market studies in target communes and districts (potential markets for target farmers) that ASPIRE provided agriculture extension service to smallholder learning groups.

- ❖ **Data collection (interview):** in each district, district agriculture officials and commune extension workers are the ones to determine markets and interviewees and conduct interview at key markets and data entry.

- ❖ **Choosing Sample:** Interview key vendors (permanent) in the market and middlemen
- ❖ Identify type of priority agriculture products in daily supply
- ❖ Enter and total up data, analyze and determine produces for market demand with the support of national and provincial specialized officials.

#### 1.4. Interview Methodology

Interview key vendors (permanent) individually to understand the type, quantity, quality, duration of the products they need to buy and sell to their customers (annex 2).

### 1.2. Assessment of farmers Community Production to meet market Demand

**Objective:** Present the result of the market needs assessment study and benefit of creating producer groups

**Expected Outcome:** Community and farmer groups understand clearly about challenges and needs for technical supports in the supply of products to the markets and Join Cluster Development.

#### 3.1. Discussion meetings with Smallholder Learning Groups

- Present the result of market assessment (market demand, price of commodities...)
- Farmers' interest in the supply of agriculture produces to local markets
- Production capacity, production plan, types of crops: 6-8 types
- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis with farmer's groups
- Needs for programme support to producer groups in response to production capacity and plan.

### 3. Organize forums to Create Cluster

#### Objective:

- Find agriculture products market opportunity for smallholder learning groups against the needs of buyers, price and market to supply.

#### Expected Outcome:

- Clusters are created and Farmers in the cluster understand about the needs and time of buyers and have a clear production plan (type of product, quantity and price).
- Multi Stakeholder Platform is arranged to Develop Cluster Business Strategy and Action Plans.

**Participants:** Specialized Department of Planning and Statistics/Agriculture Marketing Office, buyers (wholesaler/retailer), input Suppliers, marketing experts of the provincial department of agriculture, M&E advisors, district agriculture technical officials and commune extension workers, NGOs in the area of agriculture, demo farmers have been invited to participate in this one-day forum at district level. The forum is led by district office of agriculture (annex 3).

### 4. Supporting agriculture extension service

**Objective:** Organize producer groups, buyers and market supply plan.

**Expected Outcome:** Farmer production plan according to the needs of local market.

#### 4.1. Organizing producer groups and buyers

- Organize farmer market producer group:
  - Farmer market producer group is composed of at least 10-15 households

- Each member in the group shall have a clear agriculture business plan
  - Group member to identify the type of crop or animal for market supply
  - Create by-law or internal regulation for each group or member
  - Prepare group strategy
  - Discuss to identify additional needs and partners.
- Organize buyer groups (teaching SMS and linking to external buyers for market expansion)
  - Link producer groups and buyers and promote contract farming (annex 4)
  - Link producer network from one area to another.

#### 4.2. Train farmer groups

- Mentoring and practice
- Training on access to market information (SMS) in order to obtain market price and get to know new buyers
- Training on post-harvest storing, transportation and packaging
- Market supply plan and recording/managing business plan
- Organizing contracts with middlemen.

#### 4.3. Technical supports and inputs for producer group members to start up their business and agricultural enterprise

- ASPIRE has planned some budget for technical support and inputs for farmers to start their market producer group:
  1. Each household shall prepare their household production plan
  2. Provide fund and materials for household production plan

### 5. Preparing contract between production groups and buyers

**Objective:** In order to gain mutual trust between producer groups and buyers and to maintain good price for agricultural products.

**Expected Outcome:**

- Producer groups and buyers trust each other in the production and purchase through contract.

Marketing officials of the provincial department of agriculture, forestry and fisheries and M&E advisors play the role of contract facilitators.

- How to work with farmer and contract form (annex 4).

### 6. Monitoring and Evaluation

**Objective:**

- Monitor the progress of producer groups, challenges, lessons learnt to improve and provide further supports.

#### 6.1. Monitor and Evaluate the results of market supply

- Monitor production capacity (quantity and quality) and supply
- Meet with buyers and producer groups to synthesize production information and help resolve problems faced by farmer groups in a timely manner
- Learn from competitors.

#### 6.2. Monitor and Evaluate producer groups and continued supports

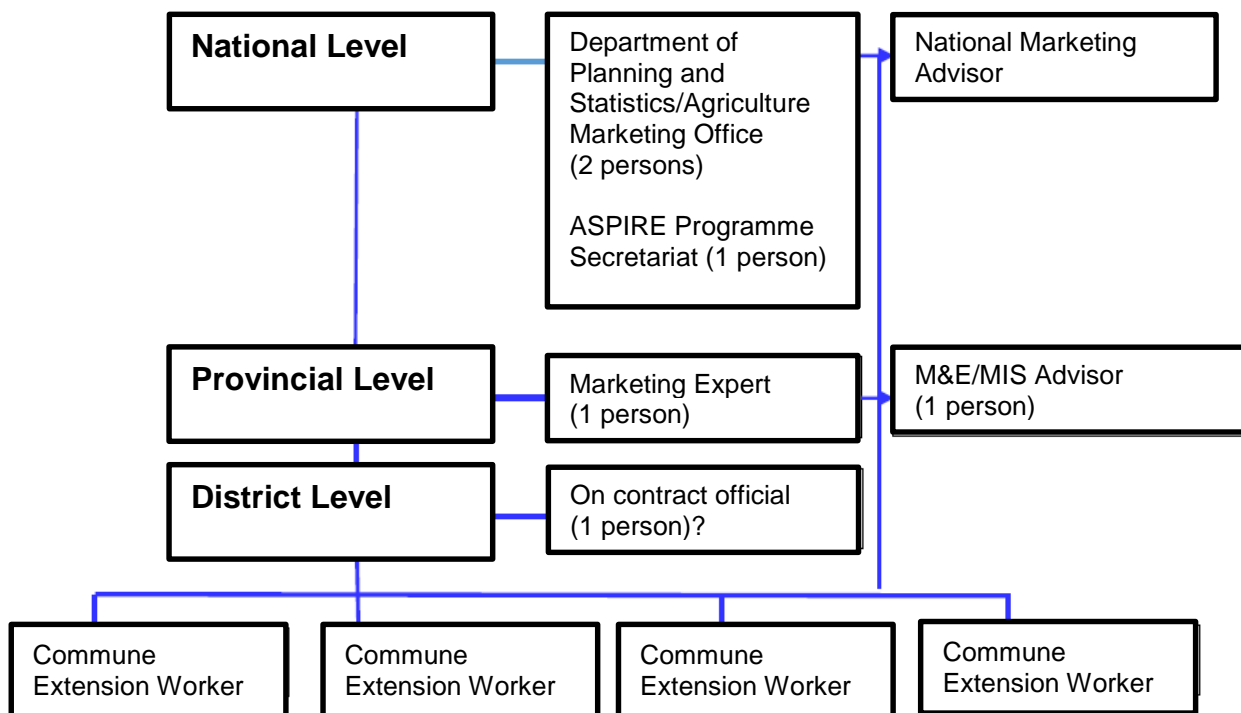
- Technical staff of the provincial department and district office of agriculture shall discuss with farmer groups to find out the problems faced by the groups and what their requests are with regard to additional supports in the third year.

### 7. Roles and Duties of Specialized Officials

**Objective:** Divide up the roles and duties of specialized officials from various national departments, provincial departments and relevant offices in supports of smallholder learning groups.

Expected Outcome: Specialized officials from various national departments, provincial departments and relevant offices understand clearly about their roles and duties in supports of sma

### ASPIRE Market Support Structure



#### 7.1. Roles and duties of Department of Planning and Statistics/Agriculture Marketing Office

- Collaborate with Agriculture Extension Department in the preparation of guideline and its dissemination to specialized officials in the province in supports of producer groups
- Monitor data collection and help analyze data or provide comments
- Attend meetings, review and provide comments on the results of data collection and analysis
- Strengthen the capacity for specialized work of specialized officials, community and market producer groups
- Monitor the progress of market producer groups.

#### 7.2. Roles and duties of Agriculture Extension Department

- Collaborate with Agriculture Marketing Office in the preparation of guideline and its dissemination to focal points in supports of smallholder learning groups
- Attend meetings to review and comment on the result of the study
- Assist in the monitoring of technical work for continued support
- Monitor the activities of market producer groups.

#### 7.3. Roles and duties of specialized marketing officials of the Provincial Department of Agriculture, Forestry and Fisheries

- Disseminate guideline to implementing agencies at district and commune levels and market producer groups
- Collect data, analyze and recapitulate report
- Review and provide comments to the report on the result of the study with district and commune levels
- Attend dissemination meetings with smallholder learning groups (SLG) and organize market producer groups
- Assist in the preparation of contract paper between producer groups and buyers
- Monitor all activities and provide supports to producer groups
- Strengthen the capacity for specialized work to specialized officials at district and commune levels, community and groups
- Monitor the activities of market producer groups.

#### **7.4. District agriculture technical officials and commune extension workers**

- Collaborate with provincial marketing officials to identify markets and buyers to be interviewed
- Conduct interviews at the markets
- District level officials enter data and submit data to provincial marketing officials
- Organize and facilitate forums between producers and buyers
- Facilitate and organize discussion meetings with SLG and producer groups to prepare business plan
- Monitor and provide technical supports to producer groups
- Report the results of the implementation to provincial level.

#### **7.5. M&E/MIS Advisors**

- Disseminate principles to provincial, district and commune implementing agencies and smallholder farmer groups
- Assist in the support to specialized officials in data analysis and report writing
- Assist in the preparation of business plan of producer groups
- Assist in the support and monitoring of the group functioning.

### **8. Budget Plan**

1000 dollars/commune x 4 communes = 4000 dollars (per district)

Provincial Department of Agriculture, Forestry and Fisheries has developed expenditure plan in the process of the activities contained in the 7 steps above:

- Continue to disseminate the principles to implementing agencies (district, commune)
  - 1 district: 4 persons, 4 CEWs (existing target district)
- Market needs study and analysis
- Meetings and discussion with SLG or community
- Organize forums between producers and buyers
- Support additional agriculture extension service
- Prepare contract between producers and buyers
- Monitor and evaluate.

The budget of 600 dollars/SLG for technical support and agriculture inputs.



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