

■ Support to the Commercialization of Cambodian Rice Project
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Supreme National Economic Council (SNEC)

SUPPORT TO THE COMMERCIALIZATION OF CAMBODIAN RICE PROJECT

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ACRONYMS

AC	Agricultural Cooperative
ACBN	Agricultural Cooperative Business Network
ACDF	Agricultural Cooperatives Development Fund
ACMES	Ayeyawady Chao Phraya Mekong Economic Cooperation Strategy
ACT	Agriculture Certification Thailand
ADB	Asian Development Bank
ADC	Agricultural Development Communities
ADF	Agriculture Development Fund (= ASDF)
ADG	Aide au Développement - Gembloux
AEA	Agro-Ecosystem Analysis
AEC	ASEAN Economic Community
AFD	<i>Agence Française de Développement</i> / French Agency for Development
AFDI	<i>Agriculteurs Français et Développement International</i>
AFTA	ASEAN Free Trade Agreement
ALCO	Asset Liability Committee (banking)
AMIS	Agriculture Market Information System
AMK	Angkor Mikroheranhvatho (Kampuchea)
AML/CFT	Anti-Money Laundering / Combatting the Financing of Terrorism procedures (banking)
AMO	Agriculture Marketing Office
AQIP	Agriculture Quality Improvement Project
ARIZ	<i>Accompagnement du Risque de financement de l'Investissement privé en Zone d'intervention de l'AFD</i>
AROS	Asia Regional Organic Standard
ARPEC	Alliance of Rice Producers & Exporters of Cambodia
ASDF	Agriculture Support and Development Fund (same as ADF)
ASEAN	Association of South-East Asian Nations
ASIrri	<i>Projet d'Appui aux Irrigants et aux Services aux Irrigants</i>
ASPIRE	Agriculture Services Program for Innovation, Resilience and Extension (IFAD project)
ASYCUDA	Automated System for Customs Data
AusAID	Australian Agency for International Development
AVSF	<i>Agronomes et Vétérinaires Sans Frontières</i>
C2A	<i>Commission Agriculture et Alimentation de Coordination Sud (French development NGO platform)</i>
CAC	<i>Crédit Agricole Consultants</i>
CAMFEBA	Cambodia Federation of Employers and Business Associations
CAVAC	Cambodia Agriculture Value Chain Program (AusAID)
CARD	Council for Agriculture and Rural Development
CARDI	Cambodian Agriculture Research and Development Institute
CB	Certification Body
CBAPC	Contract Based Agriculture Promotion Committee
CC	Commune Councils
CCA	Climate Change Adaptation
CCC	Chamber of Commerce of Cambodia
CCD	Cambodian Certification Department
CCFC	<i>Chambre de Commerce Franco-Cambodgienne</i> / Franco-Cambodian Chamber of Commerce
CDC	Council for the Development of Cambodia
CDRI	Cambodia Development Resource Institute

CEDAC	<i>Centre d'Etude et de Développement Agricole du Cambodge</i>
CEFP	Committee for Economic and Financial Policy
CEO	Chief Executive Officer
CF	Contract Farming
CFAP	Cambodian Farmers' Association Federation of Agricultural Producers
CIDA	Canadian International Development Agency
CIRD	Cambodian Institute for Research and Rural Development
CO	Certificate of Origin
CoC	Code of Conduct
COrAA	Cambodian Organic Agriculture Association
COSTEA	<i>Comité Scientifique et Technique de l'Eau Agricole</i>
CREA	Cambodia Rice Exports Association
CRX	Cambodia Rice Exporter Meeting (facilitated by IFC)
CSR	Corporate Social Responsibility
DACP	Department of Agricultural Cooperatives Promotion
DAE	Department of Agricultural Extension
DAI	Department of Agro-Industry
DANIDA	Danish International Development Agency
DDM	Demand Driven Model
DFID	Department for International Development (UK)
DGRV	<i>Deutscher Genossenschafts- und Raiffeisenverband e. V. (German Cooperative & Raiffeisen Confederation)</i>
DMC	Direct-seeding Mulch-based Cropping system
DP	Development Partners
DPM	Deputy Prime Minister
DPS	Department of Planning and Statistics (of MAFF)
DRC	Department of Rice Crops
EA	Executing Agency
EBA	Everything but Arms
EC	European Commission
EC	Executive Committee
ED	Executive Director
EoI	Expression of Interest
EPWG	Export Promotion Working Group (informal group of rice exporters supported by IFC)
ESP	Environmental and Social Policy
EU	European Union
FAEC	Federation of farmer associations promoting family Agriculture Enterprises in Cambodia
FAO	Food and Agriculture Organization of the United Nations
FASMEC	Federation of Association for Small and Medium Enterprises of Cambodia
FCFD	Federation of Cambodian Farmer Organizations for Development
FCRE	Federation of Cambodian Rice Exporters
FCRMA	Federation of Cambodian Rice Millers Associations
FFS	Farmer Field School
FI	Financial Institution
FNN	Farmer and Nature Network
FO	Farmer Organisations
FOO	Farmer Organisations Office of the DAE
FSMS	Food Safety Management System
FWN	Farmer and Water Network
FWUC	Farmer Water User Community

GAFSP	Global Agriculture and Food Security Program
GDA	General Directorate of Agriculture
GDCE	General Department of Customs and Excise
GDP	Gross Domestic Product
GF	Guarantee Fund
GI	Geographical Indication
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> / German Development Cooperation
GMP	Good Manufacturing Practice
GMS	Greater Mekong Subregion
G-PSF	Government – Private Sector Forum
GRET	Groupe de Recherche et d'Echanges Technologiques
GS	General Secretary
HACCP	Hazard Analysis and Critical Control Points
HARVEST	Helping Address Rural Vulnerability and Ecosystem Stability (USAID project)
HKL	Hattha Kaksekar Limited
HR	Human Resources
ICS	Internal Control System
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFOAM	International Federation of Organic Agriculture Movements
IPD	Intellectual Property Department of the Ministry of Commerce
IPM	Integrated Pest Management
IRAM	<i>Institut de Recherche et d'Application des Méthodes de Développement</i>
ISC	Institute of Standards of Cambodia
ISF	Irrigation Service Fee
IT	Information Technologies
IWRM	Integrated Water Resources Management
JCC	Joint Coordination Committee (FCRE, SNEC, IFC, AFD)
JDI	Japan Development Institute
JICA	Japanese International Cooperation Agency
KAPCD	Khmer Angkor People Community for Development
KOICA	Korea International Cooperation Agency
KYC	Know Your Customer (banking)
LGWR	Long Grain White Rice
LRI	Live Rice Index
MAFF	Ministry of Agriculture, Forestry and Fisheries
MEF	Ministry of Economy and Finance
MFI	Micro-Finance Institution
MIH	Ministry of Industry and Handicraft
MIME	Ministry of Industry, Mines and Energy
MLMUPC	Ministry of Land Management Urban Planning and Construction
MOC	Ministry of Commerce
MOWRAM	Ministry of Water Resources and Meteorology
MPWT	Ministry of Public Works and Transport
MRC	Mekong River Commission
MRC	“Mini Rice Center”
MRD	Ministry of Rural Development
M&E	Monitoring and Evaluation
NBC	National Bank of Cambodia

NC	National Coordinator
NGO	Non-Governmental Organization
NKPSAC	Nikum Krao Preah Sihanouk Agricultural Cooperative
NPACD	National Policy for Agricultural Cooperatives Development
NPD	National Project Director
NSC	National Standard Council
NSDP	National Strategic Development Plan
NWISP	North-West Irrigation Sector Project (ADB/AFD)
OA	Organic Agriculture
ODM	Offer Driven Model
OPM	Open Paddy Market
O&M	Operation and Maintenance (of irrigation schemes)
PADAC	<i>Programme d'Appui au Développement de l'Agriculture au Cambodge</i>
PADEE	Project for Agriculture Development and Economic Empowerment (IFAD/FAO project)
PBA	Program Based Approach
PDA	Provincial Department of Agriculture
PDOWRAM	Provincial Department of Water Resources and Meteorology
PRDR	Provincial Department of Rural Development
PIMD	Participatory Irrigation Management Development
PIP	Public Investment Program
PM	Prime Minister
PMA	Project Management Advisor
PPAP	Phnom Penh Autonomous Port
PPCR	Pilot Program for Climate Resilience
PPD	Public-Private Dialog
PPP	Project Procurement Plan
PPP	Public-Private Partnership
PPPRE	Policy on the Promotion of Paddy Production and Rice Export
PR	Public Relations
PSC	Project Steering Committee
PSG	Paddy Selling Group
RDB	Rural Development Bank
RGC	Royal Government of Cambodia
Rice-SDP	Climate Resilient Rice Commercialization Sector Development Program (ADB)
RMA	Rice Millers Associations
RS	Rectangular Strategy
RUA-CD	Royal University of Agriculture – Chamcar Daung
SAP	Sihanoukville Autonomous Port
SAW	Strategy on Agriculture and Water
SCCRP	Support to the Commercialization of Cambodian Rice Project
SCF	Strategic Climate Fund
SEA	South East Asia
SIAL	<i>Salon International de l'Agroalimentaire</i> (Paris)
SME	Small and Medium Enterprise
SMP	<i>Sansom Mluop Prey</i> NGO
SNEC	Supreme National Economic Council
SOWS-REF	Secretariat of the One-Window Service for Rice Export Formality
SPS	Sanitary and Phyto-Sanitary
SRP	Sustainable Rice Platform

SWAp	Sector Wide Approach
TA	Technical Assistance
TBT	Technical Barriers to Trade
TDSP	Trade Development Support Program
ToR	Terms of Reference
ToT	Training of Trainers
TPC	Thaneakea Phum (Cambodia) Ltd.
TPD	Trade Promotion Department of the MOC
TREA	Thai Rice Exporters Association
TRT	The Rice Trader
TWG	Technical Working Group
TWGAW	Technical Working Group on Agriculture and Water
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNEP	United Nation Environment Program
UNIDO	United Nations Industrial Development Organization
UNIDROIT	International Institute for the Unification of Private Law
USA	United States of America
USAID	United States Agency for International Development
USP	Unique Selling Proposition
VAHW	Village Animal Health Worker
VF	Vision Fund
WB	World Bank
WCS	Wildlife Conservation Society
WRC	World Rice Conference
WRMSDP	Water Resource Management Sector Development Program (ADB)
WTO	World Trade Organization

UNITS AND MEASURES

ha	Hectare
kg	kilogram
KHR	Cambodian Riel
t	ton (metric ton)
t/h	ton per hour
teu	twenty foot equivalent unit (referring to freight of twenty foot containers)
USD	United States Dollars

INTRODUCTION

The Support to the Commercialization of Cambodian Rice Project (SCCRP) is funded by the *Agence Française de Développement* (AFD – French Agency for Development) for a period of 3 years (January 2013 to December 2015). Its purpose is to contribute to support the implementation of the National Strategy of Promotion of Paddy Production and Rice Exports approved by the Council of Ministers in July 2010, with an objective of maximization of the added value and of the share of this added value reaching producers as a part of the overall goal of rural poverty alleviation.

The Supreme National Economic Council (SNEC) has been designated as the coordination agency for the implementation of this project, which involves various public and private stakeholders.

Four specific objectives are initially defined as follow in the financing agreement, corresponding to the four technical components of the project:

1. Contribute to the organization of the sector (inter-ministerial coordination, public/private partnership, professional and inter-professional organization) and to capacity building of all the actors (processors, producers, public services, banks...);
2. Establish quality standards in order to optimize the economic value of Cambodian rice in the markets;
3. Promote contract farming and the involvement of farmers organizations in the primary stage of commercialization of paddy;
4. Upgrade RDB capacities to answer the financial requirements of millers and farmers.

Project implementation phase has effectively started on January 22, 2013, when the Project Management Advisor took office. This report is the 8th Quarterly Executive Report of the project. It covers the period from October 1st to December 31, 2014.

During this quarter, FAEC and FCFD have exercised their role of representation of FOs interest notably by gathering and sending comments to MAFF on the draft form of by-laws of Cooperative Unions and taking part in events such as Cambodian Rice Forum and Cambodian Farmer Forum.

On its side, the Cambodian Rice Federation has been supported by the project in the organization of major promotion events such as the organization of the 2nd Cambodian Rice Festival in November, SIAL and a promotion dinner in Paris in October. That trip in Paris was also the occasion to learn about inter-professional organizations governance in France through an exposure visit to *Intervéales*.

About 1,500 tons of organic paddy have been delivered by 8 cooperatives in Preah Vihear to AMRU under the contracts signed in September, short after inspections were conducted by Ecocert. Paddy Selling Groups under Farmer Water Users Communities have continued to experience collective selling of paddy to rice millers. More than 5,000 tons of paddy have been marketed through these channels since the beginning of 2014. Moreover, 4 new contract farming agreements were signed by Golden Rice with FOs in Kampong Chhnang, Takeo and Kandal.

Terms of Reference for additional support to RDB have been developed and the procurement process was launched (Call for Expression of Interest).

In the end of November, AFD supervision mission provided an opportunity to review with stakeholders overall progresses and approach of the project implementation and has contributed to provide useful recommendations.

SUMMARY

Table 1: Summary of important activities and outcomes of the past quarter and foreseen objectives and activities and main issues or concerns

Important activities and outcomes of the past quarter	Foreseen objectives and activities for the coming months	Issues and concerns
C#1 <ul style="list-style-type: none"> Finalize the consultation with FOs on model by-laws and regulations for Cooperative Unions. Visit of CRF to <i>Intervéreales</i> in Paris generates an interesting reflection on CRF internal organization. Draft concept note on support to additional regulations on ACs. Draft concept note on institutional support to CRF (statutes, governance). 	<ul style="list-style-type: none"> General Assembly of CRF. General Assembly of FAEC and General Assembly of FCFD (decision regarding the merging of the two Federations). 	<ul style="list-style-type: none"> Lack of reactivity of CRF to the proposal of partnership from the SCCRP project. No feedback from AFD and SNEC on proposed approach to institutional support to CRF. No reply of DAE on comments sent by FAEC and FCFD on by-laws of Cooperatives' Unions, and request for a meeting is left un-answered as well.
C#2 <ul style="list-style-type: none"> Cambodian Rice promotion mission in France: booth in SIAL + Promotion dinner. 2nd Cambodian Rice Festival. Cambodia host TRT 6th World Rice Conference: Cambodian wins its 3rd World Best Rice award. Establishment of CRF "Branding Working Group". 	<ul style="list-style-type: none"> Work on the branding with CRF "Branding Working Group". Define support (expertise to mobilize) and repartition of inputs between SCCRP project and IFC rice sector project. 	<ul style="list-style-type: none"> Management by CCFC of invitations for the Cambodian Rice Promotion dinner in Paris has not been very satisfactory (very limited presence of media and potential buyers/distributors).
C#3 <ul style="list-style-type: none"> Ecocert inspection of organic rice production in Preah Vihear. Implementation of CF between AMRU Rice and 8 ACs of Preah Vihear: nearly 1,500 t delivered, with significant premium for cooperatives. Signature of new contracts between Golden Rice and 4 FOs (in Takeo, Kandal and Kampong Chhnang). Preparation of Taskforce on CF. 	<ul style="list-style-type: none"> Complete a critical review of pilot actions implemented in 2014. Launch the Working group of FOs and millers in partnership with CRF. Launch the public sector taskforce on Contract Farming policy and regulations. Prepare follow-up strategy for pilots of 2014 and explore new pilots / models. 	<ul style="list-style-type: none"> CORAA did not start to charge costs of its inspectors to organic cooperatives in Preah Vihear, despite it was agreed to do so. Institutional difficulties to establish the Taskforce on CF has led to delays. Quality of paddy supplied by FOs is still an issue (broken rate in particular).
C#4 <ul style="list-style-type: none"> Horus mission to finalize Terms of Reference for further Technical Assistance to RDB. Launch procurement for TA to RDB. Credit to FOs appears among the priority targets for RDB "pioneer" role. 	<ul style="list-style-type: none"> Finalize procurement for TA to RDB. Discuss credit to FO with RDB and FO representatives. Mobilize second phase of Horus mission for credit to FOs. 	<ul style="list-style-type: none"> Only 3 EoI received for procurement of TA to RDB, not very satisfactory. Difficulty to get a decision from RDB/MEF on scenario for credit to FOs.
C#5 <ul style="list-style-type: none"> AFD Supervision mission. 	<ul style="list-style-type: none"> Start to explore options and strategy of project extension. 	<ul style="list-style-type: none"> Limited availability of SNEC officers assigned to the project has not been solved yet. Aide-memoire of AFD supervision mission not yet received.

1. COMPONENT #1: ORGANIZATION OF THE RICE SECTOR AND CAPACITY BUILDING OF STAKEHOLDERS

1.1. WORK WITH THE CAMBODIAN RICE FEDERATION

On October 5, in order to feed the reflection of the overall support of the SCCRP Project to CRF, CRF's Secretary General has send to SNEC the first draft of "Cambodian Rice Federation Strategic Development Framework (2014-2016)"¹. CRF Secretary General has indicated that this was only a very preliminary draft and that an improved version would be sent later on (which was not done yet at the end of this quarter).

Four mains fields of support or activities in partnerships with CRF are considered by the project:

1. A support to institutional reform or fine-tuning of statute and internal regulation of CRF in order to consolidate its institutional organization and governance;
2. A support to branding and promotion activities (as part of the Component #2 of the project, but with CRF seen as the main actor);
3. Involving CRF (together with FO Federations) in a working group on the improvement of business partnership between Farmer Organizations and millers/exporters (as part of the Component #3 of the project);
4. Partnership with CRF in policy review and dialog.

1.1.1. REFLECTION ON CRF STRUCTURE, STATUTE AND GOVERNANCE

It has to be noted that, since the meeting of PMA with CRF management in August and the following e-mail sent on 22 August², CRF has provided no clear feedback about the proposition of the project to contribute in a working group dedicated to the revision of CRF statute and institutional organization and governance.

1.1.1.1. EXPOSURE VISIT TO "INTERCÉRÉALES", THE INTER-PROFESSIONAL ORGANIZATIONS OF CEREALS SECTOR IN FRANCE

On 21 October 2014, taking opportunity of the presence of a number of leaders and members of CRF in Paris for SIAL³, a meeting was organized (with the support of IRAM team in France) with *Intercéréales*, the inter-professional organization for cereals in France⁴.

CRF Delegation with Mr Hervé Le Stum, Director General of Intercéréales on 21/10/2014 ▷



The purpose was to get experience form *Intercéréales* regarding the roles and functioning of this organization and in particular the way it is addressing issues regarding representativeness of the different segments of the value chains.

¹ This "concept note" on CRF had been asked by the project and AFD since the first meeting with the new leaders of the Federation on 28 of May 2014 – See Quarterly Executive Report #06, pages 6-7.

² See Quarterly Executive Report #07, page 3.

³ See § 2.1. page 14 in this report.

⁴ Following the agreement on the principle of such a visit reached during a discussion between CRF President and the project in August – See Quarterly Executive Report #07, page 3.

This visit has brought useful experience and has generated interesting questioning for the participants.

1.1.2.2. APPROACH AND PLANNING FOR FURTHER SUPPORT ON INSTITUTIONAL ASPECTS

The Project Management Advisor has prepared a concept note presenting background elements and objectives regarding institutional support to CRF, and a proposition of approach and modalities of support. This concept note has been shared internally within SNEC project management team (on December 11, 2014) and with AFD in order to gather feedback before to discuss propositions with CRF. Until December 31, SNEC project management team and AFD did not yet reply or comment on that note.

1.1.2. BENCHMARKING A WORK PLAN FOR THE “BRANDING” OF CAMBODIAN RICE

CRF is seen as the main stakeholder to take the initiative regarding branding and export promotion for Cambodian Rice. With the encouragement of the project (jointly with IFC project) CRF has established a working group on branding. The first meeting of this formal CRF working group, chaired by Mr Song Saran (AMRU Rice), took place on December 22nd 2014 in IFC office. Since this enter into the scope of the Component #2 of the projects, details regarding this activity are given in § 2.4. page 20 in this report.

1.1.3. WORKING GROUP ON PARTNERSHIP BETWEEN FOS AND MILLERS/EXPORTERS

In order to review lessons from pilot experiences and gather ideas and expectations from economic stakeholders, the project has proposed, since the previous quarter, the constitution of a working group mixing farmer representatives and millers/exporters to discuss on how to improve partnership between FOs and millers/exporters.

Such a group has been integrated on the paper in the list of CRF working groups, but failed to be effectively established up to now. It is still expected to set up this group in early 2015 to explore new innovative partnership and also provide inputs for the taskforce that will work on Contract Farming Regulations and Policies⁵.

1.1.4. CRF AND POLICY DIALOG

The idea of a joint review of the Cambodian Rice policy, which would be co-managed by SNEC and CRF, has started to be evoked since the previous quarter⁶. No concrete progress has been made on this subject during this quarter, but the Project Coordinator has informally discussed the idea with representatives of SNEC management and MEF which seem to welcome the initiative.

1.2. SUPPORT TO FEDERATIONS / NETWORKS OF FARMER ORGANIZATIONS

1.2.1. ADMINISTRATIVE AND MANAGERIAL SUPPORT

1.2.1.1. ADDITIONAL BRIEFING OF FINANCIAL MANAGEMENT

Technical officers of FAEC and FCFD have attended a meeting with project administration team and AFD project officer in SNEC on 23rd of December 2014. A number of practical recommendations have been provided to both Federations in order to improve their financial management, financial reporting and invoicing. Recommendations were also made by AFD for more harmonization and reduction (for a matter of financial sustainability) of costs related to farmers' participation in various meetings.

⁵ See § 3.7 page 33 in this report.

⁶ It was notably mentioned in the note “Component #1: Organization of the rice sector and capacity building of stakeholders: Situation, up-coming challenges, up-dated roadmap” prepared by the PMA and sent to the member of the project steering Committee in August 2014.

1.2.1.2. TRAINING ON THE DEVELOPMENT OF BUSINESS PLANS

A training on business plan development was organized by FCFD and implemented by two trainers from “Brosith” a local NGO from Battambang for FAEC and FCFD from 15 to 17 December 2014. It was attended by 9 members of Board and 2 officers of FCFD and by 3 members of Board and 1 officer of FAEC. The training has resulted in a better understanding of participants to understand the concept of business plan and to develop models of business plans for FOs or FO Federations. All the costs were covered by the SCCRP project as part of the support contract signed with FCFD.

1.2.2. PARTNERSHIP WITH INPUT SUPPLIERS

1.2.2.1. IMPLEMENTATION OF FERTILIZER DEMONSTRATION PLOTS

During the last quarter, FAEC and FCFD have negotiated the implementation of fertilizer demonstration plots (all in Takeo province) with three fertilizer supplier companies⁷. The companies have generally undertaken this commitment, with a slightly lower number of demonstration plots than scheduled for Bayon Heritage Co. (“Pendey” Fertilizers) because some demonstrations have been cancelled due to drought – See Table 2 below.

Table 2: Implementation of fertilizer demonstration plot following companies’ commitment with FAEC

Input supply company	Nb of demonstration plot agreed in previous quarter	Nb of demonstration plots actually implemented
Bayon Heritage (“Pendey” brand)	45 plots	39 plots
Solar Agriculture Company ⁽¹⁾	10 plots	13 plots
Hang Pichchay Co.	1 plot	1 plot
Total	56 plots	53 plots

⁽¹⁾ In previous quarter, Solar Agriculture Company also said that they could mobilize one trainee to monitor the demonstration plot, but this was finally not implemented for now but could still be considered next year.

1.2.2.2. IMPLEMENTATION ON PREFERENTIAL PRICE FOR FAEC AND FCFD MEMBERS

Since negotiations of FAEC and FCFD with Fertilizer suppliers during the previous quarter⁸, the Federations continued to keep contact by phone with the partner companies and to get up-dated fertilizer prices. During this quarter, three FOs⁹ from Takeo (Affiliated with either FAEC or FCFD) have purchased a total of 21.5 tons of fertilizers from companies which have agreed to grant preferential prices to the members of the two Federations. The three FOs have purchased the fertilizers directly from the company and paid the wholesale price (price for depot) as it was previously agreed with Federations.

In practice, when a FO member of FAEC or FCFD want to purchase fertilizer from one of these partner companies, they have to call the officer of the Federation who will make the order for them to the fertilizer company. The company will deliver the order to the FO¹⁰. The price charged to the FO by the company is the concessional price agreed with the Federation (“depot price”). In addition, FAEC or FCFD are entitled to receive a commission of 0.25 USD/bag from Bayon Heritage and Solar company (FAEC is entitled to receive more than 100 USD for the 21.5 t bought by FOs in Takeo, payment was not yet done but will be claimed by the Federation in January or February 2015). This business oriented partnership is very much in

⁷ Cf. Quarterly Executive Report #07 pages 5-6.

⁸ Cf. Quarterly Executive Report #07 pages 5-6.

⁹ Oudom Soriya AC, Ta Ey Rung Roeung AC and Kranh Khmao Association.

¹⁰ Free delivery, at least for orders above 2 tons with Solar Agriculture Company or for any order within Takeo province for Bayon Heritage, as stated in Quarterly Executive Report #07 pages 5-6.

line with the objective of the consolidation of the FO Federations, as it is at the same time beneficial for the members (lower prices, free delivery) and contributes to generate incomes to sustain the Federation work (very limited for this first quarter of implementation, but with a significant potential for up-scaling).

1.2.3. PADDY TRADE FACILITATION

1.2.3.1. PRINTING BOOKLET ON PADDY PRODUCTION BY FOS

FO Federations have prepared a booklet with information on paddy production and availability within 55 Farmer Organizations. Nevertheless, difficulties were met in the process of data collection from FOs and the result was not judged fully satisfactory by FO Federations' leaders (incomplete or not fully reliable information). Thereof, the publication has been limited to only 100 copies of the booklet which have been used during the Cambodian Rice Festival and the Cambodian Rice Forum (See § 1.2.6. Consolidation of FO Federations' representation and advocacy role, pages 10 to 12).

1.2.3.2. MEETING WITH BAITANG AND THANEAKEA SROV KAMPUCHEA

On 21 October 2014, representatives of FCFD (Mr Sam Art Veasna and Mr Tep Mingkoul) had a meeting at Baitang rice mill to learn more about Baitang company and also about "*Thaneakea Srov (Kampuchea)Plc.*" that was launched in August¹¹ and to identify possible partnership or commercial relations.

Oknha Phou Puy, Baitang General Manager has expressed interest to buy paddy from Farmer Organizations provided that the quality comply with the mill requirement. Besides the possibility to develop contract farming for seeds production could also be envisaged, according to Baitang Company, with possible embedded loans of the mill to the FOs. Training on paddy quality assessment could also be offered by Baitang to FO leaders.

Services and conditions of "*Thaneakea Srov (Kampuchea)Plc.*" were also described during the meeting (see Box 1 next page)¹².

Following steps (based on Mr Phat Sophany recommendations to FCFD): as a follow-up of this meeting, FCFD Officer and representative may:

- Identify potential FO representatives for participation to the Rice quality inspection training in October 2014.
- Send proposal on Rice quality inspection training to Baitang Plc.
- Identify potential rice seed production groups.
- Meeting with identified rice seed production groups.
- Paddy seed production contract between Farmers and Baitang Plc.
- Explore loan contract between Farmers and Baitang Plc.
- Identify existing rice seed production institutions or partners.

¹¹ See Quarterly Executive Report #07, page 39.

¹² For the project management team (who has suggested to FCFD to meet *Thaneakea Srov Kampuchea* in Battambang) the idea was to know more precisely about the service offered and then communicate to FCFD and FAEC members (at least within Battambang) to inform them about the services availability so that they can consider to use them (at least to make a test with one truck load of paddy). One interesting aspect was to use dryers to improve the quality of paddy and to get a third party assessment of the quality of the stock deposited and use it as a trusted reference to negotiate price offer for paddy batches with millers. Unfortunately, FCFD did not convey the information to FOs in Battambang about the service availability after they had this meeting.

Box 1: Services and conditions of “Thaneakea Srov (Kampuchea)Plc.” (Rice Bank)

According to feedback from the meeting with Baitang director, “Thaneakea Srov (Kampuchea)Plc.” implements 3 main activities/services, as follows:

■ Paddy stock pawning (two types of services):

1. Purchase of the paddy with delay of payment: the buyer need to deposit 20% of total amount of payment and the remaining 80% can be paid later but with additional interests at a rate of 0.8 to 0.85% per month for a maximum duration of 10 months.

2. Paddy pawning, the owner of the paddy deposit its stock in the warehouse and can get 80% of its total estimated value as a loan with an applicable interest rate of 1% to 1.2% per month. The remaining 20% of the stock value is kept as a guarantee in addition to the stock of paddy.

■ Paddy deposit for sell: any stakeholder can deposit paddy for term selling to the rice bank, with a defined price increase depending on the duration of the storage period before the transaction is effective:

→ 3 months price will increase form 10-10.5 Baths

→ 6 months price will increase over than 11.0 Baths

→ 9 months price will increase over than 11.5 Baths.

(TSK can also buy cash at delivery of the paddy based on current market price).

■ Paddy & Rice trading between Rice Bank, Farmers or Rice millers or exporters: TSK play a role of commercial intermediary buying from and selling to all type of stakeholders in the rice value chain.

1.2.3.3. MEETING WITH BVB RICE MILL IN KAMPONG THOM

On 11 December 2014, FCFD representatives and assistant have met the General Manager of BVB rice mill in Stung Saen, Kampong Thom province. The purpose was to introduce FCFD and get to know this rice miller and explore possible partnerships.

BVB have already developed contracts with farmers for the production of seeds, with the support of CIRD under IFC rice sector project. BVB is considering to develop partnerships with Agricultural Cooperatives recognized by the PDA and to provide them technical support and inputs (fertilizers and rice seed) as a loan with an interest rate of 1% to 1.5% per month.

FCFD has proposed to BVB to explore the possibility of implementing a pilot contract farming project with 3 Agricultural Cooperatives / Farmer Organizations in Kompong Thom province for the next cycle of rice crop. FCFD will try to identify interested FOs in the following months.

1.2.3.4. MEETING WITH GOLDEN RICE REPRESENTATIVE IN TBOUNG KHMOM PROVINCE

6 FOs from Kamchay Mear district (Prey Veng province) have informed FAEC about the availability of paddy for sale and have asked the Federation to help in contacting millers. Samples of paddy from those 6 FOs were brought to Golden Rice representative in Ou Reang Ov district, Tbong Khmom province on 24 November 2014. Samples were tested on site by Golden Rice representative but were judged as second quality and not complying with Golden Rice requirements.

1.2.3.5. TRAINING ON PADDY QUALITY ASSESSMENT WITH SEA HENG MILL

A training on paddy quality assessment method has been organized by Sea Heng rice mill in Battambang in partnership with FCFD on 6 November 2014 for one full day. The training took place at the rice mill in Thmar Kaul district. Facility and trainer were provided by Sea Heng rice mill. 11 representatives from 7 FOs¹³ took part in the training, including Nikum Preah Sihanuk AC engaged in Contract Farming with Loran, and Raingkesei AC which has started to develop paddy commercialization activity after the training (See § 1.2.3.7. below).



△ Training on paddy quality assessment in Sea Heng mill

1.2.3.6. FOS SHARING THEIR EXPERIENCE ON PADDY TRADE ACTIVITY



On 11 November 2014, an exchange visit was conducted for FO Federations members with 8 attendants from Battambang and 3 attendants from Kompong Thom provinces (8 FOs¹⁴ represented in total + FCFD President). The visit was facilitated by FAEC and FCFD and held in Oudom Soriya Agricultural Cooperative located in Ta So village, Oudom Soriya commune, Tramkak district, Takeo province.

◁ Visit of FOs leaders in Oudom Soriya cooperatives in Takeo.

The objectives of exchange visit were to present Oudom Soriya AC experience and share and discuss about the following topics:

- FO mode of organization and management for paddy rice and fertilizer trade
- Bookkeeping and management tools for such commercial activities,
- Problems encountered and solution during implementing the rice and fertilizer trade activity.

1.2.3.7. SUPPORT PADDY COMMERCIALIZATION BY FOS IN BATTAMBANG

FCFD had meeting with 4 FOs in Battambang willing to get involved in paddy commercialization in order to discuss more the committees' duties and responsibilities.

Implementation has been supported by FCFD for two FOs in Battambang: One Rice Bank Association in Char Meanchey and 1 Chamroeun Phal Raingkesei Agricultural Cooperative. These two FOs have sold a total of more than 80 t of paddy to Lay Sae Rice Mill in Thmar Kaul district (see Table 3 next page).

Chamroeun Phal Raingkesei AC has faced difficulties in managing the operation. The committee might have made some mistakes in the evaluation of the paddy quality while purchasing, and also quality might have been spoiled because the cooperative had to wait for the miller to come to do on-spot checking of quality for up to 3 days.

¹³ Nikum Preah Sihanuk AC; Chamroeun Phal Raingkesei AC; Raksmei Dombok Kpos; Chorb Kab Meanchey; Punlork Thmey Trang; Ponleu Sangkhem Bay Damram; Morordak Bansaytraeng.

¹⁴ Nikum Preah Sihanuk AC; Ponleu Sangkhem Bay Damram; Chorb Kab Meanchey; Morordak Bansaytraeng; Raksmei Dombok Kpos; Chamroeun Phal Raingkesei AC; Trapeang Russey; Prey Bros.

Table 3: Results of paddy selling by Char Meanchey RBA and Raingkesei AC in Battambang

Farmer Organization	Char Meanchey RBA	Chamroeun Phal Raingkesei AC
Volume of paddy bought by FO	(paddy in the Rice Bank stock)	74,380 kg
Volume of paddy sold by FO	8,000 kg	⁽¹⁾ 73,030 kg
Total amount paid for purchase	(paddy in the Rice Bank stock – value not estimated)	652,928 Baht
Transportation cost	91.32 Baht / bag × 160 bags	
Average unit price (selling)	9 Baht / kg	8.51 Baht/kg
Total income from selling	72,000 Baht	621,782 Baht
Net profit		⁽²⁾ - 31,146 Baht

Source: FCFD Quarterly Executive Report Oct.-Dec. 2014

⁽¹⁾ Volume sold is 1,350 kg lower than volumes purchased by the cooperative. FCFD explained that this is partly due to a difference in weight scaling (at FO level and at mill level), and partly because the cooperative has kept some paddy in stock.

⁽²⁾ This loss has been calculated without taking into account the increase of the value of paddy in stock at the cooperative (a part of the paddy bought was not sold), so it does not really reflect the result of the operation.

1.2.4. SUPPORT FO ACCESS TO CREDIT SERVICES

1.2.4.1. MEETING OF FCFD WITH AMRET IN BATTAMBANG

FCFD representatives have met Amret officers in Battambang on 21 October 2014. The purpose of the meeting was to explore possibilities for FCFD members to get loans from Amret with concessional conditions. Amret have informed that they are now considering to develop loans to Agricultural Cooperatives (registered with PDA) but that up to now they still did not start to propose such loans.

1.2.4.2. MEETING IN SNEC WITH THANEAKEA PHUM (CAMBODIA)

FAEC and FCFD representatives took part in a meeting with Mr Kong Kosal, Head of Business Development Department at Thaneakea Phum (Cambodia) Ltd. (TPC) on 4 November 2014. TPC has never provided loans to Farmer Organizations to date, but could consider to initiate a pilot in the future, possibly with a very strong Farmer Organization (which could be proposed by FAEC/FCFD based on criteria method) with a clear business plan and sufficient collaterals. TPC has also mentioned about an experience of loan guarantee mechanism which they have started to test with few clients (4 or 5 only, at the time of the meeting) with the support of USAID's HARVEST project. The guarantee mechanism cover 50% of the value of the loan, and this mechanism is used for investment in heavy agricultural equipment like tractors.

1.2.5. SUPPORT TO THE ESTABLISHMENT AND DEVELOPMENT OF COOPERATIVE UNIONS

In the previous quarter¹⁵, further to information provided on Cooperative Unions by FAEC and FCFD with DAE, several groups of cooperatives have expressed their interest to envisage collaboration toward establishment of such unions. But during this quarter, no progress was made to support actual creation of such Unions (even informally, knowing that the legal framework for registration of cooperative unions is not yet available). It is actually hard to move from the expressed intention to the actual implementation as cooperatives leaders have to know better each other to build sufficient trust to commit financial resources together. Some cooperatives have also reported that price offered for paddy by middlemen at the harvest

¹⁵ Cf. Quarterly Executive Report #07, page 8.

season was often equivalent, if not higher, than price offered at mill gate, which was thereof not justifying efforts to gather more production to deliver in bulk to rice mills.

1.2.6. CONSOLIDATION OF FO FEDERATIONS' REPRESENTATION AND ADVOCACY ROLE

1.2.6.1. CONSULTATION ON PRAKAS AND FORM OF BY-LAWS FOR COOPERATIVE UNIONS

Further to the first meeting to review draft model by-laws and model internal regulations that took place on 29 September 2014, a second consultation meeting with FOs was organized by FAEC and FCFD on 8 October in order to finalize the review of model internal rules.

Results of the two consultations meetings were transmitted by Mr. Chankakada Chhoeum (Assistant to Coordinator of FAEC) to the Department of Agriculture Extension (Dr. Mak Soeun)¹⁶ by e-mail dated 13 October 2014. In addition to the attached comment, FAEC and FCFD have requested a meeting with DAE to provide additional verbal comments and ask for clarifications. But this request for a meeting has never been replied by DAE, which has also provided no feedback on the comments made.

1.2.6.2. PREPARATION OF COMMUNICATION TOOLS FOR ADVOCACY

In the beginning of this quarter, board committee members and TA of FAEC and FCFD gathered together to prepare communication tools and key content for important events in which FO Federations were given the opportunity to communicate their views such as World Food Day, Cambodia Rice Festival, or 4th Cambodian Rice Forum, etc. (see below). They have notably prepared backdrops, posters, speeches and slide presentations for these events and have also collected paddy and rice samples from their members for display.

FO Federations have highlighted the four key points, mainly addressed to the government, that are summarized in the Box 2 (next page).

The participation of FO Federations in these numerous events (see following paragraphs) during this quarter was important to give more visibility to these organizations and demonstrate that farmers are getting organized and are interlocutors to count with.



The support of the project, notably in building connections with the Cambodian Rice Federation (and previously with FCRE) has significantly contributed to improve the visibility of farmers in the rice sector institutional landscape. It was decisive for the participation of FO Federations in the 2nd Cambodian Rice Festival and in the 4th Cambodian Rice Forum. Numerous contacts were notably made by the FO Federations with media.

◁ Mr Keo Sokha, President of FAEC, is interviewed by Cambodia Daily during the 2nd Cambodian Rice Festival in Sofitel.

1.2.6.3. PARTICIPATION OF FO FEDERATIONS IN WORLD FOOD DAY

FAEC and FCFD have participated in the event organized in Kampong Chhnang by MAFF, FAO and WFP on the occasion of the World Food Day on 16 October 2014. FO Federations had one booth to present the rice produced by cooperatives members of the two Federations as well as other agricultural products such as Kampot pepper and Kampong Speu Palm Sugar.

¹⁶ The e-mail was copied also to Mr Chea Saintdona and Ouk Saroeun, notably.

Box 2: Requests addressed by FO Federations during events in this quarter¹⁷

- State guarantee on minimum price of paddy rice for farmers: farmers can sell paddy rice with the minimum price guaranteed to State when they cannot find another market or they can sell to any other markets with higher price than the minimum price guaranteed (if they can find).
- A clearer policy and implementation framework on agricultural land use:
 - A big portion of agricultural land are not used because it was bought by non-farmers for speculation purpose, to limit this non-productive action, State need to impose higher tax on unused land in agricultural production zone.
 - To promote family agriculture, State need to impose tax on big farm land (e.g. from 20 ha) owned by private company and use the money from this tax to support small scale farmers (mainly on irrigation and production and post-harvest technology).
- Improve agricultural extension service to farmers at village level: currently farmers at grassroots level could not find appropriate services on time when they face problem in agriculture production. The State needs to improve the current agriculture extension service to enable farmers to have extension worker at village level.
- The State needs to create a favourable environment and condition for MFI and Bank in order to enable them to develop a specific credit scheme for agricultural production with low interest rate (6% per year).

Source: FAEC Quarterly Report, Oct.-Dec. 2014.

1.2.6.4. PARTICIPATION OF FO FEDERATIONS IN AFD INITIATIVE FOR FAMILY AGRICULTURE

FAEC, FCFD and FWN took part in a two days event organized by AFD in the “*Institut Français du Cambodge*” on the occasion of the International Year of Family Farming. Federations representatives have attended the conference organized on 24 October, and have played an important role to gather some of their members to display products during the Agricultural Products Fair that took place on the following day.

1.2.6.5. PARTICIPATION OF FO FEDERATIONS IN 2ND CAMBODIAN RICE FESTIVAL

SNEC SCCRP project has been more involved this year in the preparation of the Cambodian Rice Festival¹⁸, and one of the wish of the project team was to give much more visibility to smallholder producers in this event. For this reason, FAEC, FCFD and FWN have been associated to the preparation of the event. They took part in several meeting with Red Dot¹⁹ and were given a booth space to jointly present the three Federations / Networks during this event.

Moreover, FO Federation played a very active role in the organization of the Cambodian Best Paddy competition, notably by informing their members and gathering the paddy samples.

¹⁷ Note that this Box content reflects opinions or ideas expressed by the two FO Federations (FAEC and FCFD) and not necessarily the opinion of SCCRP project team.

¹⁸ See § 2.2. pages 16-19 in this report.

¹⁹ (the event manager, See § 2.2.)

Last, FO representatives have provide on-hand help in the final preparation of outdoor display, in particular by transplanting the rice in the rice field installed in Sofitel gardens. Their commitment and help have been very much appreciated by the event organizers. 21 representatives of Farmer Organizations and Federations have attended the Festival on 18 November.

Farmers help to transplant rice seedlings for the Rice Festival ▷



1.2.6.6. PARTICIPATION OF FO FEDERATIONS IN 4TH CAMBODIAN RICE FORUM

FAEC and FCFD, notably represented by Mr Samart Veasna (as their representative in CRF Executive Committee), had numerous meeting with the leaders of FASMEC²⁰ regarding the negotiation of Farmer Organizations participation in the 4th Cambodian Rice Forum.

The Forum took place on 20 and 21st November 2014 at Koh Pich, Phnom Penh. 10 representatives of FO Federations took part in the Forum, where FAEC and FCFD had a joint booth. A 15 minutes time cluster was allocated to FO Federations to speak during the Forum and present themselves and farmers main concerns and suggestion for the rice sector (See Box 2 page 11 in this report).

1.2.6.7. PARTICIPATION OF FO FEDERATIONS IN FARMER FORUM

On 4-5 December 2014, representatives of FO Federations took part in the 5th National Farmer Forum organized by the NGO Forum in Phnom Penh. This forum is designed for farmers to express their needs, main problems and suggestions. Farmers produced also the farmer statement/justification. This statement needed to submit to the government/State, ministry concerned and civil society organizations. In 2014, the theme was “Together to Empower Smallholder Farmers toward Market Oriented Interventions and Climate-Smart Agriculture”. Aside the discussions, products were also exhibited by participants.

This gave another opportunity for FO Federations to showcase themselves, expose point of view and share ideas with other participants.

1.2.7. INCLUSION OF NEW MEMBERS

1.2.7.1. ADMISSION OF 5 NEW MEMBERS IN FAEC

5 Agricultural Cooperatives have joined FAEC during this quarter: 3 ACs in Takeo and 2 ACs in Prey Veng.

1.2.8. EXPLORING POSSIBLE MERGING OF FAEC AND FCFD

No additional step has been undertaken in this quarter regarding the possible merging of FAEC and FCFD. Next step will be to submit the question to FAEC and FCFD General Assemblies which are scheduled in January 2015.

²⁰ FASMEC (Federation of Association for Small and Medium Enterprises of Cambodia) is the organizer of the Cambodian Rice Forum. For this 4th edition, FASMEC has cooperated with CRF for the organization, mainly regarding the agenda of the Forum.

1.2.9. OVERALL REVIEW OF THE IMPLEMENTATION OF THE SUPPORT TO FAEC AND FCFD

The Table 4 below proposes a summarized overview of progresses and achievements regarding different elements of FAEC and FCFD action plans. More detailed monitoring tables are available with FAEC and FCFD quarterly reports prepared for SNEC project.

Table 4: Monitoring of indicators and milestones of the support to FO Federations (end December 2014)

	Indicators / Criteria	Progress Status	Comments
INSTITUTIONNAL	Strategic action plan developed	100 % ■■■■	Plans develop during 1 st semester 2014.
	MOU with FAEC and FCFD signed	100 % ■■■■	MOU were signed in June 2014.
	Recruitment of TAs by the two Federations	100 % ■■■■	Recruitment done during previous quarter.
	Equipment of Federations offices	100 % ■■■■	Offices equipped in July 2014.
	Revision of Scoring Criteria Method	0% □□□□	Will start during next quarter (shall take into account possible use for credit purpose).
	Improve Federations' Financial management procedures	50% ■■□□	Training took place during previous quarter. Additional advices provided on cost management during this quarter.
	Consider merging of FAEC and FCFD	75% ■■■□	Steps 1 to 4 implemented. Step 5 delayed.
	Inclusion of new members in Federations	25% ■□□□	5 New members in FAEC
SERVICES	Form pre-unions of cooperatives	25% ■□□□	Information provided to FOs in 3 rd Quarter of 2014.
	Communication / meetings with rice millers	50% ■■□□	Additional meetings with millers done during this quarter + booklet (see below) + presence of Federation in events with millers.
	Booklet on paddy supplying abilities	75 % ■■■□	Booklet produced but only in 100 copies. Needs improvement on data reliability.
	Training on paddy quality assessment	50% ■■□□	One additional training implemented for 7 FOs during this quarter.
	Ease relations with input suppliers (fertilizer / pesticides...)	100 % ■■■■	Preferential access conditions granted by some fertilizer suppliers + demo plots have been implemented
	Technical training on rice cropping	35% ■□□□	Training and demo supported by suppliers on fertilizer use.
	Improve access to quality seeds	0% □□□□	
	Training on seeds multiplication	0% □□□□	
	Ease access to credit	12% ■□□□	Additional meetings with MFI (TPC) this quarter but no concrete improvement yet.
COM' AND ADVOCACY	FAEC/FCFD Websites	50 % ■■□□	FCFD website up-dated.
	Participation in public events	100% ■■■■	Strong participation of FO Federation in Cambodian Rice Festival, Cambodian Rice Forum, World Food day...
	Documents / publication	75% ■■■□	FAEC and FCFD leaflets available. Posters produced for events.
	Development of advocacy strategic plan	100 % ■■■■	Done in Quarter #07
	Representation / Participation in CRF	50 % ■■□□	One FO representative in the Executive Committee of CRF and active. Improved representativeness still to be worked on.
	Consultation on draft model of by-laws on AC Unions	75 % ■■■□	Consultation implemented and comments sent to DAE/MAFF but request for a meeting with DAE still pending.

2. COMPONENT #2: IMPROVEMENT, STANDARDIZATION AND CERTIFICATION OF THE CAMBODIAN RICE QUALITY

2.1. MISSION IN FRANCE AND EUROPE

The preparation of the Cambodian rice promotion mission in France continued²¹ in early October with meeting with CRF and IFC (on 2nd October) and miscellaneous coordination and administrative issues undertaken by the Project Management Advisor.

A contract was signed on 13 October between SNEC (SCCRP project) and the French-Cambodian Chamber of Commerce (CCFC) to formalize the role of CCFC in the practical organization of the mission and notably the organization of the promotion dinner and the organization of local transport in Paris for the Cambodian delegation to join key events.

2.1.1. CAMBODIAN RICE BOOTH IN SIAL

For the first time, Cambodian rice exporters had a common booth to promote Cambodian Rice in SIAL (*Salon International de l'Agroalimentaire* in Paris) from 19 to 23rd October 2014. IFC has played the lead role in the organization of this presence in SIAL, but SNEC's SCCR project has also significantly contributed, notably by taking in charge the costs of the booth structure installation²².



About 15 exporters were present on the booth as well as the Cambodian Rice Federation. Cambodian famous chef Luu Meng was present and has made some cooking on the booth to enhance the quality of Cambodian Jasmine Rice.

H.E. Sun Chanthol, Senior Minister, Minister of Commerce has made an official visit of SIAL.

△ Overview of Cambodian Rice booth in SIAL.

Chef Luu Meng cooking in SIAL. ▷

Interaction with visitors. ▷▷
(20 October 2014)



Feed-backs from exporters about this operation have been very positive. The booth has been visited by many people and several commercial contacts were made by exporters.

²¹ Further to intense preparation phase in the previous Quarter, Cf. Quarterly Executive Report #07, § 2.2.3. pages 15-17.

²² Service provided by CAP-Linea in France.

2.1.2. BUSINESS CONFERENCE IN MEDEF



△ Conference in MEDEF-Paris on rice and business opportunities in Cambodia – 20 October 2014

On the initiative of the Franco Cambodian Chamber of Commerce, a business conference took place in MEDEF Paris. It was an opportunity to promote Cambodian rice to the French business community (Mr Sok Puthyvuth, President of CRF has made a presentation on Cambodian rice sector), but also more broadly to defend business and investment in Cambodia, notably promoted by H.E. Sun Chanthol, Senior Minister, Minister of Commerce. French-Cambodian Chamber of Commerce has presented additional background on Cambodia economy and business sector, with a focus on tourism sector.

2.1.3. CAMBODIAN RICE PROMOTION DINNER

As planned²³, the rice promotion dinner was organized by the French-Cambodian Chamber of Commerce in « *Le Carré des Feuillants* » in Paris on 20 October 2014. SCCRP has contributed to 70 % of the cost of this event²⁴. H.E. Sun Chanthol, Senior Minister, Minister of Commerce, and Mr Sok Puthyvuth, President of CRF, were among the honorable guest of this prestigious dinner that has enhanced the quality of Cambodian Rice. Some important rice importers (as for instance Hautdecoeur Company) were present among the guest, unfortunately less numerous than expected. More disappointing was the quasi absence of the press and media (despite project PMA had provided to CCFC a list of more than 180 contacts in media, notably specialized in food and cuisine, since August). Lessons have to be drawn from the organization of this event if the project or CRF would plan to re-organize similar promotion operation.



△ Famous chefs Alain Dutournier (France) and Luu Meng (Cambodia) have collaborated for the Cambodian Rice promotion dinner.

The French Chef Jean Christophe Lebascle (« *La Manufacture* ») was not able to attend the promotion dinner, but he was met in the following days by the President of the French-Cambodian Chamber of Commerce who relayed the promotion of premium Cambodian fragrant rice. Jean-Christophe Lebascle has decided to use and showcase this rice on the occasion of a chef competition which took place in November.

2.1.4. VISIT TO “INTERCÉREALES”

A visit to *Intercéréales* was part of the program of the mission in France. This point is developed in the § 1.1.1.1. page 3 in this report.

²³ Cf. Quarterly Executive Report #07, page 15.

²⁴ The 30% gap has been sponsored by Thalías Group.

2.2. 2ND CAMBODIAN RICE FESTIVAL

2.2.1. PREPARATION OF THE 2ND CAMBODIAN RICE FESTIVAL AND INVOLVEMENT OF STAKEHOLDERS

2.2.1.1. FINALIZATION OF THE CONTRACT WITH THE EVENT MANAGER

After approval by AFD approved the selection of Red Dot company as the event manager for the organization of the 2nd Cambodian Rice Festival on 30 September²⁵. The contract between SNEC and Red Dot for this service was then approved by AFD on 10 October and signed on 13 October 2014²⁶.

Since SCCRP and IFC had identified a few additional suggestions to the proposed program in Red Dot offer, the budget was slightly rounded up in order to leave room for such adjustments. SCCRP project has committed a total amount of 45,000 USD for this event. Few more items were further added during the final preparation and IFC project has covered those as part of their contribution to the event.

2.2.1.2. INVOLVEMENT OF CAMBODIAN RICE FEDERATION AND COORDINATION WITH IFC

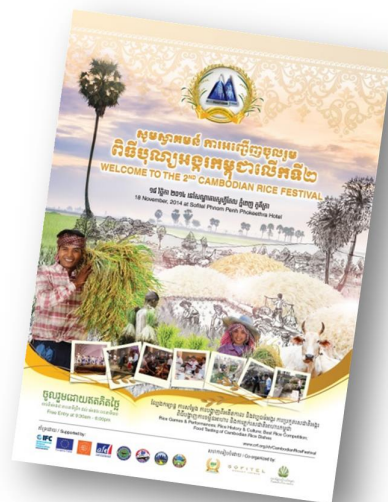
Cambodian Rice Federation has participated in the preparation of the Cambodian Rice Festival and contributed to mobilize institutional partners. CRF has notably issued a letter on 13 October 2014 to the Ministry of Tourism to request its support for the promotion of the event (use of Ministry of Tourism information counter in Phnom Penh International Airport, support to broadcast announcements on TV, etc.) and took part in the mobilization of the Minister of Commerce and in the organization of the Best Cambodian rice competition.

2.2.1.3. OTHER ASSOCIATED PARTNERS

Since one objective was to better involve and showcase smallholder rice producers in this edition of the Festival, FO Federation have been more associated in the preparation of the event as detailed in § 1.2.6.5 pages 11-12 in this report.

Several other partners have been strongly committed in the preparation of the 2nd Cambodian Rice Festival and have very much contributed to its success. We should notably mention the following contributors:

- **Chef Luu Meng**, who has been extremely committed to mobilize Cambodian chefs for the rice competition and to organize with them various rice food tasting stations all around Sofitel ballroom, with the **Cambodia Hotel Association / Cambodia Tourism Federation**.
- The **Ministry of Tourism of Cambodia**, who has facilitated communication with media and allowed to use the Ministry booth at Phnom Penh International Airport to inform arriving visitors about the event.
- **Phnom Penh Municipality**, for allowing the display of banners announcing the Festival in various location of the city.
- And **Sofitel**, for hosting the event.



²⁵ Cf. Quarterly Executive Report #07, page 17.

²⁶ Given short delays for implementation Red Dot team has actually accepted to informally start to prepare the event with project team from the notification of the results of the bid.

2.2.2. PROMOTION ON THE 2ND CAMBODIAN RICE FESTIVAL

Very significant efforts were made to promote the event before the “D-day”, notably via:

- Advertising in newspapers and magazines,
- Advertising on radio,
- Advertising on TV,
- Street banners,
- Ministry of Tourism counter at Phnom Penh International Airport,
- Social media,
- Invitation cards, leaflets and posters.

2.2.3. IMPLEMENTATION OF THE 2ND CAMBODIAN RICE FESTIVAL

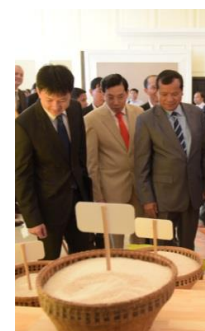
2.2.3.1. OUTDOOR DISPLAYS AND ACTIVITIES

Outdoors displays and activities, installed in Sofitel gardens, were including a real rice field scene and foam cows, exhibition of heavy agricultural equipment (tractor) aside traditional farm scale threshing and de-husking tools. Additionally, rice made traditional cakes or snacks were cooked and available for free tasting in thatched huts around the outdoor exhibition area.

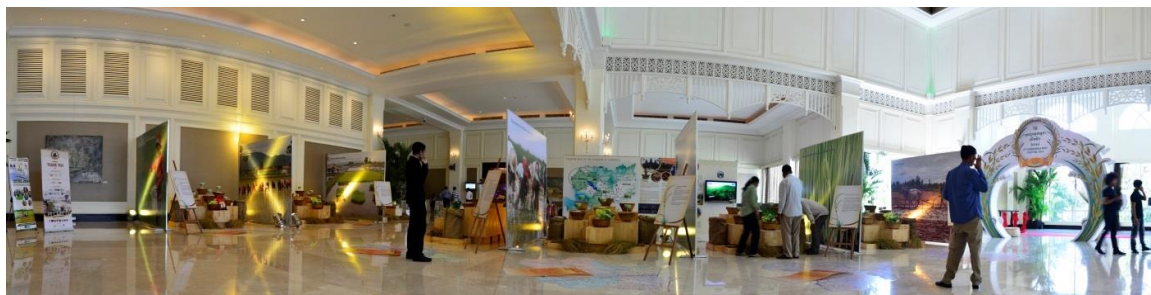


2.2.3.2. IN-DOOR DISPLAYS AND ACTIVITIES

In the foyer of the hotel, large exhibition showing paddy and rice samples, large scale backdrop pictures and various informative panels about Cambodian rice, were displayed around 6 provincial stations. “Milestones” exhibition stands were presenting key features about Cambodian rice sectors as well as information about SCCRP and IFC projects interventions.



In the ball room, giant copies of the World Best rice trophies 2013 and 2012 were displayed, and food stations were located all around for guest to test various foods from Cambodian rice. Rice and paddy testing were also showed “live”.



2.2.3.3. RICE COMPETITION

As in the 1st edition of the Festival last year in Siem Reap, a competition for Cambodian best rice was organized with the strong involvement of chef Luu Meng and Cambodia Tourism Federation.

Testing of samples was made during the Festival by a panel of chefs. Competition was covering different categories of rice such as Premium Jasmine rice, Fragrant rice, White rice, etc.



2.2.3.4. PADDY COMPETITION

In addition to the rice competition and on the initiative of SCCRP project, a paddy competition was also organized with a strong participation of FO Federations in the organization. Only 11 FOs (members of FAEC, FCFD or FWN) took part in the competition with samples of fragrant paddy. Samples were actually tested before the day of the Festival by three partner rice mills (Golden Rice, BRICo and Loran). This additional activity was important to contribute to showcase farmers and their efforts to improve paddy quality and stimulate such efforts.



Mrs. Chhroeung Yuth received best paddy trophy from the hands of H.E. Dr. Ty Sokhun. Secretary of State of MAFF △

Best paddy award was won by a recently established cooperative of Svay Rieng province, member of FAEC and represented by Mrs. Chhroeung Yuth. After receiving here award, she said:

“I am so proud that my cooperative won price. After I received the trophy, more than ten buyers took my phone number. We initially received seeds [Phka Rumdoul variety] ten years ago from the Provincial Department of Agriculture, and with the technical knowledge gained from FAEC training, we could improve the quality of our paddy. The sample came from Mr Prom Savan, a farmer who is using good practices like transplanting and harvesting by hand, to ensure good quality. This price will push other farmers to apply good practices as well, and invest time in the cooperative.”

2.2.3.5. ENTERTAINMENTS AND SHOWS

In order to make the Rice Festival more attractive numerous quality entertainments and shows were performed on the stage of the ballroom and outdoor during morning and afternoon sessions.



2.2.4. BALANCE OF THE EVENT IMPLEMENTATION AND RESULTS

The 2nd Cambodian Festival has been well implemented and can be considered as a success based on the very positive feedbacks received from participants. It contributed to build a good image of Cambodian rice which was particularly important for this year edition since the event was taking place the day before the TRT World Rice Conference (also hosted in Sofitel Phnom Penh). Many international buyers were therefore able to witness this event. Also most of the exhibition material, enhancing Cambodian rice and culture, continued to be displayed in the hotel lobby and foyer during the duration of the World Rice Conference.



△ All participants in best paddy competition (left) and best rice competition (right) during the 2nd Cambodian Rice Festival.

In order to bridge the two events, the closing cocktail of the Cambodian Rice Festival was at the same time the opening cocktail of TRT World Rice Conference.

2.3. TRT WORLD RICE CONFERENCE



Cambodia was hosting the TRT World Rice Conference on 19-20 November 2014, providing a unique opportunity for Cambodian rice exporters to attend in number the major event of international rice markets. As stated above, Cambodia has made the most of this opportunity with most of the Festival exhibition being kept during the Conference and providing an excellent image of Cambodian rice sector to participants from abroad. Moreover, for the third time in row, Cambodian Rice won the trophy of the World Best Rice²⁷, consolidating an emerging reputation of quality of the rice produced in the Kingdom.



◁ President and two of the three Vice-Presidents of CRF with the World Best Rice Trophy 2014.

²⁷ This year shared with Thailand, both countries best samples reaching an equal score.

2.4. QUALITY LABEL / CAMBODIAN RICE BRANDING

2.4.1. CONSTITUTION OF A WORKING GROUP UNDER CRF FOR THE BRANDING OF CAMBODIAN RICE

In order to follow-up on the presentation of the market study results²⁸ and subsequent meeting with CRF and IFC that took place on 29 September²⁹, more concrete steps were undertaken to launch the development and implementation of the Cambodian rice branding strategy.

On 26 November, a meeting took place in IFC office with CRF (notably with one of the Vice Presidents, the Secretary General and some representatives of exporters) and SCCRP Project Management Advisor. IFC consultant has presented elements regarding the branding strategy for Cambodian rice (elements of roadmap were prepared by SCCRP PMA before this meeting and shared with IFC but not yet discussed at that time). During this meeting CRF was asked to formally establish a working group on branding and it was suggested that this group should include, among others, the members of the former informal Export Promotion Working Group (EPWG) which used to be the coordination entity working with IFC project on export promotion in the past 2-3 years.

In December, CRF came up with a list of 15 exporters + 1 CRF Coordinator coming from the Secretariat, all officially appointed to constitute the CRF Branding Working Group (also named “*Branding Executive Committee*” by CRF).

During its first meeting (see below) the CRF Branding Executive Committee has set its rule for operating and decision making. The group has notably decided that a quorum of 2/3 shall apply for the Branding Executive Committee meeting to be valid and that decision shall be taken based on a majority of 2/3. It was also agreed that representative of development partners / projects are entitled to take part in the discussion but have no voting power in the decision making.

2.4.2. ORIENTATION PROPOSED BY THE FIRST BRANDING EXECUTIVE COMMITTEE AND WORK PLAN

CRF Branding Executive Committee held its first meeting with CRF and SCCRP PMA on December 22nd in IFC Office. During this first meeting, the working group leader (Mr Song Saran) expressed the ambition for the group to achieve result within the next 3 months.

This first meeting has started to address key issues regarding the content of the branding work. It notably agreed that the scope of the brand shall be focused on wet season fragrant rice varieties, namely *Phka Rumduol*, *Phka Rumdeng*, *Phka Romeat*, and *Somali* (this last one to be confirmed).

The group has also started to brainstorm on the name that could be used for the brand, and intensive discussions on this matter were pursued by e-mail in the days following this first meeting.

Further tasks to be addressed in the work plan of the CRF Branding Executive Committee would include the definition of specifications for the product entitled to bear the brand/seal, the definition of a code of ethics, and the ToR for a PR / communication company to work on the brand identity (notably name and logo) and possibly promotion material. As underlined by SCCRP PMA, it will also be necessary to elaborate control and certification plans to verify the conformity of the sealed products with the specification and business practices requirements (code of ethics).

During this first meeting, the CRF Branding Executive Committee agreed to pursue the work through frequent meetings in order to achieve fast progresses, from early January.

²⁸ See. Quarterly Executive Report #07, § 2.2.1., pages 13-15.

²⁹ See. Quarterly Executive Report #07, § 2.2.2., page 15.

3. COMPONENT #3: PROMOTION OF CONTRACT FARMING AND ENHANCEMENT OF THE INVOLVEMENT OF FARMER ORGANIZATIONS IN PADDY COLLECTING AND PROCESSING

3.1. CONTRACT FARMING BETWEEN FO AND LORAN GROUP AND BRICO

Following-up on the implementation³⁰ of contract farming agreements between Loran and *Nikum Preah Sihanouk* AC and FWUC *Sray Ar* and between BRICO and *Petsat Phum Doeumbey Aphivat* association, and in order to draw lessons and envisage further steps, a meeting was organized on 15 October 2014 at the office of *Petsat Phum Doeumbey Aphivat* association between the different parties. *Petsat Phum Doeumbey Aphivat* association and FWUC *Sray Ar* were present as well as BRICO (but not Loran). Project officer, PDA officers and counterpart from DAE and DAI were also attending the meeting as well as Dr Sivoutha of Tuol Samrong station.

Quality of the paddy supplied by FOs to both millers (BRICO and Loran) was seen as a major issue that has affected the correct implementation of the contract farming agreement. In order to address this issue and in the perspective of possible contracts for *Sen Kraob* paddy production (from around March 2015), it was proposed that FOs would order seeds from Tuol Samrong station, and that the quality of those seeds would be inspected with the support of BRICO, notably in order to check the purity of the seeds delivered.

Based on this principle, FWUC *Sray Ar* has confirmed an order of 10 tons of *Sen Kraob* seeds and *Petsat Phum Doeumbey Aphivat* association an order of 4 tons. Seeds would be sold to FOs at a price of 2,500 KHR/kg, not including the cost of delivery to FO place.

Those seeds orders have not been formalized by written, and BRICO representative said he will formalize contract farming with the FOs only after the seeds quality have been tested and proven compliant with the requirements of the company.

A follow-up meeting is expected to take place in the next quarter.

3.2. CONTRACT FARMING BETWEEN GOLDEN RICE AND FARMER ORGANIZATIONS

3.2.1. COMPLETION OF IMPLEMENTATION OF CONTRACTS SIGNED SINCE MAY 2014

3.2.1.1. IMPLEMENTATION BY FWUC TEUK CHHAR

The pending late payment of the FWUC in Teuk Chhar for the paddy delivered to Golden rice has been made in early October. As stated in the previous quarterly report³¹, 8,362 kg of paddy were delivered to Golden Rice (above the expected volume) as part of this contract, paid at a fixed price of 1,020 KHR/kg.

3.2.1.2. IMPLEMENTATION BY SROMOK SOKSENCHHEY AC

In Sromok Soksenchhey AC, twelve farmers were involved with the production of *Sen Kraob*³² paddy on a total surface of 9 ha.

³⁰ Cf. Quarterly Executive Report #07, pages 19-22.

³¹ Cf. Quarterly Executive Report #07, page 22.

³² Seeds were provided by Golden Rice. The contract mention about *Sen Kraob* variety, but Golden Rice then re-named the variety as “*Phka Champa*” (which is not an official variety name but rather a name commercially used by Golden Rice only). It seems the seeds are imported and different from what it usually named as *Sen Kraob*.

Commitment of the cooperative was for a volume of 22 to 40 tons to be delivered to Golden Rice, at a fixed price of 1,020 KHR/kg.

A total of 32,223 kg of paddy³³ were harvested in October 2014. Farmers kept (with the authorization of Golden Rice) one ton for their own consumptions, and 31,223 kg have been delivered to Golden Rice. Payment was made by bank transfer on the ACLEDA Bank account of the cooperative the day following the delivery, for an amount of 7,961.86 USD (1,020 KHR/kg as stated in the contract – exchange rate at 4,000 KHR/kg).

3.2.2. NEW CONTRACTS SIGNED BY GOLDEN RICE WITH FOS

A total of 4 additional contract farming agreements have been signed between Golden Rice and 4 FOS during this quarter, with the intermediation of the project team. They involve a total of 65 farmers for a surface of 120 ha, for volumes of fresh paddy to be delivered of 320 to 560 tons in total.

Table 5: Summary of new contracts signed by FOS with Golden Rice during this quarter

Farmer Organizations	Province	Nb of farmers	Surface	Rice Variety	Volumes committed
Kampong Prasat AC	Kandal	8	13.00 ha	Phka Champa	40 to 50 t
Chey Chumnas AC	Kg Chhnang	18	53.70 ha	Phka Kravanh	120 to 245 t
Ampil Meanchey AC	Takeo	13	9.14 ha	Phka Kravanh	27 to 45 t
Sromok Soksenchey AC	Takeo	26	44.16 ha	Phka Kravanh	133 to 220 t
TOTAL		65	120.00 ha		320 to 560 t

Additional details on each case are provided in the following paragraphs.

3.2.2.1. CONTRACT SIGNED WITH AKPHIWAT KAMPONG PRASAT AC IN KANDAL

On October 10, Golden Rice has signed a contract with *Akphivat Kampong Prasat* Agricultural Cooperative for the supply of 40 to 50 tons of “*Phka Champa*” variety³⁴. The contract involves 8 farmers on 13 ha of land. Golden Rice provides free seeds³⁵ (125 kg/ha) and technical advices, and offer a fixed price of 1,020 KHR/kg. Harvest is expected to take place around 20 February 2015.

3.2.2.2. CONTRACT SIGNED WITH CHEY CHUMNAS AC IN KAMPONG CHHNANG

In November, two cooperatives of Kampong Chhnang province were met by Golden Rice with the facilitation of the project team (including counterparts from DAE, DAI and involvement of PDA officers):

- Chey Chumnas Agricultural Cooperative, located in Rolea B'ier district
- Ponleu Chan Agricultural Cooperative, located in Chol Kiri district.

Only the first one has finalized the process of signing a contract with Golden Rice (see below). Ponleu Chan Agricultural Cooperative's members decided not to sign a contract with Golden Rice for the time being because they estimated that the price of seeds charged by Golden Rice (3,000 KHR/kg) was too high.

³³ i.e. an average yield of 3.58 t/ha if we consider that 9 ha were cultivated (according to the list of farmers and surfaces attached with the contract). Golden Rice estimate that actual surfaces cultivated were lower (7.48 ha), which would mean an average yield of 4.3 t/ha.

³⁴ “*Phka Champa*” (see footnote n° 32 on previous page) is the name given by Golden Rice to a variety the Company is currently promoting to farmers through these contract farming agreements. This is a non-photoperiodic fragrant rice variety with a crop cycle duration of 115 to 120 days, comparable to “*Sen Kruob*”. Golden Rice has also identified another variety, named as “*Phka Kravanh*” with a shorter crop cycle duration (90 days), also fragrant and non-photoperiodic.

³⁵ The contract stipulates that, in case farmers do not sell the paddy harvested to Golden Rice, they shall reimburse the company an amount of 12,000 KHR/kg of seeds received.

Chey Chumnas Agricultural Cooperative signed with Golden Rice on the 2nd of December 2014 (in Kampong Chhnang PDA office) for the production of *Phka Kravanh* paddy. 18 farmers are engaged in this contract for a total surface of 53.7 ha and expected volumes to be delivered of 120 to 245 tons of paddy, that Golden Rice will pay at a fixed price of 1,000 KHR/kg (minus the deduction of the value of seeds supplied as a free loan to farmers). A total of 10,740 kg of seeds have been supplied by Golden Rice to the cooperative.



△ Signature of Contract between Golden Rice and Chey Chumnas AC in Kampong Chhnang, on 2nd December 2014.

3.2.2.3. CONTRACTS SIGNED WITH AMPIL MEANCHEY AND SROMOK SOKSENCHHEY AC IN TAKEO

Two contracts have been signed by Sromok Soksenchey AC and Ampil Meachey AC and Golden Rice on 13th December 2014 in Angkor Borei district, Takeo province. These two contracts have been signed following a meeting that took place earlier in December 2014 with Golden Rice and those two cooperatives (with facilitation of project team including DAI, DAE and PDA representatives).

As in Kampong Chhnang, the variety proposed is named by Golden Rice as “*Phka Kravanh*” and described as a non-photoperiodic fragrant rice variety with a short crop cycle duration of 3 months. Golden Rice will pay to these cooperatives a fixed price of 1,000 KHR/kg of fresh paddy delivered. Sromok Sok Sen Chey AC took the commitment to supply 133 to 220 tons of fresh paddy and Ampil Mean Chey AC 27 to 45 tons.

For those two cooperatives, Golden Rice has provided 11,725 kg of seeds as a free loan (to be reimbursed with no interest at harvest time) at a cost of 3,000 KHR/kg. Golden Rice also took the commitment to follow-up the implementation of the crop and to provide technical advices via its own staff.

3.2.3. FOLLOW-UP OF OTHER CONTACTS MADE BETWEEN GOLDEN RICE AND FARMER ORGANIZATIONS

Other 9 FOs met by Golden Rice in July and August³⁶ in Kandal province did not sign contract with Golden Rice for this dry season because Golden Rice was not proposing free seed supply anymore but was selling seed at 3,100 KHR/kg. Since they do not know yet the varieties proposed by Golden Rice, those FOs have decided to wait and see the results of the contract implemented by *Akphivat Kampong Prasat* Agricultural Cooperative before to possibly sign contracts with Golden Rice.

3.3. CONTRACT FARMING FOR ORGANIC PADDY WITH COOPERATIVES IN PREAH VIHEAR

3.3.1. IMPROVING HARVESTING PROCESS TO ADDRESS PADDY QUALITY ISSUES

To accelerate the implementation of harvest is seen as an important factor to improve the paddy quality by being able to cut the paddy at its optimum of maturity. To address this issue, some of the cooperatives' members have started to invest in rice cutters. Already 70 were bought by farmers at the end of the previous quarter³⁷. CO_{RAA} estimated that at harvest time in November a total of about 150 rice cutters were available in total among members of the 8 cooperatives. According to feedback after harvest, this type of equipment can work relatively well for the fields with good land preparation (land leveling) and transplanting in row, but were not easy to use where land leveling was not so good and where there were a lot of weeds.

³⁶ Cf. Quarterly Executive Report #07, page 23.

³⁷ Cf. Quarterly Executive Report #07, § 3.4.2. pages 27-28.

3.3.2. CAPACITY BUILDING OF COOPERATIVES FOR IMPLEMENTATION OF PADDY COLLECTION AND DELIVERY

Further to the signature of contracts between AMRU and each of the 8 cooperatives of organic paddy producers in Preah Vihear, the implementation of the contract continued to be prepared with the cooperative leaders with important trainings implemented.

3.3.2.1. MANAGEMENT AND ACCOUNTING CAPACITY BUILDING

Further to the first session of training of the 8 cooperative leaders implemented by Mr Hy Thy from 10 to 13 September, a second round of training has been implemented on 29 and 30 October, focused on accounting and internal auditing tools (see more details in § 3.5.1 page 32 in this report).

3.3.2.2. TRAINING ON PADDY QUALITY ASSESSMENT

AMRU officers have trained cooperative leaders on methods to assess the quality of paddy. Two sessions were organized: one at Leuk Kompos Satrey cooperative in Rovieng district on 10 October 2014, attended by representatives of 5 ACs. The second one on 11 October with the three other cooperatives at the office of “*Kaeluma Chivikpheap Ros Nuv*” AC (also named in English: « Agricultural Cooperative for Livelihood improvement ») in Tbaeng Mean Chey district. The training was reported to be very practical. All participants were trained how to check paddy quality (moisture content and purity content) and how to calculate percentage of broken rate.

3.3.3. IMPLEMENTATION: COLLECTION AND DELIVERY OF PADDY BY COOPERATIVES

3.3.3.1. PROVISION OF EMPTY SACKS BY AMRU TO COOPERATIVES

New empty sacks compliant with the requirements for organic certification have been supplied by AMRU to the cooperatives. Two main points were set for distribution: one in Rovieng (for 5 ACs); the other in provincial town (for 3 other ACs).

3.3.3.2. CONTROL OF PADDY QUALITY AND ADJUSTMENT OF QUALITY CATEGORIES

From November 10, COrAA team has started to support the coordination of the paddy collection. Before starting the actual buying process, a first survey on the quality of the paddy available was conducted. It revealed that many farmers could not yet meet the criteria regarding rate of broken kernels (which was expected to be $\leq 20\%$ for Category 2). Consequently, AMRU has accepted to introduce 3rd and 4th quality categories, with up to 37% of broken kernels accepted.

3.3.3.3. UPDATED QUALITY CLASSIFICATION AND PRICES PAID BY AMRU TO COOPERATIVES

After up-dating of the quality categories, AMRU has defined prices they will offer to cooperatives based on current mill-gate price offered in Preah Vihear area at the time of harvest for equivalent quality of conventional paddy. Prices offered by category (and corresponding premium) are detailed in the Table 6 next page.

Table 6: Quality categories and prices paid by AMRU to cooperative (+comparison with conventional)

Criteria → ↓ Grades	Purity	Moisture content	Broken rate	Price paid by AMRU to AC	Price for equivalent conventional paddy (mill gate)	Premium (KHR/kg)
A1	90% - 100%	13% - 14.9%	1% - 15%	1,450 KHR/kg	1,250 KHR/kg	+200
A2	90% - 100%	15% - 19%	15.1% - 19%	1,350 KHR/kg	1,200 KHR/kg	+150
B1	82% - 89%	13% - 14.9%	15% - 20%	1,300 KHR/kg	1,150 KHR/kg	+150
B2	82% - 89%	15% - 19%	15% - 20%	1,250 KHR/kg	1,130 KHR/kg	+120
C1	90% - 100%	13% - 14.9%	21% - 30%	1,230 KHR/kg	1,080 KHR/kg	+150
C2	90% - 100%	13% - 14.9%	31% - 35%	1,200 KHR/kg	1,100 KHR/kg	+100
D1	90% - 100%	15% - 19%	31% - 35%	1,180 KHR/kg	1,100 KHR/kg	+80
D2	90% - 100%	15% - 19%	36% - 37%	1,170 KHR/kg	1,100 KHR/kg	+70

3.3.4. RESULTS OF THE OPERATION

3.3.4.1. SIGNIFICANT IMPROVEMENT IN THE MANAGEMENT OF COLLECTION OF PADDY AND TRANSACTION WITH AMRU

According to COrAA, the cooperatives generally managed well the paddy quality assessment and the buying process, including the sophisticated recording demanded for the organic rice. They could well manage the time for procurement and paddy quality assessment in cooperation with company's representatives, whereas it was a major cause of failure³⁸ in the first tentative of commercialization in 2013. Improvements on these managerial issues are very significant.

3.3.4.2. VOLUMES SOLD TO AMRU BY COOPERATIVES AND TOTAL VALUE

A total of 1,465.7 tons of organic paddy have been delivered to AMRU by the 8 cooperatives, for which AMRU paid 1,837,294,530 KHR (equivalent to 459,323.63 USD). Details for each cooperative are provided in the Table 7 next page. The average price paid is 1,253.53 KHR/kg but with significant variability according to the quality of each batch, from 1,170 to 1,450 KHR/kg (See Table 6 above). The Annex 2 of this report provides a breakdown by quality grade of the volumes of paddy delivered by each of the eight Cooperatives to AMRU.

It is estimated that the total amount paid by AMRU to cooperatives was superior by nearly 47,000 USD to what cooperatives would have received at mill gate (in Preah Vihear area) for conventional paddy (for same quality) and by + 65,000 USD if compared to farm gate price offered by local middlemen. If compared to mill-gate price, it means that the average premium for the organic quality is + 128 KHR/kg³⁹. This is already very significant and could be improved with additional progress to address the still relatively high broken rate (as premium is much lower for Grade C2, D1 and D2).

³⁸ In 2013 there was no contract signed in advance with AMRU, and procedures for quality control and procurement were not well managed which explained that only 100 t of paddy were bought by AMRU whereas more than 600 t were available with cooperatives. See details in Quarterly Executive Report #04, page 24.

³⁹ i.e. in average + 128 KHR/kg of premium for organic quality, i.e. +10.2% above conventional paddy price at mill gate, or +14.2% above conventional paddy price at farm gate.

Table 7: Volumes and value of organic paddy sold by AC in Preah Vihear to AMRU

Cooperatives	Quantity of paddy sold	Total value of paddy sold to AMRU	Surplus compared to mill gate price for conventional paddy	Surplus compared to farm gate price for conventional paddy
<i>Krabao Prum Tep</i>	48,350 kg	61,171,350 KHR	6,274,200 KHR	6,746,400 KHR
<i>Kaeluma Chivikpheap Ros Nuv</i>	57,458 kg	69,574,850 KHR	5,995,900 KHR	10,592,540 KHR
<i>Malu Prey Chbey Den</i>	167,587 kg	215,709,150 KHR	22,676,830 KHR	31,491,940 KHR
<i>Satrei Ratanak</i>	278,011 kg	344,941,620 KHR	31,779,590 KHR	47,668,320 KHR
<i>Tosu Senchbey</i>	179,566 kg	222,662,560 KHR	20,539,430 KHR	30,226,460 KHR
<i>Leuk Kampos Satrei</i>	503,053 kg	633,284,550 KHR	65,600,670 KHR	85,814,600 KHR
<i>Rohas Samaki Meanchbey</i>	104,900 kg	130,574,400 KHR	15,735,000 KHR	21,642,150 KHR
<i>Romtum Samakimenchbey</i>	126,754 kg	159,376,050 KHR	19,294,450 KHR	26,130,620 KHR
Total amount	1,465,679 kg	1,837,294,530 KHR	187,896,070 KHR	260,313,030 KHR
Equivalent in USD (1 USD = 4,000 KHR)		459,323.63 USD	46,974.02 USD	65,078.26 USD

Volumes delivered are generally a bit lower than the volumes committed in the contracts signed in September. In total, volumes delivered by the 8 cooperatives are 18.6 % under the bottom line of commitment by contract (See Table 8 below with details per cooperatives). Actually cooperatives still had some quantities remaining at the end of the period of delivery to AMRU, but in the lower quality categories (maybe some part even below “D2” grade). But since AMRU was facing cash flow issues and certification by ECOCERT was not yet granted, it could not be purchased (which is not an infringement to the contract since those batches were below the quality grade specified in contracts, thereof with no obligation for the buyer to purchase them). Delays faced for payment have also driven some farmers to sell a part of their paddy to local collectors in order to get immediate cash for repayment of their loans. Some cooperatives have retained some additional volumes of paddy until mid-December, but cash flow issue of AMRU was solved too late to get it.

On the other hand, only 794 tons of the paddy delivered have qualified as Grade A or Grade B. AMRU was not bound to purchase the remaining 671 t, and if the buyer had not shown this flexibility cooperatives would have been able to supply only 44 % of their commitment. Considering the revision of the level of quality accepted by AMRU, COrAA has estimated that cooperatives would have been able to supply up to 2,500 t if AMRU would have been able to pay with no delay.

Table 8: Volumes delivered by cooperatives to AMRU compared to volumes committed by contract

Cooperatives	Volume committed in contract	Quantity of paddy sold	Gap or surplus (compared to minimum committed)	Gap / surplus in % of mini
<i>Krabao Prum Tep</i>	100 to 150 t	48.4 t	-51 t	- 51 %
<i>Kaeluma Chivikpheap Ros Nuv</i>	130 to 150 t	57.5 t	- 72 t	- 55 %
<i>Romduol Malu Prey Chbey Den</i>	150 to 200 t	167.6 t	+ 16 t	+ 11 %
<i>Satrei Ratanak</i>	600 to 700 t	278.0 t	- 322 t	- 54 %
<i>Tosu Sen Chbey</i>	300 to 400 t	179.6 t	- 120 t	- 40 %
<i>Leuk Kampos Satrei</i>	350 to 450 t	503.1 t	+ 153 t	+ 44 %
<i>Samaki Rohas Meanchbey</i>	100 to 150 t	104.9 t	+ 5 t	+ 5 %
<i>Rom Tom Samaki Meanchbey</i>	70 to 100 t	126.8 t	+57 t	+ 81 %
Total amount	1,800 to 2,300 t	1,465.7 t	- 334 t	- 18.6 %

Despite this gap between actual delivery and volumes committed, the balance of the implementation of these contracts between AMRU and the 8 cooperatives is satisfactory and proves to be beneficial for both parties.



△ Cooperatives gathering paddy from producers at collection point for delivery to AMRU (Photos: courtesy of AMRU) Truck load △

3.3.4.3. PAYMENTS MODALITIES

According to contracts signed in September, AMRU had to proceed with the payment “immediately” at the delivery. But in some cases payment were delayed, as mentioned above. AMRU faced some cash flow difficulties due to pending decisions about loans the company had applied for. Thereof important parts of the paddy delivered have sometime been paid up to few weeks after the delivery. But on 27 December, all the pending payments had been cleared by AMRU. Five cooperative committees have faced difficulties with complaints for their members for late payments.

Moreover, only 6 out of the 8 cooperatives had actually opened bank account in ACLEDA bank. But still, for those ones, payments via bank account were problematic, because district branches of ACLEDA did not have the liquidities to allow withdrawal above 2,000,000 KHR. Even if the cooperative account was credited, the cooperative could not withdraw the cash to pay their members. For this reasons AMRU staff often had to bring cash to proceed with payments, or the last payments were made at ACLEDA provincial office but which required all cooperatives to travel there to get their money. Yet one can assume that the issue of liquidity in ACLEDA district branch office could be addressed if the bank is informed in advance about foreseen transactions and asked to make more cash available at their branch offices for the time of paddy harvest.

3.3.4.4. COOPERATIVES’ ECONOMY

The eight cooperatives engaged in the contracts with AMRU have adopted slightly different modalities to manage the collection of paddy from their members and the transactions with AMRU. Each cooperative have applied different deduction on the price paid by AMRU. The amount deducted was then divided to cover operation costs, committee allowances and to feed cooperative fund. In two cases (*Kaeluma Chivikpheap Rov Nuv AC* and *Romtum Samaki Meanchhey AC*), AMRU has directly paid a bonus to the cooperative committee in proportion of volumes delivered (30 KHR/kg).

According to figures provided by COtAA (not verified), remunerations of cooperative committees have been very different from one cooperative to another (See Table 9 next page).

Table 9: Organic paddy production cooperatives' gross margin and repartition of costs

Cooperatives	Total sales to AMRU (KHR)	Cooperative gross margin (KHR)	(%)	Operation costs (KHR)	Committee Allowances ⁽¹⁾ (KHR)	Cooperative Fund (KHR)
<i>Krabao Prum Tep</i>	61,171,350	5,295,900	8.7%	1,059,200	1,059,100	3,177,500
<i>Kaeluma Chivikpheap Ros Nuv</i>	69,574,850	574,500	0.8%	172,300	0	402,200
<i>Malu Prey Chbey Den</i>	215,709,150	5,762,400	2.7%	0	4,362,400	1,400,000
<i>Satrey Ratanak</i>	344,941,620	7,444,600	2.2%	0	6,327,900	1,116,700
<i>Tosu Senchbey</i>	222,662,560	8,227,500	3.7%	0	6,582,000	1,645,500
<i>Leuk Kampos Satrey</i>	633,284,550	22,571,000	3.6%	0	20,571,000	2,000,000
<i>Robas Samaki Meanchbey</i>	130,574,400	3,404,900	2.6%	0	3,139,900	265,000
<i>Romtum Samakimenchbey</i>	159,376,050	4,957,800	3.1%	0	4,198,900	758,900
Total amount	1,837,294,530	58,238,600	3.2%	1,231,500	46,241,200	10,765,800
Equivalent in USD ⁽²⁾	459,323.63 \$	14,559.65 \$	3.2%	307.88 \$	11,560.30 \$	2,691.45 \$

Source: CoRAA reporting (except a correction for Kaeluma Chivikpheap Ros Nuv AC).

⁽¹⁾ Not including bonus paid by AMRU to committees of *Kaeluma Chivikpheap Ros Nuv AC* and *Romtum Samakimenchbey AC*.

⁽²⁾ 1 USD = 4,000 KHR.

In most of the cases, the gross margin (or deduction for cost recovery) retained by the cooperative is about 2 or 3% of the overall turn-over, which leaves the main part of the organic premium price to producers. Only *Krabao Prum Tep AC* retained higher overhead, leaving a relatively low portion of the premium price to its members⁴⁰.

CoRAA has decided not to invoice the service of its own inspectors to the cooperatives for this year (that they have covered with a subsidy from GIZ, according to Mr Chhim Phallyboth). This was done with no consultation with SCCRP project management team, and in contradiction with the implementation strategy⁴¹ discussed between CoRAA, SCCRP project management and AFD before the signature of CoRAA contract earlier in 2014.

3.3.5. ORGANIC CERTIFICATION PROCESS

3.3.5.1. PREPARATION OF DOCUMENTATION PRIOR TO INSPECTIONS

CoRAA has consolidated data from the internal control system if the cooperatives and has provided support to AMRU to prepare all the required documentation for inspection. Consultant team for Component #3 (in particular Mr Sok Sarang who has a very good expertise related to organic certification) has made an on-site visit to cross check compliance before Ecocert inspection, and has made a number of useful recommendations.

⁴⁰ As seen in Table 8 (page 26), *Krabao Prum Tep AC* is also among the three cooperatives which have delivered only less than half of the volumes committed, which could be related to this lower interest for farmers due to high profits retained by the cooperative? Together with possible delays of payment by AMRU? This hypothesis has not been investigated to date.

⁴¹ It was agreed that the costs of CoRAA inspectors would be charged to the cooperatives provided that they would have been able to get a premium price for significant volumes of paddy – which has been the case even if volumes sold have been slightly below the plan). A provision was made in CoRAA contract to cover inspector costs only in the case the cooperatives wouldn't receive significant benefit from the organic quality of their paddy.

3.3.5.2. INTERNATIONAL INSPECTION

Ecocert⁴² has conducted inspections on site from 23 to 29 October 2014. A debriefing of the inspection took place in SNEC on 1st November 2014. Ecocert's inspector stated that the results of the inspection were globally satisfactory, even if a few points of non-compliance are notified to the client that will require immediate corrective measures [Note that this is considered as normal especially for the first year of certification, and might not prevent AMRU for receiving the certification provided corrective measures are undertaken]. Among points to be corrected, Ecocert inspector has noted:

- Need to get a written commitment of members of cooperative to abide to organic agriculture principles.
- Need to include maps of land parcels in the Internal Control System,
- Double check consistency of farmer code number,
- Some of the internal inspection reports were not signed by farmers,
- Internal inspectors (at least leaders of internal inspectors) shall be able to communicate in English (According to EU organic standard) which is not yet the case,
- Need to get letters from seed suppliers to confirm that seeds used were non-GMO and did not receive chemical treatment. AQIP has provided such a letter after the inspection. But a few farmers have used seeds from CARDI (actually for multiplication and not for selling to AMRU) and those ones were removed from the list of suppliers to AMRU since CARDI did not provide the required letter of confirmation.

Improvement regarding the management of paddy storage and handling of the processing were also required at AMRU level.

3.3.5.3. FOLLOW-UP: CORRECTION OF DEVIATIONS

CORAA (with advises of Mr Sok Sarang) have helped cooperatives and AMRU to implement corrective measures as required and to send necessary documentations to answers deviations to the certification body. It is expected that corrective measures will be judged satisfactory, and hopefully Ecocert will issue the certificate in January 2015.

Delays in issuing certificate (to a large extend due to the lack of availability of Ecocert Certifying officer to handle and treat the documents) have obliged AMRU to delay its shipment plan.

3.4. SCALING-UP OF PADDY SELLING GROUP IN FWUCs

3.4.1. SUPPORT TO FWUCs' PADDY SELLING GROUP DURING THIS QUARTER AND RESULTS

During this quarter, the ISC team has continued to support PSGs to do marketing and to sell paddy rice in collective action. In October, the ISC team finalized to support the PSG of *Ping Pong* FWUC in Battambang and started to support PSG in *Krauch Saench*. Then, in November, it started activity with PSG in *Stung Chinit*, and continued in December with PSG in *Tenk Chbar* and *Tnoat Chum* FWUCs.

As result of this period, in the end of December 2014, there was a total volume of 1,426 tons sold via the Paddy Selling Groups for these 5 FWUCs, composed of 336 t of *Sen Kraob*, 385 t of *Pbka Rumduol* and 715 t of *Somali*.

⁴² Ecocert was selected and contracted by AMRU as certification body. See Quarterly Executive Report #08 page 28.

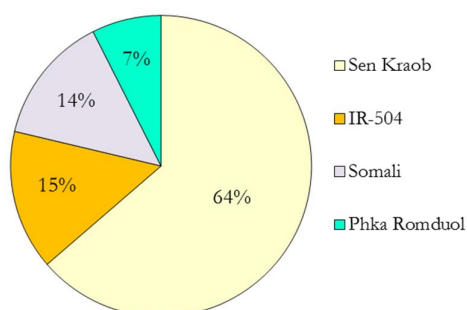
3.4.2. CUMULATED RESULTS OF PADDY SELLING GROUP IN 2014

From July to September 2014, 3,688 t of paddy were sold via FWUCs' Paddy Selling Groups⁴³.

In total, from the beginning of this second year of implementation of PSG pilot activity, 5,114 t of paddy have been marketed by FWUCs' Paddy Selling Groups, composed of four varieties:

- 3,288 t of *Sen Kraob* (64%)
- 776 t of *IR-504* (15%)
- 715 t of *Somali* (14%)
- 385 t of *Phka Rumduol* (7%).

Figure 1: Varieties sold by Paddy Selling Groups in 2014



Selling via Paddy Selling Group have generated slightly higher prices and benefits for members as shown in Table 10 below. In average, price obtained were 1.42% higher than price offered by local middlemen. A part of this added-value, varying between 6% and 28% depending on the groups, was channeled to remunerate the work of the PSG leaders.

Table 10: Volumes of paddy sold, value and estimated additional profit in 6 Paddy Selling Groups (*Angko, Beung Leas, Pralay Ekapheap, Ping Pong, Krouch Saench and Stung Chinit*) in 2014

FWUCs	Province	Volumes sold	Gross amount	Estimated additional profits*		Cost for PSG leaders	Net profit for PSG members
				(value)	(%)		
<i>Angko</i>	Kg Thom	284 t	57,385 USD	493 USD	+ 0.86 %	53 USD	440 USD
<i>Beung Leas</i>	Kg Thom	442 t	91,241 USD	920 USD	+ 1.01 %	55 USD	865 USD
<i>Ping Pong</i>	Battambang	2,555 t	642,462 USD	9,557 USD	+ 1.49 %	1,743 USD	7,814 USD
<i>Pralay Ekapheap</i>	Ban. Meanchey	733 t	194,746 USD	3,119 USD	+ 1.60 %	721 USD	2,398 USD
<i>Krouch Saench</i>	Pursat	715 t	212,609 USD	2,664 USD	+1.25 %	747 USD	1,917 USD
<i>Stung Chinit</i>	Kg Thom	385 t	107,810 USD	1,850 USD	+1.72 %	359 USD	1,492 USD
TOTAL		5,114 t	1,306,253 USD	18,603 USD	+1.42 %	3,678 USD	14,926 USD

* Estimated additional profits is the additional price obtained by selling collectively compared to individual selling. It is the difference between price offered by buyers (local collector or millers within the area) to individual farmer and the price offered to PSG members by the buyer(s) selected by Paddy Selling Group (for equivalent quality).

Each Paddy Selling Group has negotiated and sold to several buyers, from 4 buyers in *Beung Leas, Angko* and *Stung Chinit* up to 29 buyers in *Ping Pong* and *Krouch Saench*.

3.4.3. SEEDS PRODUCTION WITH STUNG CHINIT FWUC

3.4.3.1. 20 T OF SEEDS PRODUCED

During this period, Seed producer group in Stung Chinit harvested their production of Phka Rumduol seeds (produced from foundation seed from CARDI). 20 tons of seeds have been produced by seed producer group in Stung Chinit, which will be sold to PSG members for cropping in 2015. Stung Chinit FWUC has collected seeds from individual seed producers after the harvest and stored those seeds at FWUC office. They will start to sell those seed at the beginning of next cropping season.

⁴³ Cf. Quarterly Executive Report #07, pages 31-32.

3.4.3.2. CASH FLOW ISSUE TO PAY SEEDS PRODUCERS

During the first meeting of seed producer group, individual seed producers agreed that they would be paid by beginning of wet season 2015 by FWUC. However, after harvesting, they requested to get some payment before the wet season 2015. It is a main challenge for seed producers groups and FWUC, which are still looking for a solution.

Price of seeds is 2,000 KHR/kg which FWUC has to pay to individual seed producers. Thereof the FWUC needs 40 million KHR (or 10,000 USD) to pay for these seeds. At the same time, FWUC planned to sell these seed at 2,400 KHR/kg, expecting a gross margin of 8 million KHR.

It is noted that, from beginning till harvesting time, there were regular checks done by ISC staff with seed producer group representative on individual plot of each members (transplanting, weeding, hand harvesting and drying). With these seeds, FWUC Stung Chinit and PSG representatives expect to improve the quality of their rice and reach the objective of selling 1,000 t of paddy in year 2015. However, they still have to work on procedures to sell these seed to their members.

3.4.4. KNOWLEDGE MANAGEMENT WORKSHOP ON PSG EXPERIENCE

The Farmer and Water Net (FWN) has organized a knowledge management workshop on progress and lesson learnt from PSG approach on 19-20 November 2014 in Phnom Penh. The objective of this workshop was to reflect and share experiences among FWN members on PSG approach implemented by 6 PSGs during the wet season 2014. 19 representatives from 15 FWUCs (all member of the FWN) took part in this workshop. Participants agreed on the interest of the Paddy Selling Group approach and, notably for the FWUCs which were not yet involved in pilots, have expressed the willingness to try to implement this approach.

Some key points from the discussions are summarized in Box 3 below:

Box 3: Key conclusions of FWN workshop on PSG experience

- Capacity of FWUCs PSG to collect information and estimate availability and schedule of production is a strong asset of PSG.
- PSG leaders shall not get commissions from buyers but shall be remunerated by the members of the groups for better transparency.
- If PSG can manage access of their members to good quality seeds and plan planting and harvesting, they will be in a better position to fulfil buyers' requirements in term of quality and timing.
- It is important for PSG to build partnership with different types of rice traders at commune level up to national level in order to get better price of wet rice condition.
- Logistic issues: selection of collection point and maximum acceptable load per truck could be discussed with local authorities.
- The question of the sustainability of the service was highlighted: discussion on the need to retain some of the gross profit to cover the cost of the service.

3.4.5. EXTENSION OF FWN

The action has contributed to promote the Farmer and Water Net. 7 FWUCs have joined the network (4 FWUCs in Kampong Thom created by CAVAC project and 3 FWUCs from Banteay Meanchey, Battambang and Pursat formerly established by NWISP). FWN now counts 19 members. The new

members still have a statute of observer and will become regular members once their respective members have confirmed the application of their FWUC and once the FWN secretariat will have assessed the compliance with the membership requirements.

3.5. SUPPORT THE DEVELOPMENT OF MANAGERIAL CAPACITIES OF THE FOs WHICH HAVE SIGNED CONTRACTS

3.5.1. SUPPORT TO 8 COOPERATIVES IN PREAH VIHEAR PROVINCE

A first round of training of the leaders of the 8 cooperatives involved in contract with AMRU was already implemented⁴⁴ in September 2014. A second round of training has been implemented by Mr Hy Thy, in two separate sessions to cover the 8 cooperatives: one session in Rovieng district for 4 ACs and another one in Preah Vihear provincial town for the remaining 4 ACs. This second round of training was focused on capacity building on bookkeeping and on internal audit. Practical tools and methods were presented and explained for paddy commercialization, including: income voucher, expense voucher, cash book management, income list, expense list, and financial report. Most of ACs' committee members said this bookkeeping is very simple and it is very easy to understand. Procedures for internal audit were also explained, with practical recommendations on how to check income vouchers, expense vouchers, cash book records, income list, expense list and financial report.

Concerning tools for paddy commercialization with AMRU, one meeting between project team, COrAA and AMRU was organized on November 12th, 2014 in SNEC office. All parties agreed with the updated tools (book of member code, note book, book of purchase invoice, book of delivery note, and book of delivery invoice, received paddy vouchers, certificate of paddy delivery, selling paddy receipt, and payment of paddy voucher). Then, COrAA managed the printing of final tools and distributed them to all the cooperatives. All 8 ACs were trained by project team and COrAA on the new updated tools in order to use them for paddy commercialization with AMRU.

During the implementation of paddy commercialization one field mission of project officer was organized from 15 to 19 December 2014. The main objective of the mission was to follow-up the practices of the 8 ACs in using tools for paddy commercialization with AMRU. As result, according to Mr Hy Thy assessment, all 8 ACs leaders knew how to use and how to write on each tool. But sometimes, they still made occasional mistakes in recording transactions.

3.6. KNOWLEDGE MANAGEMENT AND CAPACITY BUILDING

3.6.1. CONTRIBUTION TO COORDINATION SUD'S PUBLICATION ON CONTRACT FARMING.

In December 2014, the Agriculture and Food Commission of « *Coordination Sud* » (a national platform of Development and International Solidarity organization in France) has published the French version of a study entitled: « *A quelles conditions l'agriculture contractuelle peut-elle favoriser les agricultures paysannes du Sud* »⁴⁵. AVSF in France was a lead author for this report, and contacts were made with our project team which has provided some case study to contribute to this reflection and publication.



⁴⁴ Cf. Quarterly Executive Report #07, page 30.

⁴⁵ The title could be translated as “At which conditions contract farming can benefit small-holder farmers in developing countries” (unofficial translation). The French version of the report can be downloaded via the following website: <http://www.coordinationsud.org/wp-content/uploads/Rapport-agriculture-contractuelle.pdf>. This report is expected to be published in English, Spanish and Portuguese versions in the coming months.

3.7. POLICY AND REGULATORY ISSUES ON CONTRACT FARMING

3.7.1. CONSTITUTION OF A TASKFORCE

The process of creation of a taskforce to address policy and regulation issues regarding contract farming has been slow since the principle of the creation of such a taskforce has been endorsed by the project Steering Committee meeting in August. Yet a few progresses were made during this quarter, as one can see in the following paragraphs, and we can expect the taskforce to be operational in the first months of 2015.

3.7.1.1. MEETING WITH HENRI CAPITANT ASSOCIATION

The Henri Capitant Association in Cambodia took part in the Unidroit/FAO Consultation Workshop on Legal Guide on Contract Farming in Bangkok⁴⁶ on 26 September 2014. This is where they first met members of SCCRP project team and counterpart. On 25 November 2014, The Project Management Advisor had a meeting with Mr Yi Prasnar, and Mr Hisham Mousar, respectively President and Member of Scientific Council of Henri Capitant Association in Cambodia. The Henri Capitant Association⁴⁷ is a non-governmental organization providing services and contributing to reflections regarding legal issues and law development. Mr Yi Prasnar, and Mr Hisham Mousar have briefly presented the association, its activities, and its interest to work on practical topics such as the development of regulations on contract farming.

The principle of inviting the Henri Capitant Association in Cambodia to be part of the foreseen taskforce on regulations and policies on contract farming has been discussed and accepted by the Association representative. It is foreseen that their legal background and expertise will be very useful to develop relevant regulation, embedded in a broader understanding of the legal context (on which the project team and immediate partners lack of an expertise).

3.7.1.2. MEETING BETWEEN PROJECT COORDINATOR AND DAI

On 5 December 2014, the project coordinator Mr Ung Luyana met DAI representative Mr Yi Bunhak in order to clarify issues regarding the creation of the taskforce on Contract Farming policy and regulations. Whereas it was previously considered that SNEC would write to MAFF to request the creation of such a taskforce, it was finally agreed that such an official request was not needed and that the MOU signed between SNEC (as project coordination entity) and the Department of Agro-Industry would be sufficient to justify the leadership of DAI in the establishment and coordination of the taskforce.

3.7.1.3. PREPARATORY MEETING WITH PROJECT TEAM

A preparatory meeting for the creation of the taskforce on CF took place in SNEC on 12 December 2014 with Mr Yi Bunhak (DAI), Mr Jean-Marie Brun (IRAM/SNEC), Mr Sok Sarang, Mr Tith Samon and Mr Gaylord Robin (AVSF/CIRD/ADG team on C#3), Mrs Svay Samnang (Counterpart from DAE/DACP) and Mr Geoff Quartermaine Bastin (Policy Specialist for the “Climate Resilient Rice Commercialization Sector Development Program”- ADB’s Rice SDP project).

The meeting discussed the main objectives and expected outcomes of the working group. Three key points were listed by Mr Yi Bunhak in this regard:

1. Development of Contract Farming guidelines,
2. Development of Policy for the promotion of Contract Farming,
3. Dispute resolution mechanism.

⁴⁶ Cf. Quarterly Executive Report #07, pages 33-34.

⁴⁷ Association Henri Capitant Cambodge – See website: <http://www.henricapitant-cambodia.org/en/>

Regarding Policy (Point 2 above), it was recalled that the purpose is not to promote Contract Farming *per se*, but to promote and encourage contract farming (by incentive, side services and/or favourable business environment) whenever it proves to contribute to achieve policy objectives.

For a matter of sustainability, DAI mentioned that the guidelines and procedures for contract farming shall consider the possibility for relevant services (DAI? PDA?) to claim fees from economic stakeholders for the support and registration of contract farming⁴⁸. While not rejecting the principle of fees, the Project Management Advisor highlighted that one shall first consider the services / benefits / added value brought by MAFF services in contract farming process before to think about requesting a payment. The development of guidelines and regulations for contract farming shall be driven by a sense of service and efficiency, and keep in mind that the challenges are to consolidate the competitiveness of Cambodian agriculture (in particular in the rice sector). Cost killing and reduction of bureaucracy shall have the priority over imposing additional procedures and costs which would take the opposite direction of other government efforts to limit administrative constraint and costs⁴⁹. Up to now, the registration of CF by DAI (signed as part of the project pilot activities) does not provide convincing evidence of benefits for both signatory parties: the involvement of DAI/MAFF does not provide access to side services (e.g. related to access to finance, agriculture extension services...), and conflict resolution / arbitration procedures are not really in place.

Box 4: Tentative list of participants in the taskforce on Contract Farming policy and regulations

Permanent members

MAFF Department of Agro Industry (Director Mr Mao Sopheareth and Mr Yi Bunhak)
 MAFF General Department of Agriculture
 MAFF Department of Agriculture Legislation
 MAFF Department of Agricultural Cooperative Promotion
 SNEC, MEF
 MOC Legal Affairs Department
 Ministry of Justice
 SCCRP C#3 Project team (AVSF-CIRD-ADG) and PMA
 Delegates of the CRF working group on linking FO and millers (to be established with the support of the project)
 Association Henri Capitant du Cambodge

Non-permanent members

Additional persons / department could be associated on a non-permanent basis, depending on the agenda of the meetings: For instance MAFF Department of Planning and Statistic / Office of Market Information could be associated to discussions related to price references in CF.

⁴⁸ Mr Yi Bunhak even said that the collection of fees for the services of MAFF involved could start from 2015 for new pilots implemented with the support of the project.

⁴⁹ Some on-going efforts of the Ministry of Commerce were mentioned as an illustration of this orientation: the eradication of unnecessary administrative procedures (for instance cancel MoC requirement for exporters to get a Certificate of Origin while exporting to countries that do not require the CO) or the reduction of the time and costs of procedures (for instance electronic application for Certificate of Origin to export to countries that still require the CO) are examples of a movement of public services to ease procedures and reduce costs.

DAI has also raised the question of per diem / incentives that could/should be paid to members of the taskforce for their participation. PMA have asked DAI to refer this issue to SNEC's project manager and AFD for decision.

Composition of the taskforce was discussed during the meeting. A preliminary list of relevant institutions / organizations to associate was elaborated (See Box 4, previous page). It was agreed that additional members could be added after first meeting if participants have suggestions to complete this list.

3.8. GENERAL COORDINATION OF THE COMPONENT #3

3.8.1. MONTHLY COORDINATION MEETINGS

Coordination meetings of the Component #3 were coordinated by Mr Sok Sarang on 1st October and on 31st October. There has been no component coordination meeting in November and December.

4. COMPONENT #4: UP-GRADING THE RURAL DEVELOPMENT BANK

4.1. UP-GRADING RDB: RDB REFORMS AND IMPLEMENTATION OF KPMG

RECOMMENDATIONS

4.1.1. ACTIONS UNDERTAKEN BY RDB AS PART OF THE IMPLEMENTATION OF REFORMS

4.1.1.1. RECRUITMENT / APPOINTMENT TO NEW POSITIONS

- Mr Sam Vongsy has been appointed as Deputy CEO in charge of Risk Management.
- Mr Khhek Piseth has been approved as Head of Credit Department on 31 October 2014.
- 3 out of 5 Credit Officers have been recruited.

4.1.1.2. ORGANIZATION CHART AND COMPOSITIONS OF COMMITTEES

Further to the endorsement by the Board of the new organization chart of RDB in September⁵⁰, the following decisions have been taken:

- Risk Management Department was established and its head appointed.
- Risk Management and Audit Committees composition have been defined, and their guidelines for operation were defined and approved.
- Legal Affair Department was established and head of Department appointed.
- Discipline committee approved on October 14, 2014. The discipline committee has met at least two times since its formation. It has discussed issues ranging from staff appointments, staff performance, remuneration, staff benefits, annual salary increase. The committee also has powers to investigate staff wrong-doing.
- Credit Department Function has been restructured into:
 - Credit Policy and Monitoring Unit,
 - Under-writing Unit,
 - Collection Unit,
 - Collateral Management Unit.

An Assets and Liability Committee is in the preparation stage and will have the duty to help assess risks related to RDB's balance sheet imbalances.

4.1.1.3. DEVELOPMENT OF PROCEDURES AND POLICIES

Risk Management Policy was drafted. It covers risks of the whole enterprise and has been approved in principle by the Board of Directors. Some elements of this policy still need approval, notably risk parameters and thresholds which are still under internal discussion. The discussion mainly focuses on how best to translate RDB's risk strategy, which is to take on more risk to achieve development objectives but to still maintain financial sustainability, into metrics that can be monitored. It is expected that future TA will help to refine these risk parameters and thresholds as well as to support the implementation of the Risk Management Policy.

In addition, RDB has started to work on Human Resources policy and is working on key performance indicators.

⁵⁰ Cf. Quarterly Executive Report #07, § 4.1.1.2. page 36.

4.1.1.4. INCREASE OF RDB CAPITAL

The Ministry of Economy and Finance has increased the capital of RDB by approximately \$26 million.

4.1.2. PLANNING AND MOBILIZING FURTHER SUPPORT TO IMPLEMENTATION OF REFORMS

4.1.2.1. SWIFT MOBILIZATION OF HORUS DEVELOPMENT FINANCE TO FINALIZE TOR FOR TA

Further to the request for service sent to Horus Development Finance in late September⁵¹, a proposal was sent by Horus on the 3rd of October 2014 to implement a short mission to finalize Terms of Reference for further Technical Assistance to RDB. The request was accepted, a contract drafted and submitted to AFD non-objection on the 8th of October. Non-objection was granted on 10 October and a contract⁵² was immediately signed with Horus in order to allow an immediate mission, taking into account availability of key stakeholders, in particular the CEO of the Rural Development Bank.

4.1.2.2. IMPLEMENTATION OF HORUS MISSION ON THE FINALIZATION OF TOR

Horus mission was implemented by Mrs Juliette David, who arrived in Cambodia on 13 of October for about 5 days. A kick-off meeting took place in RDB on 13 October afternoon with numerous officers of RDB, followed by a more detailed discussion with the Chairman of the Board H.E. Ros Seilava, RDB CEO Mr Kao Thach, and the project PMA. On 14 and 15, the mission has worked with different departments of RDB, and met with SNEC.

A wrap-up meeting was organized in RDB at the end of the week on October 17. Mrs Juliette David has then sent the revised draft Terms of Reference to RDB and project management team on 28 October 2014.

Draft Terms of Reference and modalities for the mobilization of this second phase of Technical Assistance were discussed again in SNEC with project management team, RDB and AFD on 20 November 2014. Consultant qualification and calendar for the procurement have notably been discussed, as well as RDB contribution for the implementation of this mission (such as office space, electricity, in-country transportation, etc...). Commitments of RDB regarding these matters have then been confirmed by written to SCCRP Project Director by a letter dated 3rd December 2014.

4.1.2.3. LAUNCH OF PROCUREMENT PROCESS FOR FURTHER TECHNICAL ASSISTANCE TO RDB

In November 2014, SNEC project management team has issued a call for Expression of Interest⁵³ for the provision of Technical Assistance to the Rural Development Bank of Cambodia for definition of its strategic plan and implementation of related reforms. The call was published on AFD DG-Market website and in two local English language newspapers.

The deadline for submission of EoI was 8 December 2014. Three Expressions of Interest have been received by SNEC. The procurement committee has scored the EoI on 9 December and its conclusions were submitted to AFD in the following days. On 31st December 2014, the AFD reply was still pending.

⁵¹ Cf. Quarterly Executive Report #07, page 37.

⁵² It has to be noted that Horus is in charge to develop the full Terms of Reference except the part dedicated to consultant profile, since Horus as wished to remain eligible to apply for the provision of this Technical Assistance. This possibility was agreed by AFD.

⁵³ Reference n°: CKH-1077-S-14-04.

4.2. LEGAL CONSULTANT MISSION

4.2.1. CLOSING OF DFDL MISSION

Further to the delivery of DFDL final report (sent in July 2014), RDB has notified its acceptance of the consultants' report⁵⁴ to AFD and has requested the payment of the final invoice. Payment has been made in October 2014, closing the contract with DFDL.

4.3. DEVELOPMENT OF A CREDIT MECHANISM DEDICATED TO FARMER ORGANIZATIONS

During the meeting between SNEC project management, RDB and AFD on 12 November, the subject of credit to farmer organizations was also briefly mentioned, with a brief recall of the scenarios proposed by Horus mission⁵⁵ on this subject earlier in 2014. During that meeting, RDB CEO and Project Director have suggested to try to continue to explore both options of delivering credit to FOs directly via RDB or via MFIs, and to ask Horus to continue to explore the two possibilities in the second phase of its mission on Credit to FOs. Re-adjusted Terms of Reference have been prepared accordingly by the Project Management Advisor, and were sent to Horus by the project coordinator on 20 November 2014.

Horus replied on 27 November and asked for a new revision of the Terms of Reference, stating that they would not be able to work on the two options above within the agreed budget.

Scenario to prioritize then still has to be reconsidered in order to redefine expectations from a second phase of Horus mission. Further discussions on this are foreseen to take place in January with RDB, but also with representative organizations of Farmer Organizations.

⁵⁴ Recall: the signature and management of the Consultant contracts of KPMG and DFDL to provide support to RDB were delegated by SNEC to RDB, according to SNEC letter No 002/13 dated 01 February 2013, addressed to RDB focal person for the project.

⁵⁵ See Quarterly Executive Report #06 page 32 and Horus Development Finance mission report.

5. COMPONENT #5: CROSS-CUTTING ISSUES, COORDINATION AND PROJECT MANAGEMENT

5.1. PROJECT MANAGEMENT, CROSS-CUTTING ISSUES, INTER-COMPONENTS COORDINATION

5.1.1. REGULAR CONSULTATION WITH NATIONAL PROJECT DIRECTOR

Few meetings between PMA and Project Coordinator took place during this quarter, notably in early October (3rd and 15) and in December (8) to review progress and address miscellaneous issues. An informal discussion with Project Director on miscellaneous subject also took place on 4 November. In addition, Project Director and/or Project Coordinator took part in some important meeting with partners, notably with RDB.

5.1.2. AFD SUPERVISION MISSION

A supervision mission of AFD Headquarters has visited the project in end of November and early December. A broad meeting was organized with numerous institutions associated to the project implementation on 27 November in SNEC, which gave an opportunity for a broad (but quick) review of project activities and outcomes, covering components #1 to #4. The mission has visited some of the activities in province (in Banteay Meanchey, Battambang, Pursat and Takeo). A debriefing with Project Director and Coordinator in SNEC took place on 1st December.

5.1.3. AVAILABILITY OF SNEC OFFICERS ASSIGNED FOR PROJECT MANAGEMENT

Most of the time of SNEC officers assigned to the project (in particular the Project Coordinator and Project Administrative Officers) has been mobilized for their other assignments with the Ministry of Economy and Finance. This causes a prejudice for the project, not only in term of workload for other members of the team but, more importantly, in term of ownership and perception of the project by other partners/stakeholders. The initial decision to host this project in SNEC was made with the idea that SNEC position and influence would strongly facilitate coordination with line ministries, notably on policy issues. But this can be efficient only with a stronger involvement of SNEC official in actual coordination role. The issue has been discussed with AFD supervision mission (see above) and improvements are expected in 2015.

5.2. PROJECT COMMUNICATION AND COORDINATION WITH OTHER PROJECTS AND STAKEHOLDERS

5.2.1. COORDINATION WITH IFC RICE SECTOR PROJECT

Numerous meetings between IFC project team and SCCRP PMA took place during this quarter for the preparation of the mission in France in October, for debriefing about this mission (on 11 November, with CRF) and for preparation of the Cambodian Rice Festival and TRT World Rice Conference.

IFC Project manager was also invited to attend the meeting held in SNEC on 27 November with AFD supervision mission and project partners.

Further exchanges with IFC also took place in particular to discuss the two projects respective contribution to CRF initiative regarding brand development for Cambodian rice (Cf. § 2.4. page 20).

5.2.2. COORDINATION WITH THE ADB'S FUNDED RICE-SDP

The ADB's funded "Climate Resilient Rice Commercialization Sector Development Program" (Rice-SDP) has started its implementation phase with the mobilization of the consultant team since early November 2014. AS for SCRP, Rice SDP's project management team is based in SNEC, H.E. Ros Seilava is Project Director and NIRAS leads the consultant team, which are all factors that shall ease the coordination and partnership with our SCCRP.

PMA had preliminary meeting with Rice-SDP consultants on 10 November. The Rice-SDP team was then invited to attend (and did attend in number) the workshop organized in SNEC with project partners during AFD supervision mission on November 27 morning. Reciprocally, SCCRP Project Coordinator and Project Management Advisor have attended the kick-off meeting of the Rice-SDP project in the afternoon of the same day.

Rice-SDP expert on policy has also met SCCRP PMA and project coordinator, and was invited to join the preparatory meeting for the establishment of the taskforce on policy and regulations on Contract Farming on 12 December 2014 (Cf. § 3.7.1.3. pages 33-34).

5.2.3. PARTICIPATION IN THE EVENT ORGANIZED BY AFD FOR INTERNATIONAL YEAR OF FAMILY FARMING

The SCCRP Project Management Advisor took part, as a panelist, in a public round table discussion on family agriculture organized by AFD at the "*Institut Français du Cambodge*" in Phnom Penh on 24 October 2014. The round-table has broached subjects of access to finance for smallholder farmers, farmer organizations, contract farming and land issues. The PMA also contributed to proofreading and correction on the minutes of this event.

SNEC/SCCRP also contributed to the organization of a field visit with miscellaneous agencies and media in Kandal province on the 25 October morning, and to a smallholder agriculture product fair at the "*Institut Français*" on the same day, in which FO Federations such as FAEC and FCFD have also been involved⁵⁶.

5.4. ADMINISTRATIVE AND LOGISTIC ISSUES

5.4.1. NON-OBJECTIONS AND CONTRACTS AWARDED IN THE PERIOD

During this quarter, the following non-objections were granted by AFD.

Table 11: List of non-objections granted by AFD from October 1st to December 31, 2014

Date	Letter No	Purpose of the non-objection
10/10/2014	L 547/14	Service agreement with the CCFC (French-Cambodian Chamber of Commerce) for the preparation and management of the Cambodian Rice Promotion Dinner in Paris and for covering local transportation of the Cambodian delegation in Paris.
10/10/2014	L 548/14	Contract with Horus Development Finance for the finalization of Terms of Reference of Technical Assistance to RDB.
10/10/2014	L 549/14	Service agreement with Red Dot as event organizer for the 2 nd Cambodian Rice Festival 2014.
17/11/2014	L 643/14	Proposed call for Expression of Interest for the procurement of Technical Assistance to RDB

⁵⁶ See § 1.2.6.4. page 11 in this report.

The following contracts with partners, suppliers or service providers were signed.

Table 12: List of contracts signed during this quarter with partners, suppliers or service providers

Contract #	Date signed	Supplier	Purpose of the non-objection
CKH-1077-S-14-02	10/10/2014	Horus Development Finance	Finalization of Terms of Reference of Technical Assistance to RDB.
CKH-1077-S-14-01	13/10/2014	Red Dot	Event organization / 2 nd Cambodian Rice Festival 2014.
CKH-1077-S-14-03	13/10/2014	CCFC	Preparation and management of the Cambodian Rice Promotion Dinner in Paris and management of local transportation of the Cambodian delegation in Paris.

5.4.2. RENEWAL OF SNEC PROJECT ADVANCE

In December, SNEC has proceeded with the request for reimbursement by AFD of the expenditures paid with project advance on the project bank account for the period 1st April to 30 November 2014.

ANNEXES

ANNEX 1: PMA TIMESHEETS

OCTOBER 2014

		Location	Activities
Wednesday	1	a.m. SNEC	C#3 Coordination meeting
		p.m. SNEC	C#3 Coordination meeting
Thursday	2	a.m. SNEC	Draft contract of Red Dot - Meeting with CAVAC / AusAID
		p.m. IFC Office	Meeting with Red Dot team, IFC and Luu Meng - Preparation of exporter mission in France
Friday	3	a.m. SNEC	Coordination issues for mission in France - draft request for non objection for Red Dot contract - Reporting
		p.m. SNEC	Coordination issues for mission in France - Meeting with Ung Luyana - Start prepare Horus contract
Saturday	4	a.m.	
		p.m.	
Sunday	5	a.m.	
		p.m.	
Monday	6	a.m. SNEC	Draft Horus contract for ToR of TA to RDB
		p.m. SNEC	Check accounting Sept. 2014 - Mail to Intercéréales prepare mission in France - draft contract CCFC
Tuesday	7	a.m. SNEC	Draft request for ANO on contracts Horus and CCFC - Financial report Q#07
		p.m. SNEC	Cross check accounting - Financial Report Q#07 + correction of Financial Report Q#06
Wednesday	8	a.m. SNEC	Final adjustment to HORUS contract - check FAEC financial table
		p.m. SNEC	Revise CCFC contract - Work on Quarterly Executive Report
Thursday	9	a.m. IFC Office	Meeting with Red Dot, IFC and CRF on Cambodian Rice Festival preparation
		p.m. SNEC	Read reports of FAEC and FCFD - Work on Quarterly Executive Report #07
Friday	10	a.m. SNEC	Work on Quarterly Executive Report #07
		p.m. SNEC	Meeting with Red Dot and FAEC+FCFD - Address final issues with Horus contract
Saturday	11	a.m.	
		p.m.	
Sunday	12	a.m.	
		p.m.	
Monday	13	a.m. SNEC	Draft request for payments (Horus, CCFC) -
		p.m. RDB	Kick off meeting with Horus mission + meeting with Horus Consultant and CEO + RDB Board chairman
Tuesday	14	a.m. SNEC	Follow-up signature of contracts and payments - Work on Quarterly Report #07
		p.m. SNEC	Work on Quarterly Report #07 - Meeting with AFD on event on Family Farming 2014
Wednesday	15	a.m. SNEC	Meeting with FAO consultant on Agriculture Finance
		p.m. SNEC	Meeting with Horus consultant for RDB ToR - Discussion on project issues with Mr Ung Luyana
Thursday	16	a.m. SNEC / (home)	Mail to MAFF = review CoRAA invoice - Work on Quarterly Executive Report #07
		p.m. (home)	Work on Quarterly Executive Report #07
Friday	17	a.m. RDB / SNEC	Wrap up meeting of Horus mission / check with Nika CoRAA support document with invoice
		p.m. SNEC	Work on Quarterly Executive Report / Request clarifications on C#3 team report / Miscellaneous
Saturday	18	a.m.	
		p.m. (Travel)	Travel to France
Sunday	19	a.m. (Travel)	Travel to France
		p.m.	
Monday	20	a.m. SIAL	Participation with Cambodian Rice Exporters in SIAL
		p.m. AF/MEDEF/CdF	Meeting in AFD / Business conference in MEDEF / Cambodian Rice Promotion Diner "Le Carré des Feuillants"
Tuesday	21	a.m. Intercereales	Exposure visit of CRF to intercereales (Inter-professional organization)
		p.m. IRAM Office	Share information on project implementation
Wednesday	22	a.m. (remote)	Prepare elements for the Round Table discussion on Family Farming organized by AFD
		p.m. (Travel)	Travel back from France
Thursday	23	a.m. (Travel)	Travel back from France
		p.m. (remote)	Prepare elements for the Round Table discussion on Family Farming organized by AFD
Friday	24	a.m. SNEC	Read miscellaneous document and mails
		p.m. Institut Français	AFD Conference on Family Farming
Saturday	25	a.m. SNEC / Inst. Français	Breakfast in SNEC with AFD and visitors / Rewrite text of exhibition (Milestone 5) for festival - visit agri fair
		p.m.	
Sunday	26	a.m.	
		p.m.	
Monday	27	a.m. SNEC	Miscellaneous mails about rice festival + reproting.
		p.m. SNEC	Meeting to prepare paddy competition with CRF, FAEC, FCFD - Miscellaneous preparation of rice festival
Tuesday	28	a.m. SNEC	Admin issues (check invoices...) + work on Quarterly reprot
		p.m. SNEC	Check invoices and prepare request / miscellaneous issues about Rice Festival
Wednesday	29	a.m. SNEC	Discussion with Sok Sarang and Gaylor Robin on Gaylord inputs / Discussion with Cambodia Daily on FOs
		p.m. SNEC	Work on Quarterly Executive Report #07
Thursday	30	a.m. Kema / SNEC	Breakfast meeting with CCFC (debrief about Paris mission) /
		p.m. IFC Office	Meeting on Cambodian Rice Festival - discussion on the partnership SNEC-AFD + IFC / Milestone 6 (exhibition)
Friday	31	a.m. SNEC	C#3 Coordination meeting
		p.m. IFC Office	Meeting with other project in rice sector to present Rice Festival - finalize Milestone 6

NOVEMBER 2014

		Location	Activities
Saturday	1	a.m.	
		p.m.	
		SNEC	Debriefing meeting with Ecocert (Inspection of Preah Vihear Organic cooperative)
Sunday	2	a.m.	
		p.m.	
Monday	3	a.m.	Home based (flood!)
		p.m.	SNEC
		SNEC	Work on Quarterly Report #07 - Exchange with CoRAA on cooperative invoicing system - follow up paynets
Tuesday	4	a.m.	SNEC
		p.m.	SNEC
		SNEC	Meet Thaneakea Phum (Cambodia) with FAEC and FCFD - Various cross check and proof read for Rice Festival
		SNEC	Quarterly Report #07 - Informal discussion with H.E. Ros Seilava and Ung Luyna - miscellaneous admin.
Wednesday	5	a.m.	
		p.m.	
Thursday	6	a.m.	
		p.m.	(home)
		(home)	Edit trophy for paddy competition - review the ToR for Technical Assistance to RDB
Friday	7	a.m.	
		p.m.	
		(home)	Proof reading and correction to Quarterly Executive Report #07
Saturday	8	a.m.	
		p.m.	
Sunday	9	a.m.	
		p.m.	
Monday	10	a.m.	SNEC
		p.m.	SNEC
		SNEC	Additional proof reading of festival artwork - prepare AFD supervision - miscellaneous admin issues
Tuesday	11	a.m.	Himawari
		p.m.	SNEC
		SNEC	Preparation Cambodian Rice Festival - issues with CoRAA invoice - meet ADB project team
		SNEC	Meeting with IFC, CRF, Exporters and CCFC: outcomes of tour in France and Europe and next steps
Wednesday	12	a.m.	SNEC
		p.m.	SNEC
		SNEC	Additional proof reading for Festival / Meeting with FCFD and Sophany / Miscellaneous admin issues
		SNEC	Meeting with Hy Thy, CoRAA, AMRU / Prepare consultant profile for TA to RDB
Thursday	13	a.m.	SNEC
		p.m.	SNEC
		SNEC	Meeting with RDB, SNEC team, AFD - Draft call for EoI for TA to RDB
		SNEC	Request ANO for EoI - Compile comments on ToR for TA to RDB
Friday	14	a.m.	SNEC
		p.m.	MAFF / SNEC
		(home)	Meet Sokkheang / Finalise RDB consultant profile + review other issues related to the procurement process
		(home)	Draft revised ToR for 2nd phase of Horus mission on credit to FOs / Final Meeting with Red Dot, IFC, CRF
Saturday	15	a.m.	
		p.m.	
		(home)	Meeting with DAE on additional support to legal framework - Start to work on note on AC legal framework
		(home)	Correction press release of Rice Festival / Work on note on AC legal framework
Sunday	16	a.m.	
		p.m.	
Monday	17	a.m.	SNEC
		p.m.	SNEC / Sofitel PP
		SNEC / Sofitel PP	Meet with Samon and Sophany about Festival preparation / Work on note on AC legal framework
Tuesday	18	a.m.	Sofitel PP
		p.m.	Sofitel PP
		Sofitel PP	Meeting with Ung Luyna / Briefing of FO representatives for Rice Festival / Briefing of MCs for Rice Festival
		Sofitel PP	Cambodian Rice Festival
Wednesday	19	a.m.	Sofitel PP
		p.m.	Sofitel PP
		Sofitel PP	TRT World Rice Conference
		Sofitel PP	TRT World Rice Conference / Revise Call for EoI for TA to RDB
Thursday	20	a.m.	Sofitel PP
		p.m.	Sofitel PP / SNEC
		Sofitel PP / SNEC	TRT World Rice Conference
		Sofitel PP / SNEC	TRT World Rice Conference / Meeting with Ung Luyna and Lay Sokkheang (prepare AFD supervision meeting)
Friday	21	a.m.	SNEC
		p.m.	SNEC
		SNEC	Check accounting Oct. / Start preparation of presentation for meeting on 27/11
		SNEC	Issues of coordination on branding / Prepare of presentation for meeting on 27 /11
Saturday	22	a.m.	
		p.m.	
Sunday	23	a.m.	
		p.m.	
Monday	24	a.m.	SNEC
		p.m.	SNEC
		SNEC	Prepare meeting with AFD supervision mission / Finalize draft note on AC legal framework
		SNEC	Finalize draft note on AC legal framework / prepare meeting with AFD / disbursement plan
Tuesday	25	a.m.	SNEC
		p.m.	SNEC
		SNEC	Prepare meeting with AFD supervision mission - up-date power point / meeting with Asso Henri Capitant
		SNEC	Up-date budget statement / Verify and correct AVSF invoice / Skype with Horus on credit to FOs
Wednesday	26	a.m.	IFC
		p.m.	SNEC
		SNEC	Meeting with IFC and CRF + exporters group on branding
		SNEC	Finalize preparation of meeting with AFD supervision mission / review Red Dot report
Thursday	27	a.m.	SNEC
		p.m.	SNEC
		SNEC	Meeting of all project team and partners with AFD Supervision mission
		SNEC	Kick-off meeting of ADB Rice-SDP project / Review concept note on working group on C#3 (CF)
Friday	28	a.m.	SNEC
		p.m.	(home)
		(home)	Check Red Dot delivery of pictures and video / Review concept note on working group on C#3 (CF)
		(home)	Prepare full request for proposal for TA to RDB
Saturday	29	a.m.	
		p.m.	
Sunday	30	a.m.	SNEC / travel
		p.m.	Takeo
		Takeo	Reporting / Travel to Takeo
		Takeo	Meeting with Udom Soryia AC and FAEC in Tramkak district with AFD supervision mission / Travel back to PP

DECEMBER 2014

		Location	Activities	
Monday	1	a.m. p.m.	SNEC SNEC	List point to discuss with AFD / Scorecard form for RDB TA scoring of Eol Debriefing meeting of AFD supervision mission with SNEC / Check accounting Nov 2014 /
Tuesday	2	a.m. p.m.	SNEC SNEC	Prepare accounting statement (April - November 2014) and request for project advance replenishment Finalize annexes to request for advance / Score card form for RDB TA - Technical scoring of FULL PROPOSAL
Wednesday	3	a.m. p.m.	SNEC SNEC	Discussion with Ch. Goossens on pilot acotions and Federations / Miscellaneous Discussion with Tith Samon on CF / Review guidelines for survey on pilots implemented
Thursday	4	a.m. p.m.	SNEC SNEC	Discussion with Tith Samon on CF in Takeo (checking seed quality) + contact TÜV Rheinland Finalize draft RfP for TA to RDB / Miscellaneous
Friday	5	a.m. p.m.	SNEC SNEC	Admin issues / Work on proposed approach to support CRF on statute and governance revisions Exchange with TÜV Rheinland and Samon on checking seeds quality / continue work on CRF governance
Saturday	6	a.m. p.m.		
Sunday	7	a.m. p.m.		
Monday	8	a.m. p.m.	SNEC SNEC	Note on support CRF on statute and governance revisions / Review Eol for TA to RDB / Miscellaneous admin. Review Eol for TA to RDB / Meeting with Ung Luyna / Revise report of AFD roundtable on Family Farming
Tuesday	9	a.m. p.m.	SNEC SNEC	Draft scoring of Eol for Technical Assistance to RDB Procurement commission for TA to RDB (Eol stage) - Procurement Committee report
Wednesday	10	a.m. p.m.	SNEC SNEC	Finalize procurement committee report / Note on CRF institutional aspects Reporting
Thursday	11	a.m. p.m.	SNEC SNEC	Finalize concept note on institutional support to CRF Prepare meeting about task force on CF. Miscellaneous administrative issues
Friday	12	a.m. p.m.	SNEC	Meeting on CF taskforce preparation Travel from Phnom Penh to Paris
Saturday	13	a.m. p.m.		Travel from Phnom Penh to Paris
Sunday	14	a.m. p.m.		
Monday	15	a.m. p.m.		
Tuesday	16	a.m. p.m.	(France) (France)	Travel from Paris to Sommières IRAM annual internal seminar
Wednesday	17	a.m. p.m.	(France) (France)	IRAM annual internal seminar IRAM annual internal seminar
Thursday	18	a.m. p.m.	(France) (France)	IRAM annual internal seminar IRAM annual internal seminar - travel back to Paris
Friday	19	a.m. p.m.		Travel from Paris to Phnom Penh
Saturday	20	a.m. p.m.		Travel from Paris to Phnom Penh
Sunday	21	a.m. p.m.		
Monday	22	a.m. p.m.	SNEC IFC / SNEC	Preparation meeting on branding - Miscellaneous administrative issues and reporting Meeting on Branding of Cambodian Rice
Tuesday	23	a.m. p.m.	SNEC SNEC	Meeting with CORAA and C#3 team (Sarang, Hy Thy, Svay Samnang) Meeting with AFD on FAEC/FCFD invoicing issues /
Wednesday	24	a.m. p.m.		
Thursday	25	a.m. p.m.		
Friday	26	a.m. p.m.		
Saturday	27	a.m. p.m.		
Sunday	28	a.m. p.m.		
Monday	29	a.m. p.m.		
Tuesday	30	a.m. p.m.		
Wednesday	31	a.m. p.m.		

**IRAM internal meeting -
time not invoiced to SNEC
(taken on the consultant
holidays)**

**IRAM internal meeting -
time not invoiced to SNEC
(taken on the consultant
holidays)**

ANNEXES | p. iv

No	Cooperatives	Grade								Total (kilo)
		A1	A2	B1	B2	C1	C2	D1	D2	
1	Krabao Prum Tep	5,459.00		17,866.00			25,025.00			48,350.00
2	Livelihood improvement	2,501.00					54,957.00			57,458.00
3	Malu Prey Chiheay Den	38,527.00		7,623.00	84,214.00		37,223.00			167,587.00
4	Satrei Ratanak		28,300.00	77,882.00	20,861.00		68,669.00	72,114.00	10,185.00	278,011.00
5	Tosu Senchhey		15,532.00	35,317.00	42,716.00		48,462.00	31,223.00	6,316.00	179,566.00
6	Leuk Kampos Satrey	1,781.00	40,066.00	93,258.00	234,413.00	82,173.00	34,070.00	17,292.00		503,053.00
7	Rohas Samaki Meanchhey		12,895.00			92,005.00				104,900.00
8	Rontum Samakimenchhey	5,627.00	3,472.00	25,915.00		91,740.00				126,754.00
	Total amount (Kilo)	53,895.00	100,265.00	257,861.00	382,204.00	265,918.00	268,406.00	120,629.00	16,501.00	1,465,679.00

