

■ 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
ACM	Assistant for Coordination and Management (in SCCRP project management team)
ACMECS	Ayeyawady Chao Phraya Mekong Economic Cooperation Strategy
ACT	Agriculture Certification Thailand
ACTAE	Towards Agroecology Transition in the Mekong Region Project
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>
AFO	Accounting and Finance Officer (in SCCRP project management team)
AFTA	ASEAN Free Trade Agreement
AIMS	Accelerating Inclusive Markets for Smallholders Project (IFAD project)
ALCO	Asset Liability Committee (banking)
ALiSEA	Agroecology Learning Alliance in South East Asia
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>
BFS ExCo	Banking and Finance Solutions Executive Committee (of CRF)
BRC	British Retail Consortium
BritCham	British Cambodian Chamber of Commerce
BUAC	Battambang Union of Agricultural Cooperative
C2A	<i>Commission Agriculture et Alimentation de Coordination Sud (French development NGO platform)</i>
CAC	<i>Crédit Agricole Consultants</i>
CACA	Cambodian Agricultural Cooperative Alliance
CACC	Cambodian Agricultural Cooperative Corporation
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>
CEDEP	Cambodia Export Development and Expansion Program
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
CIRAD	<i>Centre International de Recherche Agronomique pour le Développement</i>
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>
CPS	Centre for Policy Studies
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
DAL	Department of Agriculture Legislation
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>
DHRRRA	Development of Human Resource in Rural Areas (Asian partnership program)
Dis.	District
DMC	Direct-seeding Mulch-based Cropping system
DP	Development Partners
DPA	Development and Partnership in Action
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

EIF	Enhanced Integrated Framework
EoI	Expression of Interest
EPWG	Export Promotion Working Group (informal group of rice exporters supported by IFC)
ESP	Environmental and Social Policy
ESR	<i>Equitable, Solidaire, Responsable</i> (Fairness, Solidarity, Responsibility) – Ecocert owned standard
EU	European Union
ExCo	Executive Committee
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
FMP ExCo	Farming and Milling Productivity Executive Committee (of CRF)
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
GIFT	Global Institute for Tomorrow
GIS	Geographic Information System
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> / German Development Cooperation
GMP	Good Manufacturing Practice
GMP ExCo	Global Market Promotion Executive Committee (of CRF)
GMS	Greater Mekong Subregion
GPS	Global Positioning System
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)
HCA	Henri Capitant Association
HH	Household
HKL	Hattha Kaksekar Limited
HR	Human Resources
IBG	Input Buying Group
ICS	Internal Control System
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFOAM	International Federation of Organic Agriculture Movements

IP	Intellectual Property
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>
IRRI	International Rice Research Institute
ISC	Institute of Standards of Cambodia
ISC	Irrigation Service Center
ISF	Irrigation Service Fee
IT	Information Technologies
IVY	International Volunteers of Yamagata
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
MSP	Mekong Strategic Partners
M&E	Monitoring and Evaluation
NBC	National Bank of Cambodia
NC	National Coordinator
NGO	Non-Governmental Organization
NKPSAC	Nikum Krao Preah Sihanouk Agricultural Cooperative
NOP	National Organic Program (USA organic standards)
NPACD	National Policy for Agricultural Cooperatives Development
NPD	National Project Director (in SCCRP project management team)
NSC	National Standard Council
NSDP	National Strategic Development Plan
NWISP	North-West Irrigation Sector Project (ADB/AFD)
OA	Organic Agriculture
OACP	Office of Agricultural Cooperatives Promotion
ODM	Offer Driven Model
OPM	Open Paddy Market
O&M	Operation and Maintenance (of irrigation schemes)
PAO	Project Administration Officer (in SCCRP project management team)

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
PC	Project Coordinator (in SCCRP project management team)
PDA(FF)	Provincial Department of Agriculture (Forestry and Fisheries)
PDOWRAM	Provincial Department of Water Resources and Meteorology
PDRD	Provincial Department of Rural Development
PIMD	Participatory Irrigation Management Development
PIP	Public Investment Program
PM	Prime Minister
PMA	Project Management Advisor (in SCCRP project management team)
PMUAC	Preah Vihear Meanchey Union of Agricultural Cooperatives
PPAP	Phnom Penh Autonomous Port
PPCR	Pilot Program for Climate Resilience
PPD	Public-Private Dialog
PPP	Project Procurement Plan
PPP	Public-Private Partnership
PPPPRE	Policy on the Promotion of Paddy Production and Rice Export
PR	Public Relations
PSC	Project Steering Committee
PSG	Paddy Selling Group
PTP	Paddy Trading Platform
RBA	Rice Bank Association
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
RSEO	Rice Sector Economic Observatory
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
SCM	Scoring Criteria Method
SCM	Supply Chain Management
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
SoA	Signatures of Asia
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

TFP	Total Factor Productivity
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
UK	United Kingdom
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
VSO	Volunteer Services Overseas
WASP	Water and Agriculture Sector Project (financed by AFD)
WB	World Bank
WCS	Wildlife Conservation Society
WIPO	World Intellectual Property Organization
WRC	World Rice Conference
WRMSDP	Water Resource Management Sector Development Program (ADB)
WTO	World Trade Organization
WVI	World Vision International

UNITS AND MEASURES

ha	Hectare
kg	kilogram
KHR	Cambodian Riel
km	kilometer
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 AND SUMMARY

The Support to the Commercialization of Cambodian Rice Project (SCCRP) is coordinated by the Supreme National Economic Council and funded by the *Agence Française de Développement* (AFD – French Agency for Development). Its implementation period is from January 2013 to December 2017. This report is the 18th Quarterly Executive Report of the project. It covers the period from April 1st to June 30, 2017. Table 1 below provides a summary of outcomes during this quarter, foreseen steps and concerns.

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"> ▪ End of validity period of the MoU with CRF for training on food safety standards (no training organized). ▪ Training with FO Federations on seeds purification and multiplication. 	<ul style="list-style-type: none"> ▪ CRF: No more on-going partnership or support. ▪ FO Federations: need to assess how to sustain key services, notably in connection with the development of partnerships among FO Federations, and possibly with the support of IFAD's and MoC's AIMS project. ▪ Trainings on value chain approach with FO Federations. 	
C#2 <ul style="list-style-type: none"> ▪ Meeting between CRF and DIP/MoC on certification mark registration. ▪ Application for the registration of “<i>Angkor Mahy</i>” certification mark filed by CRF with MoC. 	No more activity on this component: proposal to continue to support international registration and some promotion activities has been rejected by AFD on 20/06/2017.	
C#3 <ul style="list-style-type: none"> ▪ Contract Farming agreements signed for SRP rice by two ACs with AMRU. ▪ Proof reading of Khmer version of Manual on Contract Farming. ▪ Various recruitment and capacity building in PMUAC + new contracts for season 2017 under final negotiation for organic paddy. ▪ Contracts negotiated by 2 ACs for SRP rice with BRICO. 	<ul style="list-style-type: none"> ▪ Signature of Contract Farming agreements for organic rice for ACs members of PMUAC with AMRU and SoA. ▪ Strategic planning of PMUAC developed. ▪ 2nd Meeting of Taskforce on CF: Taskforce reviews the draft Manual on Contract Farming?(subject to resolution of issues with DAI (See right column here →). 	<ul style="list-style-type: none"> ▪ Comments sent by DAI on the draft Manual on Contract Farming are in contradiction with the content and purpose of the Manual as described and formally agreed with MAFF in the MoU signed with SNEC in 2016.
C#4 <ul style="list-style-type: none"> ▪ Official creation by MEF of a working group to set up and implement a credit guarantee mechanism to support the rice sector in Cambodia on April 18, 2017. 	<ul style="list-style-type: none"> ▪ Horus 1st part of mission on Guarantee Fund. 	
C#5 <ul style="list-style-type: none"> ▪ Rice policy working group meeting on April 27. ▪ Last mission of Mr F. Lançon on Rice value chain analysis and observatory. ▪ Mission of Mr Laurent Liagre (IRAM) as part of SCCRCP knowledge management process. 	<ul style="list-style-type: none"> ▪ Issuing of 1st Cambodian Rice Sector Economic Bulletin. 	

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

1.1. WORK WITH THE CAMBODIAN RICE FEDERATION

1.1.1. ON-GOING OPERATIONAL PARTNERSHIPS WITH CRF

1.1.1.1. WORK WITH THE GMP EXCO ON THE BRANDING INITIATIVE

CRF still did not organize any GMP ExCo meeting on branding during this second quarter of 2017.

1.1.1.2. WORK WITH THE P&S EXCO (PART OF FORMER FMP EXCO) ON IMPROVED INTERFACE BETWEEN FOS AND MILLERS / EXPORTERS

There was also no meeting of the Production and Seed Executive Committee during this quarter, despite FO representatives asked CRF to organize one.

1.1.1.3. AGREED SUPPORT ON ORGANIZATION OF TRAINING ON GLOBAL FOOD STANDARDS

CRF did not yet implement any training on food safety standards under the MoU signed with SNEC/SCCRP project in July 2016. The validity of this MoU has now come to its end on May 31st 2017 and the MoU is now obsolete.

1.1.2. PARTICIPATION OF CRF IN RICE POLICY REVIEW AND RICE VALUE CHAIN OBSERVATORY

1.1.2.1. RICE POLICY REVIEW

CRF was invited to join the working group on rice policy reformulation that held a meeting on April 27 in SNEC (Cf. § 5.1. page 22 in this report).

1.1.2.2. INVOLVEMENT OF CRF IN SETTING UP A RICE VALUE CHAIN OBSERVATORY

On 7th of April 2017, CRF (Mr Theara) took part in a meeting in SNEC on the creation of the Cambodian Rice Sector Economic Observatory, as part of the mission of Mr Frédéric Lançon (Cf. § 5.2. page 22 in this report).

1.2. SUPPORT TO FEDERATIONS / NETWORKS OF FARMER ORGANIZATIONS

1.2.1. IMPLEMENTATION OF FO FEDERATIONS' SERVICES TO MEMBERS FOR PADDY COMMERCIALIZATION

1.2.1.1. ASSESSMENT OF PADDY TRADING PLATFORM

A meeting with FO Federations/Network has been organized in this quarter at SNEC office in order to share target provinces for organize individual meeting with rice millers in order to assess the interest and issues related to PTP use by millers, and to recall/inform millers about how to use of the platform. The different Federations have shared the responsibilities for this assessment and promotion of the platform to millers on a geographical basis, as follows:

- FAEC will be responsible for the provinces of Kampong Speu, Takeo, Prey Veng and Svay Rieng;
- FCFD will take in charge the provinces of Siem Reap, Banteay Meanchey, Battambang and Pursat; and
- FWN will be responsible for the provinces of Kampong Thom and Kampong Cham.

The 3 FO Federations, with the support from SCCRP Institutional Capacity Building Consultant, will meet millers individually in the provinces targeted as above during the next quarter.

1.2.2. OTHER FO FEDERATIONS' SERVICES TO THEIR MEMBERS

1.2.2.1. SUPPORT TO INPUT SUPPLY: FOLLOW-UP OF PARTNERSHIP WITH BAYON HERITAGE

On 10th of April 2017, Mr. Din Sakhorn, FCFD's representative, had a meeting with Bayon Heritage Co., Ltd, in Kampong Thom province, in order to clarify and up-date the terms of the agreement between FCFD and the company regarding: (i) The price of fertilizer for 2017; (ii) The number of demonstration plots to be implemented by farmers; (iii) The dissemination on fertilizer usage technique by company.

After discussions between both parties, the company's representatives agreed as following:

- The price of all types of fertilizer will be reduced by 4, 000 KHR/bag and this agreement will apply to all target provinces of FCFD.
- The company will provide the fertilizers for 50 ares/FO for the demonstration plots. One or two volunteer or motivated farmers will be select by the company's specialist for applying technique.
- The company will conduct the dissemination on how to use the fertilizers to all FOs.

In this quarter, the extension meetings on how to use fertilizer and pesticides were conducted by Bayon Heritage staff to FCFD's FO members. Up to the end of this quarter, 1,819 bags of fertilizer had been delivered to FOs in Kampong Thom and Siem Reap provinces for early season rice (Kampong Thom: 1,489 bags; Siem Reap: 330 bags).

FAEC will negotiate with Bayon Heritage from July 2017.

1.2.2.2. ACCESS TO CREDIT: LIAISE WITH RDB CREDIT MECHANISM FOR FO AND GUARANTEE MECHANISM

DISSEMINATION OF INFORMATION ON RDB CREDIT OFFER TO FOS

FAEC and FCFD have continued to collaborate with RDB in order to organize dissemination workshops to promote RDB credit offer to Farmer Organizations (See § 4.1.2. in this report page 20). Two provincial workshops have been organized by FAEC with RDB in Kampong Speu and Battambang Provinces, in order to disseminate RDB loan policy. After the workshops, 6 ACs have expressed a possible interest to apply for loans (1 in Kampong Speu and 5 in Battambang).

LOANS APPLICATIONS BY FOS

No new applications from FOs have been submitted to RDB during this quarter, but some applications filed in the previous months were approved and loan disbursed by RDB, as shown in § 4.1.1. page 20 in this report.

SUPPORT TO FOS WHO HAVE RECEIVED LOANS

At present, FAEC and FCFD are not providing additional backstopping support to the ACs who have received loans from RDB. It was suggested to them, but they have considered that the cooperatives which have received loans are already strong and experienced enough to manage well the activities.

1.2.2.3. TRAINING ON SEEDS PURIFICATION AND MULTIPLICATION

A training on paddy seeds purification and multiplication techniques has been organized with the support of SCCRP project on June 21st to 23rd 2017 in Phnom Penh. In total, 30 participants took part in this training from the 5 FO Federations: CFAP, FAEC, FCFD, FNN and FWN.

1.2.3. FO FEDERATIONS REPRESENTATION AND ADVOCACY ROLES

1.2.3.1. REPRESENTATION OF FARMERS IN CAMBODIAN RICE FEDERATION

Elected FO Federations representatives took part in CRF Board meeting that was organized on May 8, 2017 in CRF office.

There was still no meeting of CRF's Seeds and Production Executive Committee during this quarter, despite it was requested by FCFD and FWN to CRF to regularly organize those meetings.

1.3. SUPPORT THE ESTABLISHMENT OF AN AGRICULTURAL COOPERATIVES UNION IN BATTAMBANG

In this quarter, DACP-MAFF/PDAFF-BTB organized the meeting with 4 ACs (2 from Banan district and 2 from Moug district) to discuss and decision of statute and internal regulation for the new Union of Agricultural Cooperatives in Battambang: Battambang Union of Agricultural Cooperative (BUAC).

The founding General Assembly of BUAC is foreseen to be organized on July 7th 2017.

More information will be provided with the next quarterly report.

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

2.1. QUALITY LABEL / CAMBODIAN RICE BRANDING: DEVELOPMENT OF A COLLECTIVE TRADEMARK FOR CAMBODIAN PREMIUM JASMINE RICE

2.1.1. BRAND REGISTRATION PROCESS

2.1.1.1. REGISTRATION IN CAMBODIA

On Friday 7, April, CRF had a meeting with some representatives of the Department of Intellectual Property of the Ministry of Commerce. DIP has raised issues regarding the logo, the name and the use of Angkor wat image.

The same concerns were repeated during a second meeting took place in MoC on the 26th April between the Department of Intellectual Property of MoC and Cambodian Rice Federation, with the participation of SCCRP's Project Management Advisor. Mr Op Rady has still expressed some concerns about the choice of name and logo of “*Angkor Mahys*” certification mark. DIP has shown that the logo presents some similarities with other images already registered in Cambodia. Besides, the main concern was about the use of the word “Mahys” which could be considered as misleading by DIP because it could be confused with the name of variety “(*Phka*) *Malis*”. Yet Mr Op Rady said that this opinion was not necessarily a definitive opinion of MoC, and that CRF could file the application for registration under this name, and MoC will then make a final decision.

It has been recalled by SCCRP project that, in February 2016, Mr Sim Sokheng (at that time Director of the Department of Intellectual Property) has conveyed to CRF an e-mail of IP lawyer Mr Fabrice Mattei providing a positive reply on the ability to register “*Angkor Malis*” (at that time spelled with an “i”) in



Indonesia, Vietnam, Thailand, the Philippines and the EU. This e-mail was sent to consolidate the choice of the name, and it is ironic that the DIP has not alerted at that time that whereas the name was seen as registrable in those countries, there would be a problem to register it in Cambodia...

Further meetings took place between CRF and the Ministry of Commerce. Last discussions took place on 5th of June, and eventually CRF has formally filed the application for the registration of “*Angkor Mahys*” certification mark (with the opposite final version of the logo) with the Department of Intellectual Property of MoC on the 8th of June 2017.

2.1.1.2. REGISTRATION IN THIRD COUNTRIES

Registration of the “*Angkor Mahys*” certification mark must be done in Cambodia first before it can be done (through DIP/MoC and WIPO) in third countries parties in the Madrid agreement. For countries which are not parties in Madrid agreement, the registration could be done without waiting for the registration in Cambodia, but given the uncertainty on the final decision regarding the name and the logo, it is also impossible to anticipate the process.

For these reasons, and considering the deadline for project fund mobilization is getting closer, the project coordinator has sent a formal letter (dated 16th of May 2017) to CRF to indicate that SCCRP project would

reallocate the foreseen budget to support registration in third countries, if the application to register in Cambodia is still not formally introduced with MoC on 5th of June 2017.

Now, as stated in § 2.1.1.1. on previous page, the application has been filed only on 8th of June. Yet, considering that it was only three days after the proposed deadline, SCCRP PMA has proposed to maintain a support to the international registration fees under Madrid system and to some promotion actions, yet with some conditions to be discussed with CRF in order, notably, to ensure that measures proposed by GMP ExCo in 2016 to ensure some benefits of the use of the brand for Farmers / Farmer Organizations would be confirmed and consolidated. An internal note has been circulated with SNEC and AFD to validate this principle before to enter in discussion with CRF. SNEC has approved the principle on 16th of June. But AFD has rejected it by an e-mail dated 20 June 2017. This, *de facto*, puts an end to SCCRP support to the branding of Cambodian jasmine rice.

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

3.1. CONSOLIDATION OF THE SUSTAINABILITY OF ORGANIC PADDY SUPPLY CHAIN IN PRAEH VIHEAR

3.1.1. INSTITUTIONAL AND MANAGERIAL SUPPORT TO PMUAC

3.1.1.1. BOARD MEETING MANAGERIAL DECISIONS

A one-day PMUAC Board meeting was hosted on the 31st of May 2017 at PMUAC office. Main points discussed and decisions made by the Board are summarized below:

- Mr. Oeur SamAth has presented quarterly activity and financial reports, and the Board checked and verified the records (cash flow of shares in 2016-2017, trial balance from January to April 2017 and income & expenditures from January to April 2017). In addition to this, they requested PMUAC accountant to develop a cash follow-up form and to separately record fund which has been receiving from SCCRP project and IVY.
- Regarding labor wages of internal inspector, the Board has decided to provide 30,000 Riels per inspected producer (regardless of the final result of inspection, i.e. even though the inspected farmers are found compliant or not with EOS/EU and NOP organic standards). The cost is covered for both first and second inspection. PMUAC will pay these fees with its budget for the producers already part of the organic program since the previous year but for new producers who just joined in 2017: for those ones, fees for internal control inspectors will be paid by the budget of each AC.
- Regarding retrocession fee to be retained by each AC the Board has decided that ACs shall not retain more than 30 Riels/kg for all grades of paddy quality.
- The Board has approved the principle for PMUAC to become a shareholder (and buy 1,000 shares, equivalent to USD 1,000) of the foreseen “Cambodian Agricultural Cooperative Corporation” (CACC), a project of company introduced by Okhnha Song Saran, CEO of AMRU-Rice.
- Discussion about demand for organic fertilizer and orders. 2 ACs have ordered organic fertilizers (to be supplied via AMRU) for a total volume of 31 tons. During discussions, two options were raised up by representative of AMRU Rice: Option 1: if ACs pay for the cost of fertilizer right after delivery, it costs 60,000 KHR per bag (50kg), and Option 2: if ACs pay for it after rice harvest, 3,000 KHR per bag will be added to the base price. The Board of Directors of PMUAC has decided to use PMUAC own capital (from members’ shares) to act as intermediary and to pay AMRU at delivery and collect fertilizer payments from ACs after rice harvest, taking a margin of 3,000 KHR per bag from this business.
- A statement was made about the payment of membership fees and shares by all the 19 ACs members of PMUAC (See § 3.1.1.2. next page).
- Information was provided to ACs during the Board meeting about availability from AMRU of seeds of Car 14, Car 15, black sticky rice and Neang Ouk, that AC leaders shall disseminate to their members.
- Board decided to have meetings every 2 months.

3.1.1.2. STATEMENT ON PAYMENT OF MEMBERSHIP FEES AND SHARES

Following by its Annual General Assembly on the 23rd of March 2017, PMUAC has accepted 11 additional ACs to be its full members. Hence, there are a total of 19 ACs as full members of the Union in 2017. According to the by-law of PMUAC, all members must buy at least one share (1,000,000 Riels/share) and pay annual membership fee (500,000 Riels/year). At the end of the quarter, all ACs had purchased shares, and only two still had to pay the membership fees (details are shown in Annex 1).

3.1.1.3. SUPPORT TO PMUAC NEW STAFF RECRUITMENT

With numbers of rice producers and its AC members increasing rapidly, PMUAC had to recruit 4 additional ICS managers. Announcement for recruitment were posted on bongthom.com website and 23 candidates applied. 16 were shortlisted for writing tests and 8 for oral interviews. During this quarter, 4 new staffs were recruited. 3 of them took office in June while the last one will start in July.

It is noted that the budget for 2 of the newly recruited employees is covered by Signature of Asia from July 1st, 2017 to April 30th, 2018 (salary, accommodation, travelling cost, computer and insurance). They will be accountable to support the 8 ACs involved in contract farming on organic rice with SoA.

PMUAC now has 12 salary staff in total (See up-dated list in Annex 2) to support its members to produce and supply organic paddy based on contract farming agreements and possibly to develop other income generating activities: 1 Executive Director, 1 Accountant/ Administrator, 1 Team Leader of ICS Manager and 9 ICS managers. To cover the risks and care/encourage its employees, PMUAC has contracted a Group Personal Accident insurance for all of them. The 12 members of PMUAC Board are covered as well.

3.1.1.4. HUMAN RESOURCES DEVELOPMENT AND MANAGEMENT

TRAINING ON ARCGIS AND GPS DEVICES USE

One 7-days training on ArcGIS and GPS was delivered by Ms Ros Sophal¹ to PMUAC team from 23rd to 29th of April 2017 at PMUAC office, with a total of 13 people in attendance. The training course aims to build capacity and coach PMUAC team, especially ICS managers, on how to produce an accurate map of organic rice fields which has been recommended by international organic certification body of Ecocert. Through this course, PMUAC team was introduced about Geographical Information Systems and GPS use.

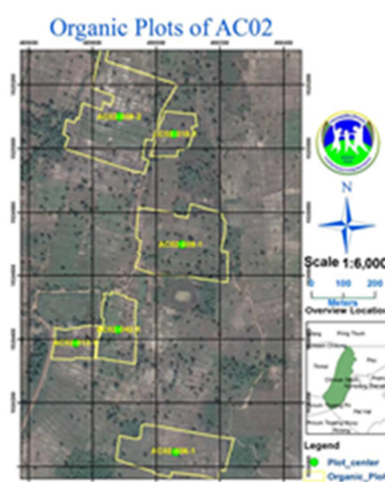
Training of PMUAC team on GPS use and GIS ▷



¹ Consultant mobilized by PMUAC with SCCRP subsidy.

Trainees have learnt about: how to install software of Arc Map version 12.2.2, defining coordinate system in Arc Map, adding data into Arc Map, creating fields and delete fields in table attributes, putting symbols and labels into a layer, converting points to polygon and polygon to points, and splitting layer by attribute. Following the theoretical training in class, the practice of operating GPS at actual rice fields was also conducted and importation of GPS points into Arc Map layout. Participants are able to manage GPS data collection and develop an accurate mapping of rice fields.

Yet, due to a late implementation of the training (initially foresee to take place about one month earlier) and to a busy schedule, the extensive mapping of organic paddy field could not yet be implemented.



DEVELOPMENT OF PMUAC HUMAN RESOURCES POLICY

On the 12th of May 2017, the discussion meeting on PMUAC human resources policy preparation was organized with the participation of PMUAC Board and staff (18 people) at its office, under facilitation by Mr Sok Sovann². The main contents and wordings of the human resources policy were discussed and agreed by PMUAC's Board of Directors and employees. This includes: staff classification, staff recruitment procedure, working hours, leaves, staff benefits, payroll information, human resource development, delegation procedure, performance evaluation etc.

The consultant will compile the results in a comprehensive Human Resources policy which will be finalized and validated by the end of July 2017.

3.1.1.5. DEVELOPMENT OF PMUAC 5-YEARS STRATEGIC PLAN

PMUAC has contracted Mr Leng Chhay, independent consultant³, to provide support to PMUAC on the preparation of a 5-years strategic development plan. The service has been started on the 1st of June 2017 and is expected to be completed by mid-August.

The first phase of the service was implemented on 12th and 13th of June and consisted in a two-days training on strategic planning, presenting the key concepts and methods regarding organizations, strategic planning and projects. Both employees and Board members attended this training. On the last day of the training, a collective reflection was facilitated by the consultant on PMUAC's achievements & challenges in order to identify the Strengths, Weaknesses, Opportunities and Threats.

The consultant has also consulted (via e-mail or directly) with key stakeholders to gather information and opinions on Strengths, Weaknesses, challenges and roles of PMUAC. SCCRP PMA has notably contributed extensive comments on these subjects, sent by e-mail to the consultant on 16th of June.

After these preliminary elements, a three-days strategic planning workshop is foreseen to take place in early July 2017, in order to work on the development of PMUAC 5-years strategic plan.

² Consultant mobilized by PMUAC with SCCRP subsidy.

³ Consultant mobilized by PMUAC with SCCRP subsidy.

3.1.1.6. OTHER SUPPORTS TO ADMINISTRATIVE WORK AND COORDINATION

To assist PMUAC Executive Director in effectively managing and leading the Union, few tasks or assignments were supported by the SCCRP team as follows:

- Helped review the minutes of Annual General Assembly (held in March 2017);
- Reviewed 1st quarterly report of Year 2017;
- Drafted an official letter about PMUAC budget modification to be submitted to SNEC and AFD;
- Drafted a letter to request land for building PMUAC office and warehouse from Provincial Governor of Preah Vihear;
- Assisted in improvement of annual activity program 2017 after comments and validation by the Annual General Assembly;
- Checked monthly work plans of PMUAC staff team from April to June;
- Verified 3-month expenditures of PMUAC from April to June;
- Drafted 3 service contracts on GPS and ArcGIS training, staff policy development and 5-year strategic planning;
- Helped draft and review MoU between SoA and PMUAC, and between IVY and PMUAC;
- Reviewed Power Point slides of PMUAC to be presented during the Second Consultation Forum on Agricultural Cooperative Promotion.

3.1.2. ORGANIC PRODUCTION AND INTERNAL CONTROL SYSTEM FOR ORGANIC CERTIFICATION

3.1.2.1. REFRESH TRAINING ON ORGANIC STANDARDS AND UPDATED DOCUMENTS OF ICS MANAGEMENT

As many new employees have been recruited to work for PMUAC in this year, one internal training on organic rice standards following EOS and NOP standards and ICS management was delivered to the 10 staff of the Union by Mr. Hud Ramo, PMUAC's Team Leader for Internal Control System management on the 3rd of April 2017 at PMUAC office. Resulting from this session, participants have up-dated their knowledge and skills, notably on the following topics: organic seed selection, conversion period of conventional land to organic land, soil fertility, pest and water management in organic production, and rice postharvest. For ICS management, participants know the process of inspection, risk analysis, and how to make decision on any inspected farmers who not comply with the standards. Another 2-day refresh training on organic standard (EOS and NOP) was conducted to all PMUAC staff by Mr. Sok Sarang on the 2nd and 3rd of June 2017, strengthening the capacities of PMUAC team to further train and advice farmers engaged in organic paddy production.

Regarding ICS documents and materials, PMUAC team held a 3-day internal workshop from 19th to 21st of April 2017, with the objectives of updating Internal Control System materials, and developing the knowledge and understanding of newly recruited ICS managers. All the following documents updated by PMUAC team had been supported and reviewed by SCCRP team:

- Farmer's organic rice production recording book,
- Training manual on organic rice production standards,
- Training manual on Internal Control System,
- Format of 1st internal inspection report,
- Format of 2nd internal inspection report, and
- Contract between internal inspector and PMUAC.



3.1.2.2. IMPROVEMENT OF MAPPING OF ORGANIC RICE FIELDS

The training of PMUAC team ICS managers/supervisors on GPS and GIS use (Cf. § 3.1.1.4. pages 8-9) is intended to improve the mapping of organic rice fields to support the Internal Control System and the organic certification. Yet, the training was implemented later than originally foreseen and PMUAC team has then been busy with other tasks (notably training of farmers and preparation of inspections) and could not allocate much time to start the process of delimitation and mapping of organic rice plots.

3.1.2.3. SELECTION OF ADDITIONAL INTERNAL CONTROL INSPECTORS

PMUAC, in relation with the ACs engaged in organic production, have selected new Internal Control Inspectors in the different ACs to complete the ICS team of previous year, taking into consideration the increase of the number of farmers engaged.

In total, for year 2017, 182 ICS inspectors are mobilized, 119 for the 15 ACs engaged with AMRU-Rice (See § 3.1.3. next page) and 63 for the 8 ACs engaged with Signature of Asia (See § 3.1.4. page 13). 83 of those ICS inspectors are newly recruited (as shown in Table 2 below) and will be trained in July 2017.

Table 2: Internal Control Inspectors

Partners in CF	Number of Cooperatives	ICS Inspectors from previous year	Newly recruited ICS inspectors	Total number of ICS inspectors
AMRU Rice	15	70	49	119
Signature of Asia	8	29	34	63
Total	23	99	83	182

3.1.2.4. TRAINING OF PRODUCERS ON ORGANIC STANDARDS



As of 30th of June, 78 training sessions on organic standards were already implemented (10 for ACs engaged with Signature of Asia in 2017 and 68 for ACs engaged with AMRU-Rice). In total, 1,807 farmers have already completed the trainings. Details are provided in Table 3 below.

◁ *Training of producers on organic standards, implemented by PMUAC staffs.*

Table 3: Statement on organizations of trainings on EOS and NOP organic standards as of 30th of June 2017

	ACs engaged with AMRU	ACs engaged with SoA	Total
Number of ACs	15	8	23
Number of farmers engaged in organic production in 2017	2,735	1,320	4,055
Number of trainings of farmers organized	68	10	78
Number of farmers already trained on organic standards	1,497	310	1,807
% of farmers already trained	55%	23%	45%

3.1.3. CONTRACT FARMING WITH AMRU-RICE FOR ORGANIC PADDY PRODUCTION

3.1.3.1. DATA COLLECTION OF ORGANIC PADDY FOR CONTRACT FARMING AGREEMENT IN 2017

As of 30th of June 2017, PMUAC team has finalized and completed the data collection for organic paddy production planning for contract farming agreement with AMRU-Rice for season 2017. 15 ACs will be involved (12 already member of PMUAC and engaged with AMRU-Rice since previous year(s) and 3 new ACs that will join this year with the support of IVY. The estimated production of organic paddy for AMRU is foreseen to reach more than 16,300 tons (approximately 4,780 tons of fragrant – jasmine type – varieties and 11,530 tons of white rice varieties). 2,735 farmer households are engaged in the production of organic paddy for AMRU in 2017, on a surface of 9,438 ha. See details in the Table 4 below.

Table 4: Number of farmers, surface and foreseen volumes of organic paddy to be produced and sold by 15 ACs engaged with AMRU-Rice for year 2017

Code	AC's name	No. of Organic Farmers	Land Size (Ha)			Expected Volume to be sold to AMRU (Kg)		
			Fragrant	White	Total	Fragrant	White	Total
AC01	Kraboa Prum Tep	149	280.45	335.50	615.95	429,500	558,500	988,000
AC02	Kelum Or Chiveak Pheap	120	167.75	362.90	530.65	241,500	543,500	785,000
AC03	Samaki Rohas Mean Chey	128	206.40	56.40	262.80	264,770	77,300	342,070
AC04	Leuk Kompos Satrey	559	729.00	1331.50	2060.50	823,150	2,775,200	3,598,350
AC05	Romduol Mlu Prey Cheay Den	205	329.61	350.25	679.85	666,300	969,000	1,635,300
AC06	Satrey Ratanak	482	1102.00	896.10	1998.10	1,463,000	2,434,200	3,897,200
AC07	Tasu Sen Chey	166	474.70	193.80	668.50	719,000	533,500	1,252,500
AC08	Romtum Samaki Mean Chey	202	133.00	432.60	565.60	175,100	565,900	741,000
AC09	Prame Sen Chey	81	-	266.50	266.50	-	305,000	305,000
AC10	Choam Khsant Cheay Den Mean Chey	207	1.00	709.70	710.70	-	1,230,500	1,230,500
AC11	Rumdaoh Srae Samaki Mean Chey	71	-	139.50	139.50	-	273,000	273,000
AC12	Tuek Kraham Kelamor Chivipheap	118	-	300.00	300.00	-	412,500	412,500
3 new ACs supported by IVY in 2017								
AC13	Preah Klang	58	-	87.50	87.50	-	136,500	136,500
AC14	Kon Khmer Chamnan Krouy	91	-	266.50	266.50	-	450,000	450,000
AC15	Tbeng Pi Samaki Rik Chamroen	98	-	285.50	285.50	-	268,500	268,500
Total		2,735	3,423.91	6,014.25	9,438.15	4,782,320	11,533,100	16,315,420

3.1.3.2. ADJUSTMENTS OF THE TERMS OF CONTRACT FARMING AGREEMENTS

Few adjustments to the terms of the Contract Farming agreements between ACs and AMRU have been prepared by PMUAC and sent to AMRU for discussion. They refer notably to the reference price (not always available at the beginning of the season). Contracts with AMRU for season 2017 are expected to be finalized and signed in July.

3.1.3.3. FORESEEN PARTNERSHIP WITH ETHIQUABLE FOR ORGANIC AND FAIR TRADE RICE

Since 2016, Ethiquable (a French company involved in the commercialization of organic and fair trade products) has expressed interested in buying organic and fair trade rice from Cambodia. Contacts were already taken since last year (through AVSF initially) with cooperatives in Preah Vihear and AMRU. Ethiquable undertook a mission in Cambodia in June and has met AMRU, AVSF-CIRD-ADG team, PMUAC and ACs in Preah Vihear.

After this mission of Ethiquable, the perspective of a sourcing of organic rice through AMRU is now well advanced. Volumes foreseen to be supplied are relatively modest: Ethiquable considers the purchase of about 75 to 80 tons of milled rice (Jasmine type), which could be equivalent to 220 to 260 tons of paddy (given low milling yields for 5% broken standard, as broken rate is high).

Yet, despite volumes are limited, there is a strong interest with this potential partnership as Etiquable would apply not only organic standards, but also the highest standards of fair trade. Taking into account the minimum price reference for Cambodian jasmine under fair trade⁴ + fair trade premium, the price paid for paddy would be above 2,000 KHR/kg. During a discussion between Etiquable and SCCRP Project Management Advisor on 14th of June, it was stressed that this level of price (significantly above the price usually paid by AMRU) could be a source of conflict and could be very harmful for the unity of the Union of Cooperative, if Etiquable has to select a particular cooperative/group of producers who would receive this price whereas others get the regular price paid by AMRU. It was thereof suggested that, for this particular deal, the paddy could be bought by the Union to the cooperatives at the same price as the price offered by AMRU, and the Union (PMUAC) would then sell it to AMRU at the higher fair-trade price⁵. So prices would remain uniform among cooperatives, to preserve unity, and the additional profit would be mutualized at the level of the Union of Cooperatives. Etiquable has understood the stakes and agreed on this principle. Detailed modalities and their transcription in contractual relation with AMRU shall be further elaborated. Etiquable intends to finalize the terms of a deal with AMRU by July or August 2017, for a first supply from harvest 2017.

3.1.4. CONTRACT FARMING WITH SIGNATURE OF ASIA FOR ORGANIC PADDY PRODUCTION

3.1.4.1. DATA COLLECTION OF ORGANIC PADDY FOR CONTRACT FARMING AGREEMENT IN 2017

As of 30th of June 2017, PMUAC team has completed data collection for organic paddy production for contract farming agreement with Signature of Asia for season 2017. 1,320 farmers from 8 ACs will be involved with this company for this year, for an expected production of approximately 5,000 tons of paddy (mainly white rice varieties). See details in Table 5 below.

Table 5: Number of farmers, surface and foreseen volumes of organic paddy to be produced and sold by 8 ACs engaged with Signature of Asia for year 2017

Code	AC's name	No. of Organic Farmers	Land Size (Ha)			Expected Volume to be sold to SoA (Kg)		
			Fragrant	White	Total	Fragrant	White	Total
AC020	Kchorng Sang Samaki	203	33.80	460.20	494.00	74,500	1,017,100	1,091,600
AC023	Putrea Samaki Vattanak Mean Chey	292	13.30	518.30	531.60	20,600	1,017,100	1,037,700
AC030	Chrach Salvorn Samaki Sen Chey	282	24.00	417.80	441.80	66,700	766,240	832,940
AC031	Thmea Nala Kiri Samaki Sen Chey	73	8.45	106.70	115.15	26,800	343,200	370,000
AC018	Sangkae Samaki Meanchey	120	20.50	139.20	159.70	48,800	290,224	339,024
AC025	Aphivat Samaki Sangkae Pir	149	21.10	194.80	215.90	54,600	497,030	551,630
AC022	Rumdoul Samaki Meanchey Mlu Prey Pir	122	33.00	260.70	293.70	76,100	531,721	607,821
AC039	Samaki Sovankiri Chaeb	79	10.90	125.00	135.90	19,200	152,000	171,200
Total		1,320	165.05	2,222.70	2,387.75	387,300	4,614,615	5,001,915

3.1.4.2. NEGOTIATION ON THE TERMS OF CONTRACT FARMING AGREEMENTS WITH SIGNATURE OF ASIA

A first set of meetings (one meeting and Chhaeb district with 4 ACs and a second one in Chey Sen with other 4 ACs) was organized on 7th and 8th of June 2017 to present data on potential organic paddy production and discuss them with Signature of Asia.

Then a full day meeting was organized in Chhaeb with all the 8 ACs and SoA to review point by point the terms of the contracts. Only minor changes were made compared to last year contracts. Contract Farming agreements with Signature of Asia are expected to be finalized and signed in July 2017.

⁴ Not to be lower than Flo-Cert fair trade standard's price reference.

⁵ Or alternately, if this option of a formal transaction through the Union is not possible (the Union not being covered by the organic certificate) the difference of price for the fair trade deal would be paid to the Union.

3.1.5. OTHER SERVICES OF PMUAC TO ORGANIC FARMERS

3.1.5.1. SUPPLY OF ORGANIC FERTILIZER AND PLANT PROTECTION PRODUCTS

On the 7th of April 2017, the Executive Director of PMUAC has met a representative of Leili biotex, organic fertilizer company from China. The company proposes two types of fertilizers, certified as organic (compliance with both NOP and EOS standards has to be verified). PMUAC has asked to provide all documentation to verify the compliance with organic standards. Approval will be required from AMRU before to use. If this greenlight is provided, PMUAC has proposed to test the fertilizers on demonstration plots.

On the 30th of May, PMUAC Board and staff have met with Bayon Heritage Holding Group Co., Ltd. The company proposes organic fertilizers and fungicides compliant with EU organic standards and American NOP. PMUAC Board has requested the company to conduct demonstration first in order to assess technical and economic performances. Bayon Heritage asked PMUAC to help to coordinate and select farmers to implement demonstration plots.

Through AMRU Rice, PMUAC has contacted another company named “Sovannphumi organic fertilizer” which was verified by Ecocert. Two of the ACs members of PMUAC have ordered a total of 31 tons of their fertilizers to apply on organic paddy fields. But then as the product was not available in stock, the order could not be delivered for this year.

3.1.5.2. SEEDS PRODUCTION

In June 2017, PMUAC staff conducted meetings with AC members of the Union to identify and select volunteer farmers to be seed producers. 6 volunteer farmers from 2 cooperatives have participated in producing quality organic rice seeds for supplying to other AC members based on the producer criteria selection. Moreover, 4 of them received a 4-days training on seed purification and seed multiplication from 21st to 24th of June 2017. Volunteer farmers intend to produce seeds of CAR 15 and *Phka Rumduol* varieties on a total surface of 3.2 ha. For *Phka Rumduol* production is based on selected seeds from farmers own production. For CAR 15 parent seeds are bought from AQIP Seed by AMRU, and the seed producers will buy them from AMRU.

It has to be well noted that the purpose of rice seed improvement and seed production is internal to PMUAC only and not commercial, without certification of the seeds produced.

3.2. SUPPORT CONTRACT FARMING FOR SRP RICE PRODUCTION

3.2.1. PARTICIPATION IN NATIONAL COORDINATION / TECHNICAL WORKING GROUP ON SUSTAINABLE RICE PLATFORM

Further to the first technical training on SRP rice co-organized by the SCCRP project and the SRP secretariat in July 2016, some stakeholders in the rice sector has confirmed their interest for the SRP rice production and export. SCCRP team took part in the facilitation of negotiation between FOs and millers/exporters (See § 3.2.2. and § 3.2.3. on following pages). SCCRP team also continued to take part in the meetings of the Cambodian working group on SRP rice. During this quarter, one meeting of the SRP working group took place on 20th of June, in which participants have up-dated the working group on the progresses of SRP pilot implementation initiatives and discussed further action plan.

3.2.2. SUPPORT CONTRACT FARMING NEGOTIATION FOR SRP RICE WITH BRICO

3.2.2.1. IDENTIFICATION OF AC TO PARTNER WITH BRICO ON SRP RICE

Following up on the discussions that took place with BRICO in the previous quarter⁶ to support possible contract between BRICO and FOs for the production of SRP rice (and after limited interest was first shown by FOs met in Battambang in March) new meetings were organized with FOS in Battambang to identify potential partners to work with BRICO.

- Meeting between BRICO and management committee of Chamroeun Raing Kesey AC on 6th of April 2017 (morning) at the office of the AC in Sangkae district, Battambang. During the meeting, all main requirements of SRP were presented and the discussion on the possibility to make the contract with BRICO was made. After this meeting, this AC has decided not to make the contract with BRICO as the farmers do not grow *Phkar Rumduol* rice in its target area but only *Sen Kraob* rice.
- Meeting with leaders of 4 ACs (Nikum Preah Sihanouk, Sanghaphal, Ponleu Satrei and Damnak Khpos) at BRICO rice mill in Thmor Koul district, Battambang in the afternoon of 6th of April 2017. Based on the meeting, no any AC has possibility to make the contract with BRICO as the quantity of *Phkar Rumduol* is limited in target areas of those ACs.
- Meeting with Ponleu Thmey Ney Kdey Sangkheum Kasekor AC on 7th of April (morning) at AC office in Banan district. This AC has expressed interest to further discuss the partnership with BRICO for SRP rice.

Further to this meeting, another AC was identified as a potential partner: Toeuk Chit Kasekor Kea Meanchey AC, located in Tanak village, Kea commune, Muong Russey district, Battambang, which is supported by VSO, has the potential to supply significant volumes of *Phka Rumduol* paddy.

3.2.2.2. FURTHER NEGOTIATION AND PREPARATION OF CONTRACT FARMING AGREEMENTS

A follow-up meeting took place in Ponleu Thmey Ney Kdey Sangkheum Kasekor AC on the 6th of May to share detailed information regarding the list of farmers, surface and potential volumes of SRP paddy to supply to BRICO.

Terms of the contracts were negotiated at this stage, but leaders of ACs (with support of FAEC and project team) planned to provide further information to farmers before to finalize and sign contracts.

Contracts are foreseen to be signed in July 2017 with the two ACs. Details on number of farmers engaged, surfaces, expected volumes are shown in Table 6 below:

Table 6: Key elements of contracts foreseen to be signed by two ACs with BRICO for SRP paddy supply:

Name of ACs	Variety	Number of farmers	Surface	Estimated volumes
Ponleu Thmey Ney Kdey Sangkheum Kasekor AC	<i>Phka Rumduol</i>	47	150.50 ha	378-450 t
Toeuk Chit Kasekor Kea Meanchey AC	<i>Phka Rumduol</i>	462	337.60 ha	844 t
Total		509	488.10 ha	1,222 – 1,294 t

3.2.3. SUPPORT CONTRACT FARMING NEGOTIATION FOR SRP RICE WITH AMRU RICE

On 25th of April 2017, AMRU-Rice has contacted SCCRP project team and expressed its interest to make contract farming with FOs in Battambang to produce and supply SRP *Sen Kraob* paddy in the season 2017.

⁶ Cf Quarterly Executive Report #17, § 3.3.2. page 23.

Different meetings were organized to inform some FOs in Battambang, notably in relation with FO Federations (FAEC). A first meeting of information was organized at AMRU rice mill in Sangkae district on 6th of May, during which the main requirements for SRP rice were presented and AMRU informed FOs about its intention to purchase approximately 3,000 tons of SRP *Sen Kraob*. Two ACs have expressed their interest after this first meeting. A follow-up meeting took place one week after, on 14th of May, with the two ACs (Chamroeun Phal Reang Kesey and Kampong Preang ACs) in order to discuss the terms of the contracts.

The draft contracts were reviewed by the Department of Agro-Industry and few comments and adjustments (on the form only) were made after a meeting with DAI on 15th of June 2017. Final version of draft contracts were sent to AMRU and the two ACs for them to review and crosscheck, and the two Contract Farming agreements were signed on 20 June 2017, during the opening workshop of IFC new project which focuses on SRP rice. The Table 7 below provides the key figures regarding the two contracts with Chamroeun Phal Reang Kesey and Kampong Preang ACs.

Table 7: Key elements of contracts signed by two ACs with AMRU for SRP paddy supply:

Name of ACs	Variety	Number of farmers	Surface	Estimated volumes
Chamroeun Phal Raing Kesey	<i>Sen Kraob</i>	164	926.2 ha	2,000 – 2,300 t
Kampong Preang	<i>Sen Kraob</i>	45	290 ha	1,000 – 1,200 t
Total			ha	3,000 – 3,500 t

A premium of 10 USD/t (9 USD for farmer and 1 USD for AC) applies, above reference price.



◁ Signature of Contract Farming agreements for SRP paddy between AMRU and cooperatives, in Phnom Penh on 20th of June 2017.

On the same day, AMRU-Rice has signed two other contracts for SRP rice with two other ACs established in Kampong Cham, for IR and *Phka Romduol*, but SCCRP was not involved in the preparation of those two contracts.

3.3. SUPPORT THE INVOLVEMENT OF FWUCs IN PADDY COMMERCIALIZATION AND DEVELOPMENT OF FWN SUPPORTING CAPACITIES

3.3.1. COLLECTIVE BUYING GROUPS FOR INPUT SUPPLY

3.3.1.1. CLARIFICATION OF PROCEDURES BETWEEN FWN AND BAYON HERITAGE CO.

Discussion between Bayon Heritage Group and FWN/ISC were pursued and the procedure for collaboration for fertilizer supply to FWUCs members was clarified (a MoU has been drafted but is not signed yet). Box 1, next page presents the steps in the process as described in Farmer Water Net quarterly report to SCCRP project.

For Japanese fertilizer buying group, FWUCs and FWN can get gross incomes (from Bayon Heritage Co.) proportional to the volumes of fertilizers sold through the buying groups:

- FWUC can get 2,000 KHR per bag of 50 kg and 1,000 KHR per bag of 25 kg.
- FWN can get 2,000 KHR per bag of 50 kg and 1,000 KHR per bag of 25 kg.

Box 1: General process of partnership between FWN and Bayon Heritage Co. for fertilizer supply

According to FWN Quarterly report, the following steps are applied as part of the partnership with Bayon Heritage for input supply to FWUCs:

- Bayon Company and FWUC organize meeting with FWUC members in order to present the advantages of using the Japanese fertilizers proposed by Bayon Heritage.
- FWUCs with the supports of ISC, start finding interested farmers for Japanese fertilizer buying group.
- Information regarding interested farmers is collected by using template of order list.
- ISC assists FWUCs for data entry (Excel file) and data management.
- ISC orders fertilizers from Bayon Company.
- Bayon Company delivers the fertilizers.
- For cash payment Farmers can pay directly to Bayon Company. Then, Bayon Company gives receipt to FWUCs. Otherwise, Farmers can pay directly to FWUC. Then, FWUC takes note on documents and calls Bayon Company to collect payment.
- FWUC and ISC organizes meeting with Bayon Company in order to verify total quantity.
- Bayon Company reminds FWUCs about the schedule for payment.
- FWUCs remind members about the schedule for payment.
- FWUC collects money (Bayon Company assists FWUC for money collection in special case).
- FWUC calls Bayon Company to collect payment.

(Source: FWN Quarterly Activity report to SCCRP project.)

3.3.1.2. IMPLEMENTATION AND ORDERS FOR THIS SEASON

During this quarter, FWN/ISC team has mobilized and coached 5 FWUCs for fertilizer buying group: Stung Chinit, Baray, Ksak, Spean Sreng, and Dounkai Thmey. Total orders made are show in Table 8 below. Note that there are two cases in which fertilizer orders are embedded in a Contract Farming operation: 1. for a part of the fertilizers orders in Stung Chinit, and 2. for the order made by Baray FWUC.

Table 8: Fertilizers ordered by FWUCs to Bayon Heritage Co.

#	FWUC	Nb of farmers	Grain fertilizer (50kg)		Powder fertilizer (50kg)		Urea fertilizer (25kg)		Total	
			Quantity (kg)	Amount (KHR)	Quantity (kg)	Amount (KHR)	Quantity (kg)	Amount (KHR)	Quantity (kg)	Amount (KHR)
1	Stung Chinit (IBG)	134	26,125	58,635,000	400	824,000	6,450	15,145,000	32,975	74,604,000
2	Stung Chinit (CF)	77	10,100	22,350,000	900	1,764,000	9,325	19,392,000	20,325	43,506,000
3	Baray SR (CF)	36	13,900	30,024,000	-	-	10,375	21,580,000	24,275	51,604,000
4	Ksak (IBG)	56	10,750	24,133,000	-	-	1,725	4,071,000	12,475	28,204,000
5	Spean Sreng (IBG)	80	11,750	25,990,000	-	-	2,050	5,000,000	13,800	30,990,000
6	Dounkai Thmey (IBG)	55	10,700	23,532,000	-	-	-	-	10,700	23,532,000
Total		38	83,325	184,664,000	1,300	2,588,000	29,925	65,188,000	114,550	252,440,000

3.3.1.3. RESOLUTION OF THE CASE OF LATE PAYMENTS OF FERTILIZERS DELIVERED IN PREY NUB FWUC IN 2016

For Prey Nub FWUC, FWN staff with the support from Technical Assistant went to meet all six polder leaders in order to assess the situation of late payments of fertilizers delivered last year⁷. As result, farmers in few polders said they are not able to repay now. They asked the company to postpone the payment until the harvesting period at the end of 2017. The company agreed, yet applying an interest for late payment of 3,000 KHR/bag/month.

3.3.2. PADDY SELLING GROUPS

3.3.2.1. PSG PLANNING IN THIS QUARTER

During this period, 3 FWUCs (Stung Chinit, Boeng Leas, and Angkau) were supported by ISC team to make harvest planning in order to find buyers. Plans for these three FWUCs are shown in Table 9 below:

Table 9: Plans made by PSG for three FWUCs during this quarter

No	FWUC	Nb Members	Cultivated Land (ha)	Expected sale volumes (tons)
1	Stung Chinit	72	100 ha	311 t
2	Boeng Leas	40	186 ha	767 t
3	Angkau	64	447 ha	2,028 t
Total	3 FWUCs	176	733 ha	3,106 t

3.3.2.2. PSG IMPLEMENTATION IN THIS QUARTER

For Boeng Leas and Angkau FWUCs the harvesting period will be in next quarter.

Only Stung Chinit has reached harvesting period during this quarter. The plans were covering different varieties, including: IR504, IR49, IR85, and *Sen Kraob* but Paddy Selling Group in Stung Chinit failed to actually sell the paddy for the following reasons (As stated in FWN quarterly report):

- Paddy prices at rice mill gate are similar to paddy price offered by middlemen at farm gate.
- PSG cannot cooperate with local middlemen (i.e. middlemen cannot provide additional margin for PSG).
- After updated planning for PSG, the expected quantities for each day are not sufficient to reach the full loading for one truck (25 tons).

3.3.3. EXPLORE POSSIBLE CONTRACT FARMING OPPORTUNITIES BETWEEN FWUCs AND MILLERS/EXPORTERS

3.3.3.1. FOLLOWING UP ON POSSIBLE CONTRACT FARMING WITH SIGNATURE OF ASIA/BAYON HERITAGE

Following-up after the signature of a MoU between Farmer Water Net and Bayon Heritage (/ Signature of Asia) on 24th of March 2017 ⁸for the preparation of Contract Farming with FWUCs for production of paddy in early wet season 2017, FWN and ISC have organized (in April) meetings with FWUCs of Stung Chinit, Baray and Popidoeum. Interested farmers were identified, with results as follows:

- Stung Chinit FWUC could mobilize 77 farmers on a total surface of 63 ha to produce IR 85 and CAR 15 paddy.

⁷ Cf. Quarterly Executive Report #16, page 22 and Quarterly Executive Report #17, page 21 (Table 10).

⁸ See Quarterly Executive Report #17, § 3.2.3. page 22.

- Baray FWUC could mobilize 36 farmers on a total surface of 93 ha to produce IR 85 paddy.

Contracts have not been signed yet and could be finalized in July, as there were still some pending points to address notably regarding the recommendations by the buyers regarding the quantities of fertilizers to be used.

3.4. KNOWLEDGE MANAGEMENT, CAPACITY BUILDING, POLICY AND REGULATORY ISSUES ON CONTRACT FARMING

3.4.1. DEVELOPMENT OF A MANUAL / GUIDELINES ON CONTRACT FARMING IN CAMBODIA

3.5.1.1. CURRENT PROGRESS OF THE WRITING TO DATE

Further to the completion of the full draft of the Manual on Contract Farming in March, the Khmer version has been received from the translation service provider in April. The translation was first reviewed and improved by SCCR project team (Assistant to Project Coordinator and consultants from AVSF-CIRD-ADG team).

The next foreseen steps (as proposed by SCCR project team) were to plan a meeting of the Taskforce on Contract Farming, and to send the draft documents (in both English and Khmer versions) to all participants at least 3 weeks ahead of the meeting of the Taskforce, asking members to send their comments by e-mail 1 week ahead of the meeting, so comments that can easily be addressed and incorporated could be inserted in the text (with track changes) before the meeting, and the Taskforce would take time to discuss only the points requiring an arbitration/decision.

But, the Department of Agro-Industry has asked to review the draft first, before to submit it to the Taskforce on Contract Farming. This took a few weeks, and, on 12th of June, DAI has sent some comments to SNEC/SCCRP project. Few minor adjustments could be integrated in the draft from these comments, but DAI comments include major / fundamental comments on the content of the Manual, including a number of requests that are in contradiction with the content of the Manual described and agreed in the Memorandum of Understanding signed between SNEC and MAFF in 2016, which cannot be acceptable.

SNEC replies to DAI comments, signed by the project coordinator, have been sent back to DAI in the following week. But points of disagreements were not addressed yet and SNEC should hold a meeting with DAI or with MAFF management to address the issue.

3.5.2. WRITING OF CASE STUDY NOTES ON PILOT ACTIVITIES

Project consultants have drafted a number of case study notes, related to various pilot activities implemented by the project. As of the end of this quarter, these notes are only drafts. SCCR Project Management Advisor has reviewed and sent comments to authors on the first four cases in the list below.

- Case study on contract farming with Golden Rice for *Phka Kravan* variety.
- Case study on contract farming for organic paddy supply in Preah Vihear.
- Case study on Paddy Trading Platform development.
- Case study on FO Federations role on advocacy.
- Case study on paddy supplying contract between Signature of Asia and Nikum Preah Sihanouk AC.
- Case study on FWUCs paddy selling groups.
- Case study on access to finance for FOs.
- Case study on the development of service provision by FAEC to its members.

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

4.1. DEVELOPMENT OF A CREDIT MECHANISM DEDICATED TO FARMER ORGANIZATIONS

4.1.1. FOLLOW UP ON APPLICATIONS FOR LOANS SUBMITTED BY ACs

Three new loans to Agricultural Cooperatives (introduced with the support of FAEC or FCFD) have been approved by RDB during this quarter, and disbursed. The guarantee of SCCCRP project is not mobilized for those three loans as the maturity date comes after the closing of the project.

The Table 10 below summarizes the situation of all requests for loans introduced by ACs since the new policy for credit to ACs was endorsed by RDB in June 2016 ⁹. A few additional details are provided in the Table presented in Annex 3.

Table 10: Requests for loans submitted by FOs to RDB and follow-up

N°	Name of AC	Province	Date of request submission	Member of	SCM score	Amount of loan requested	Type of business	Type of collateral	RDB decision	Guarantee mobilized	Amount of the loan accepted
1	Samaky Rithy Ta Orng	Prey Veng	30-Aug-16	FCFD	78	\$ 5,000.00	Fertilizer trade	Hard-title	No		
2	Punleu Samaky Meanchey Prech	Prey Veng	30-Aug-16	FCFD	73	\$ 5,000.00	Fertilizer trade	Hard-title	No		
3	Baphnom Meanchey	Prey Veng	14-Sep-16	FCFD	68	\$ 5,000.00	Fertilizer trade	Hard-title	Yes	Yes (40%)	\$ 5,000.00
4	Sahakum Ksikam Samaky Thkov	Prey Veng	14-Sep-16	FCFD	62	\$ 5,000.00	Fertilizer trade	Hard-title	No		
5	Chamroeun Phal Raingkesei	Battambang	20-Sep-16	FAEC	87	\$ 9,070.00	Rice trade	Soft-title	Yes	Yes (50%)	\$ 6,000.00
6	Trapaing Russey	Kpg Thom	17-Oct-16	FCFD	89	\$ 30,000.00	Paddy + seeds trade	Hard-title	No		
7	Oudom Sorya	Takeo	20-Mar-17	FAEC	83	\$ 7,000.00	Rice trade	Soft-title	Yes	No	\$ 7,000.00
8	Baksey Reakrey	Takeo	20-Mar-17	FAEC	66	\$ 20,000.00	Fertilizer & rice trade, mill	Soft-title	Yes	No	\$ 11,000.00
9	Trapeang Kranhoung	Takeo	23-Mar-17	FCFD	90	\$ 10,000.00	Fertilizer & rice trade	Soft-title	Yes	No	\$ 10,000.00
10	Sangkahak Kaksekor Samyorng	Svay Rieng	24-Mar-17	FAEC	71	\$ 15,000.00	Fertilizer & rice trade, mill	Soft-title	No		

4.1.2. DISSEMINATION OF RDB CREDIT OFFERS TO FOS

As stated in § 1.2.2.2. page 3 in this report, FAEC and FCFD have organized dissemination meetings in Battambang and Kampong Speu provinces during this quarter. 6 ACs, listed in Table 11 below, have expressed an interest and might further prepare application for loans.

Table 11: ACs which have expressed interest for RDB loans after dissemination meetings

N°	Province	FAEC's member	FCFD member
1	Kampong Speu	■ Kampong Speu Sugar Palm AC	
2	Battambang	■ Punluethmey Ney Kdey sangkhemkaksekor AC ■ Norin Chamroeunphal AC ■ Phnom Krapoeu AC ■ Chamroeunphal Reangkesey AC	■ SoniKom Preahsihanou AC

These meetings were also an opportunity for FOs to express comments and formulate requests which are summarized in the Box 2 next page.

⁹ Cf. Quarterly Executive Report #14, Section 4.2., pages 29-30.

Box 2: Requests formulated by FOs during dissemination workshops in Kampong Speu and Battambang

During the two workshops organized by FAEC to disseminate RDB credit offer to FOs (See § 1.2.2.2. page 3 in this report), farmer representatives have raised the following issues or suggestions:

1. Reduce the percentage of collateral required by RDB;
2. Apply the same level of interest rate for loans in Khmer Riels as for loans in USD.
3. Apply the same level of interest rate for short-term loan as for long term loans.
4. Reduce interest rate to a maximum of 7% per year.
5. In addition Mr. Sam Art Veasna, has also proposed to RDBs' officer to provide the loan to FCFD for retail to its members who are not able to get the loan directly from RDB.

RDB's officer said that he will bring all these suggestions proposed by farmers to discuss with their manager. Yet whereas points 1 and 2 could possibly be considered (yet with many reserves), the points 3, 4 and 5 do not sound realistic in the current conditions, and it should be explained to FOs.

For point 3: it is easy to understand that as long term loans are negotiated for 2 to 3 years, they generate interests on a longer duration, with roughly the same transaction costs as required for short term loans. It is therefore quite normal that interest rates per annum are lower for longer term loans.

For point 4: given the current small size of loans, it would be difficult for RDB to further reduce the interest rates, unless RDB benefits from subsidies to cover the transaction costs and or to reduce refinancing costs. In July, RDB has estimated that, with current interest rates, RDB can balance its costs for loans of 10,000 USD or above, but lose money for smaller loans (which at the moment are the majority of cases).

Last, point 5 would raise a question of legality as the FO Federations such as FCFD have no banking or MFI licences and therefore should not be entitled to borrow money and retail loans to their members.

4.2. GUARANTEE MECHANISMS

Further to the validation with MEF¹⁰ of the terms of reference for a mission of Horus Development Finance on the 31st of March 2017 to support the preparation of the guarantee mechanism, an addendum to Horus contract was prepared by SCCR and validated with Horus, then submitted by SNEC to AFD¹¹.

Meanwhile, a working group to work on the creation of the guarantee mechanism was formally established in the Ministry of Economy and Finance on 18 April 2017 (Decision No. 738 MEF, signed by H.E. Mey Van).

Horus mission was first scheduled to take place in early June, and the proposed addendum to Horus contract was approved by AFD on 24th of May (by an informal e-mail, given the emergency). But finally the mission was postponed due to an inadequate timing, and it is expected to start in July 2017.

¹⁰ Cf. Quarterly Executive Report #17, pages 29-30.

¹¹ Formal request for non-objection was sent to AFD on 17th of May 2017.

5. COMPONENT #5: CROSS-CUTTING ISSUES

5.1. RICE POLICY REVIEW AND UP-DATE

After the workshop on Rice policy orientation that took place on February 10, 2017, SNEC (and notably Mr Bun Hay) has worked on the drafting of the new Rice Policy. A Khmer version of the draft was presented to a meeting of the Working Group on Rice Policy (SNEC, MAFF, MoC and CRF) on April 27, 2017.

Since April 2017, there has been several internal-SNEC meeting to sharpen new vision and ways to achieve. It is expected to produce final vision for Economic and Financial Policy Committee by the end of 2017.

5.2. ANALYSIS OF ADDED VALUE DISTRIBUTION IN CAMBODIAN RICE SECTOR AND SETTING-UP A PERMANENT RICE SECTOR ECONOMIC OBSERVATORY

Mr Frédéric Lançon undertook his third mission on the Cambodian Value Chain analysis and Cambodian Rice Sector Economic Observatory from 3rd to 13th of April. This third mission was devoted to: i) update and finalize the thirteen value chain models and ii) train the technical team from the Centre for Policy Studies (CPS) who will be in charge of producing the Rice Sector Observatory (RSO) bulletin. The CPS training included the mastering of value chain models update (data collection) and the development of new models to respond to new rice policy issues. The thirteen models were reviewed with a particular attention to the revision of the price systems used to link and consolidate the budget of each agents, with the backup of the CPS team. A fourteen model was developed to simulate the performance of a value chain exporting non-photoperiodic non-fragrant milled rice as an alternative to the paddy export to Vietnam. CPS staff built up the new models using the format design for the studies collected the information. A special session was devoted to the application of Monte Carlo technique for sensitivity analysis. Eventually, the material developed for collecting data during the value chain study presented and transferred to CPS. A preliminary version of the RSO bulletin was drafted and discussed with the steering committee and suggestions were incorporated into the format of the output sheet of value chain models.

After his mission, Mr Lançon has continued to revise and complete his report analyzing the economy and added value in the rice sector.

The 1st issue of the Cambodian Rice Sector Economic Bulletin is expected to be finalized in the next quarter.

5.3. PROJECT KNOWLEDGE MANAGEMENT AND LESSONS LEARNT

5.3.1. PRESENTATION IN WORKSHOP ON CAPACITY BUILDING FOR AGRICULTURE AND RURAL DEVELOPMENT

Mr Phat Sophany (AVSF) was invited as a speaker in the “Workshop on capacity building for agriculture and rural development in Cambodia” on 19th and 20th of June 2017. This training workshop was organized by FNN and supported by European Commission through Asia DHRRA¹². It was attended by 34 participants. Mr Phat Sophany presented about the experience of support to FO Federations and networks.

¹² Asia partnership program for the “Development of Human Resource in Rural Areas”.

5.3.2. PROJECT OVERALL KNOWLEDGE MANAGEMENT AND EXPERIENCE CAPITALIZATION

Further to the “proposal for a process of knowledge management and lessons learnt from SCCRP project”, elaborated during IRAM backstopping mission in February 2017¹³, the proposal has been improved further to comments received from AFD.

An international support mission from IRAM, implemented by Mr Laurent Liagre, took place in end of May and early June, which contributed to finalize the overall structure of the capitalization process, exchange with operational teams (notably AVSF-CIRD-ADG) on the preparation of case studies, and started to work on Policy Notes.

A meeting took place in AFD at the beginning of this mission (on 22nd of May 2017) to review and validate the overall content (Cf. Annex 4) of the experience capitalization process, and a debriefing took place on the 6th of June.

Meanwhile, the Project Management Advisor had worked on guidelines for the writing of case studies which were communicated to consultants of AVSF-CIRD-ADG team and other partners (notably FWN, ISC, GRET) to work on case studies, and part of the case studies were already drafted (See § 3.5.2. page 19 in this report).

5.4. PROJECT COMMUNICATION AND COORDINATION WITH OTHER PROJECTS AND STAKEHOLDERS

5.4.1. MEETING WITH IFAD TEAM ON AIMS PREPARATION PROJECT

The PMA took part in a meeting at AFD office with AFD Director and AIMS project preparation team on April 4, 2017. Mr Nigel Smith (consultant for IFAD) explained about the main principles of AIMS project which is expected to facilitate the development of market connections and partnerships between companies in agri-business and producers / producer organizations and possibly other stakeholders such as banks.

SCCRP's pilot cases such as the contract farming scheme for organic paddy supply in Preah Vihear have been seen as very interesting experiments that AIMS could possibly help to replicate.

Besides, IFAD also foresees RDB to play a role in AIMS project, notably to administrate a grant funds that would be set-up to support pilot initiatives. The reforms of RDB engaged with SCCRP project has been seen by IFAD as an enabling factor to improve the capacities and reliability of the bank.

¹³ Cf. Quarterly Executive Report #17, § 5.3.2., page 31.

ANNEXES

ANNEX 1: STATEMENT OF PAYMENT OF SHARES AND MEMBERSHIP FEES BY 19 ACS MEMBERS OF PMUAC (AS OF 30 JUNE 2017)

No.	Name of AC	Share (Riels)			Membership fee 2017 (Riel)	Remarks
		# of Share	Fee per share	Total		
1	Kraboa Prum Tep	10	1,000,000 R	10,000,000 R	200,000 R	Paid
2	Kelum Or Chiveak Pheap	1	1,000,000 R	1,000,000 R	200,000 R	Paid
3	Samaki Rohas Mean Chey	1	1,000,000 R	1,000,000 R	200,000 R	Paid
4	Leuk Kompos Satrey	1	1,000,000 R	1,000,000 R	200,000 R	Paid
5	Romduol Mlu Prey Cheay Den	1	1,000,000 R	1,000,000 R	200,000 R	Paid
6	Satrey Ratanak	1	1,000,000 R	1,000,000 R	200,000 R	Paid
7	Tasu Sen Chey	2	1,000,000 R	2,000,000 R	200,000 R	Paid
8	Romtum Samaki Mean Chey	1	1,000,000 R	1,000,000 R	0	Not yet
9	Prame Sen Chey	1	1,000,000 R	1,000,000 R	200,000 R	Paid
10	Choam Khsant Cheay Den Mean Chey	2	1,000,000 R	2,000,000 R	200,000 R	Paid
11	Rumdaoh Srae Samaki Mean Chey	1	1,000,000 R	1,000,000 R	0	Not yet
12	Tuek Kraham Kelamor Chivipheap	2	1,000,000 R	2,000,000 R	200,000 R	Paid
13	Sangkae Samaki Meanchey	1	1,000,000 R	1,000,000 R	200,000 R	Paid
14	Samaki Sovankiri Chaeb	1	1,000,000 R	1,000,000 R	200,000 R	Paid
15	Aphivat Samaki Sangkae Pir	1	1,000,000 R	1,000,000 R	200,000 R	Paid
16	Rumdoul Samaki Meanchey Mlu Prey Pir	1	1,000,000 R	1,000,000 R	200,000 R	Paid
17	Kchorng Sang Samaki	1	1,000,000 R	1,000,000 R	200,000 R	Paid
18	Chrach Salvorn Samaki Sen Chey	1	1,000,000 R	1,000,000 R	200,000 R	Paid
19	Putrea Samaki Vattanak Mean Chey	1	1,000,000 R	1,000,000 R	200,000 R	Paid
Total		31		31,000,000 R	3,400,000 R	
Convert from Riel to USD (\$ 1= 4000 Riel)				\$ 7,750	\$ 850	

ANNEX 2: UP-DATED LIST OF PMUAC EMPLOYEES

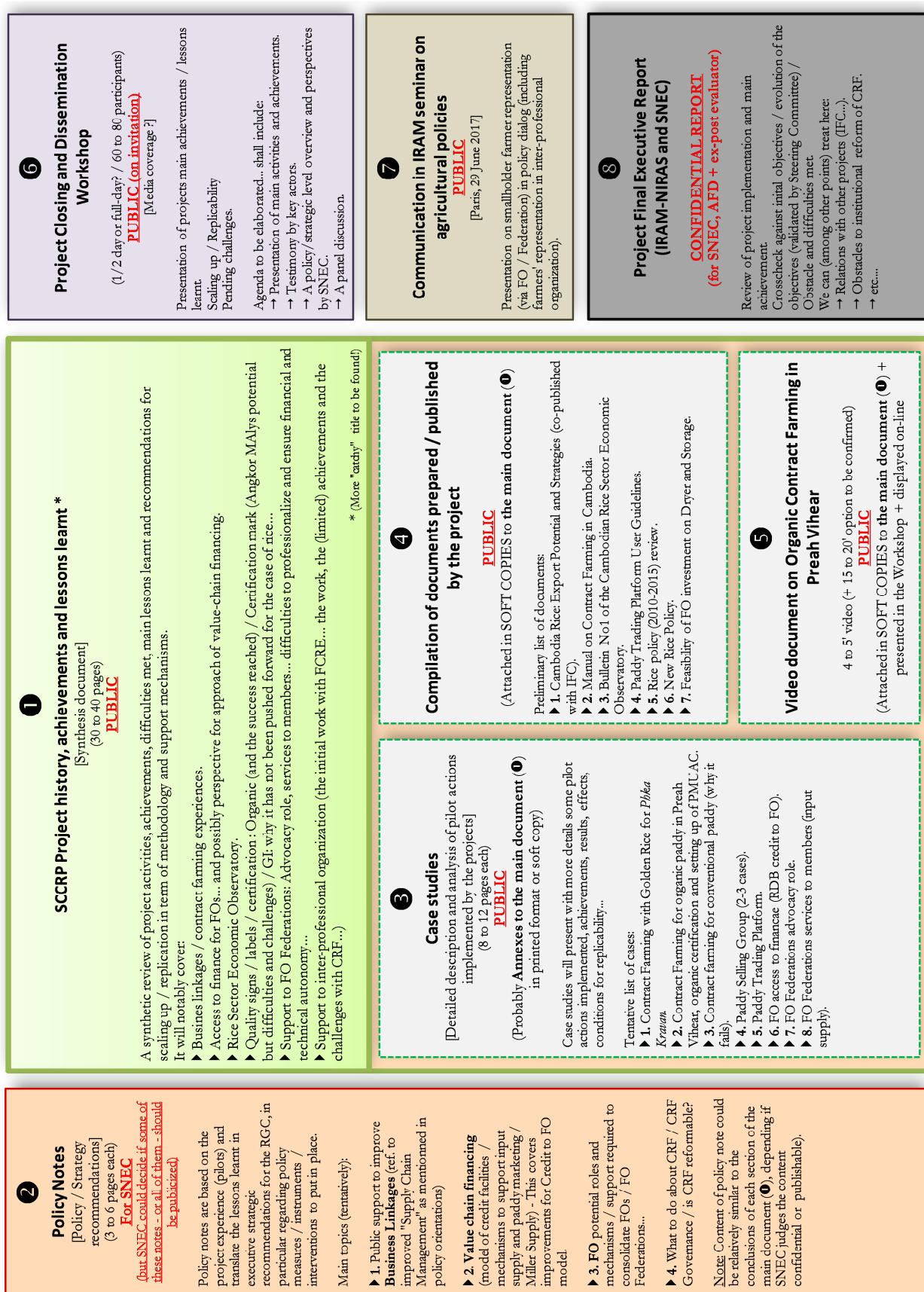
No.	Name	Sex	Position	Starting Date
1	Oeur SamAth	M	Executive Director	July 16, 2015
2	Horn Rany	F	Accountant/Admin	March 15, 2017
3	Hud Ramo	M	Team Leader of ICS Manager	July 16, 2015
4	Horn Sovannchenda	F	ICS Manager	November 19, 2016
5	Pheng Chanvannak	M	ICS Manager	March 20, 2017
6	Heam Meng	M	ICS Manager	April 3, 2017
7	Chhun Phearun	M	ICS Manager	April 3, 2017
8	Ry Arn	M	ICS Manager	April 3, 2017
9	Than Sokun	M	ICS Manager	June 2, 2017
10	Lim Daly	M	ICS Manager	June 2, 2017
11	Son Chin	M	ICS Manager	July 3, 2017
12	Phann Thydet	F	ICS Manager	July 10, 2017

ANNEX 3: SUMMARY OF LOAN APPLICATIONS RECEIVED FROM FOS BY RDB

N°	Name of AC	Province	Date of loan request submission	Member of SCM	Total Amount of loan requested (\$)	Type of business	Duration of loan (month) ^(a)	Type of collateral	RDB decision	Guarantee mobilized	Amount of the loan accepted	Amount already disbursed	Date of first disbursement	Maturity Date
1	Samaky Rithy Ta Orng	Prey Veng	30-Aug-16	FCFD	78 \$	5,000.00	Fertilizer trade	12	Hard-title	No				
2	Punleu Samaky Meanchey Prech	Prey Veng	30-Aug-16	FCFD	73 \$	5,000.00	Fertilizer trade	12	Hard-title	No				
3	Baphnom Meanchey	Prey Veng	14-Sep-16	FCFD	68 \$	5,000.00	Fertilizer trade	8	Hard-title	Yes	Yes (40%)	\$ 5,000.00	11-Jan-17	11-Sep-17
4	Sahakum Ksikum Samaky Thkov	Prey Veng	14-Sep-16	FCFD	62 \$	5,000.00	Fertilizer trade	12	Hard-title	No				
5	Chamroecun Phal Rangkesei	Battambang	20-Sep-16	FAEC	87 \$	9,070.00	Rice trade	7	Soft-title	Yes	Yes (50%)	\$ 6,000.00	24-Feb-17	24-Aug-17
6	Trapaing Russey	Kpg Thom	17-Oct-16	FCFD	89 \$	30,000.00	Paddy + seeds trade	60	Hard-title	No				
7	Oudom Sorya	Takeo	20-Mar-17	FAEC	83 \$	7,000.00	Rice trade	12	Soft-title	Yes	No	\$ 7,000.00	19-May-17	19-May-18
8	Baksey Reakrey	Takeo	20-Mar-17	FAEC	66 \$	20,000.00	Fertilizer & rice trade, mill	24	Soft-title	Yes	No	\$ 11,000.00	9-Jun-17	9-Jun-18
9	Trapeang Kranhoung	Takeo	23-Mar-17	FCFD	90 \$	10,000.00	Fertilizer & rice trade	12	Soft-title	Yes	No	\$ 10,000.00	16-Jun-17	16-Jun-18
10	Sangkahak Kaksekor Samyong	Svay Rieng	24-Mar-17	FAEC	71 \$	15,000.00	Fertilizer & rice trade, mill	36	Soft-title	No				

ANNEX 4: SUMMARIZED CONTENT OF PROJECT KNOWLEDGE MANAGEMENT

Overview of "knowledge management / lessons learnt / Experience capitalization" documents to be produced



Note: Item No ⑤ (Video document on Organic Contract Farming in Preah Vihear) will finally not be implemented due to problems met during procurement process.

