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The U.S. Government's Global Hunger and Food Security Initiative

Scaling up Commercial Horticulture (Kathmandu, March 11, 2014)

CAMBODIA
Country Context

- Population size almost 15 million, with over 70% under the age of 35 years
- Women Comprise 55% of the adult population and 62% engaged in agricultural production and own 62% of MSME
- Female-headed households comprise almost a quarter of rural households (23%) and 69% of rural poor households
- High male seasonal labor migration, increasing the number of poor, female-headed households

Cambodia
Country Context

- Agriculture accounts for 30% of GDP but 70% of people earn their living mainly from farming.
- Crop diversification showed households to be better able to withstand economic or climatic shocks.
- Horticulture production extends well into the lean season and becomes a supplemental source of household food and income when other resources needed to purchase food are limited

Cambodia
Country Context

- USAID/Cambodia base line survey of vegetables grown by households in zone of influence (2013) shows:
  - Convolvulus (51% of sample)
  - Large smooth gourd (42%)
  - Cucumber (42%)
  - Long green beans (38%)
  - Egg plant (36%)
  - Water hyacinth (32%)
  - Wax gourd (29%)

Country Constraints

Subsistence agriculture – poor to low income rural households with limited or no means to invest

Poor household diets – traditional habits

Migration – diminishing field labor, seasonal farmers

Water issues – lack of or no water in many villages

Climatic changes – annual floods, droughts

Poor rural extension – no or little knowledge on new technology or good agriculture practices

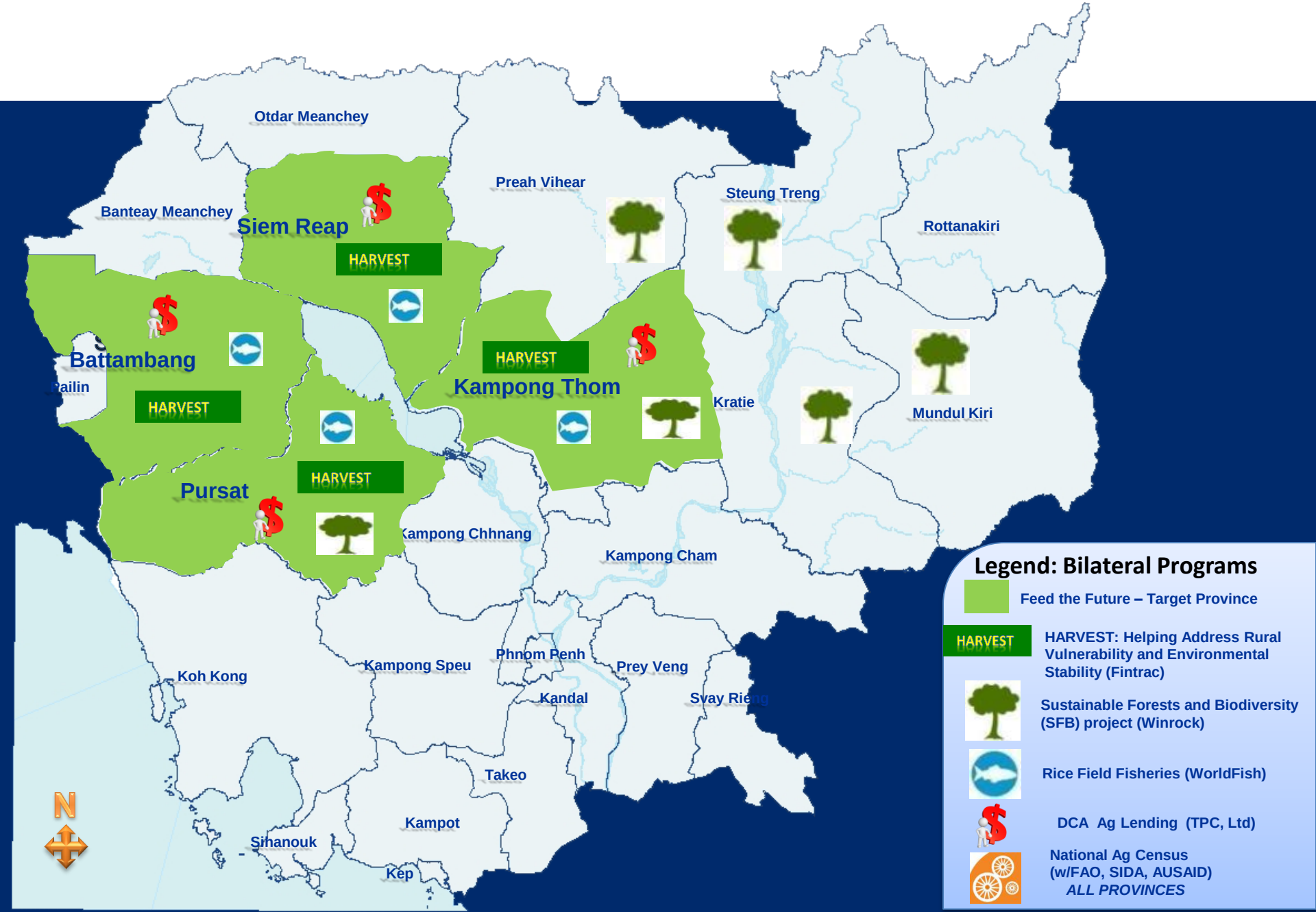
Very small horticulture sector in Cambodia – fresh product imports of 60 to 80%

Scaling up Commercial Horticulture HARVEST

Jointly funded ($56 m 5-yr) by Feed the Future and Global Climate Change Presidential Initiatives focusing on:

- **Agribusiness Value Chains** – rice, horticulture, low input fish ponds
- **Social Inclusion and Capacity Development** – nutrition, basic agr. technical skills, vocational and skills training
- **Policy and Enabling Environment** – agriculture and food security related policies.
- **Natural Resource Management** – fisheries & forestry communities, management of biological significance and natural resources.

GEOGRAPHIC COVERAGE: 2013



Why Scale up Commercial Horticulture?

- The program has succeeded where multiple other donor projects have failed.
- It has successfully created the nucleus of a viable, sustainable commercial sector among poor farmers in four provinces in the Tonle Sap region.
- HARVEST mid-term performance evaluation shows horticulture on top among the two other value chains (rice & fish)

Why Scale up Commercial Horticulture?

- The success is built on the following components:
  - The introduction of appropriate, best agricultural practices
  - One-off co-investment in a package of environmentally sustainable technologies
  - Provision of intensive, weekly support from highly trained agricultural technicians for 18 months
  - Creating/strengthening a private sector retail input supply chain to reach poor farmers

Intervention Summary

- HARVEST Project introduced a package of technology and cultivation practices, intensive TA, initial co-investment, input supply chain strengthening.
  - Drip irrigation, plastic mulch, raised beds, trellises, business development training
  - 3 product cycle of 6 months each: First cycle ONLY co-investment with demonstration farmer in each village, by 3rd cycle TA only
  - Intensive support by highly trained agricultural technician weekly visits per farmer plus field days
  - Delivery by mix of implementing partners and NGO direct hires.

Intervention Summary

- Net work of self-sufficient private sector input suppliers (trained by HARVEST) and MFIs
- Pre-existing large and growing market/buyers for quality fresh vegetable

Success and Potential Scale

- Poor farmer households have $800-$1200 from 800-1200 Sq. meter plots additional net income per cycle, with the majority of those being women farmers.
- Despite the concerns that a give away program would crowd out the private sector, the contrary is actually true in this case.
- Retail input suppliers are experiencing substantial increase in sales driven by demand for consumable inputs by HARVEST graduates and adoption by neighboring villagers.

Success and Potential Scale

- Currently, 2000 direct beneficiaries
- Preliminary estimated multiplier effect of 5-10 of 2nd and 3rd tier adopters per demonstration client
- Potential total number of adopter is 100,000 households out of 720,000 in four provinces around Tonle Sap
- Because of multiplier effect from demonstration clients, if project can reach 5,000+ in next few years, critical mass (25K plus) will trigger spontaneous scaling to population level

Cambodia/HARVEST Commercial Horticulture Scaling up Plan:

Criticisms	Responses
1. Spoils the market, crowds out the private sector	1. Not give-away, co-investment to reduce risk to early adopters, create demonstration effect. Input suppliers have experienced rapid growth in demand in last 3 years. Embedded in private value chain.
2. Farmer will drop activity once project ends	2. 70% of direct client sustaining activity, many increasing investment. Neighbors adopting some/all of technology/practices

Cambodia/HARVEST Commercial Horticulture Scaling up plan:

Criticisms	Responses
3. Project/NGO delivery of extension service not sustainable after exit	3. Not meant to be sustainable extension, intensive training of farmers, become self-sufficient in agricultural practices. Still working on improving information pipeline through multiple platforms.
4. Not scalable without ongoing agricultural extension service	4. Campaign approach to scaling as in vaccination; intensive training to create self-sufficient, critical mass

Conclusions

- Subsidy/co-investment can be successful when used to reduce risk of NEW activities, planned phase out.
- Intensive technical assistance viable strategy for sustainability and scaling in low resource environment e.g. no extension
  - Critical mass and farmer-farmer diffusion
  - Different approach from scaling by more numbers, creating a viable sector permanently embedded in strong value chain.

Conclusions

- Requires long term frame than traditional 5 year project, narrowing of activities to focus on winners
- Long term nutrition impact and climate change adaptation
- Remaining challenges:
  - Not panacea, won’t reach poor with little land, water (home garden, rice intervention for this tier)
  - Extension service/information flow needed for continuous improvement: trying ITC, VAHWS, IDE
  - MFI risk aversion limits credit and inhibits greater multiplier

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