

# **The study on Value Chains for Improving Agribusiness Development model of Rural Farmers in Cambodia**

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## **Abstract**

Cambodia, already one of the fastest growing economies in developing Asia, produces enough food to meet not just its own needs but also those of Greater Mekong Sub region (GMS) countries and beyond. The potential of its agriculture sector is immense. However, agriculture is the foundation of the Cambodian economy. About 80% of the population lives in rural areas and agriculture provides food for daily living, raw materials for agro-industry, and over 30% of GDP from agricultural production and export. This also contributed by MAFF which is invested in improving agricultural extension service workers to be in best practice techniques for land management, soil fertility and crop selection and support in organization management, marketing, access to finance and agribusiness development. The need for such communication, training and support for farmers is huge and the RGC has recognized the requirement to extend the outreach of the supporting services structure to local levels. Nowadays, the idea of agribusiness is starting to grow at rural area since previously farmers produce for their home consumption or very few to sell. However, recently day by seeing the development agribusiness pattern of other country, the idea of agribusiness start to grow and distribute to the farmers by different stakeholders such as government, NGOs and private sector. However, sound agribusiness policies are needed to promote the right kind of infrastructure along the entire value chain to link producers, traders, processors and service providers. This will help to create internationally competitive value chains and boost access for smallholder farmers to local, national, and regional markets. With this regard, the proposal study on value chains for improving agribusiness development model of rural farmers in Cambodia has raise up. The objectives of the study are (1) to identify the situation of agri-business at rural household, (2) to define what are the constrains and challenges of the value chains of farmer's production in contribute to agri-business; and identify the different stakeholders who could help and support the farmer to run agri-business, and (3) to define how to improve agribusiness model for rural farmers to be increased productivity, quality, value addition and rural household income in the study areas. To get those work done some methods are require such as literature review, questionnaire survey, focus group discussion, case study, validation workshop. Expected result of this study, by the way are: identify the state of agri-business at rural area which is include the most adopted area agribusiness by the farmer's area, the most adopted model of agri-business development, and the types of farmers adopted agri-business. Identify challenges of production value chain and stakeholders to growth on agri-business which is considered of process from farm to spoon. Last but not least draw up the model of agri-business development and valid by different level (Local, expertise and Policy).