



Memot Pepper Market System Analysis

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List of Acronym

CD-Custom Declaration

Cm-centimeter

CO-Certificate of Origin

CIRD- Cambodian Institute for Research and Rural Development

COrAA- Cambodian Organic Agriculture Association

DoA- District of Agriculture office

DDU-Deliver Duty Unpaid

DGRV- Deutscher Genossenschafts- und Raiffeisen Verband

EU-European Union

FGD-Focus Group Discussion

g-gram

GAP-Good Agriculture Practice

GI-Geographical Indications

GTZ-Gesellschaft Technische Zusammenarbeit (German Technical Cooperation)

ha-hectare

IMIS- Integrated Modern Irrigation Solutions

IPC-International Pepper Community

Kg-Kilogram

L/C-Letter of Credit

l-liter

m-meter

MAFF-Ministry of Agriculture, Fishery and Forestry

Max-Maximum

MFI- Micro Finance Institution

MFIs-Micro Finance Institutions

Executive Summary

CIRD (Cambodian Institute for Research and Rural Development) and HEKS Cambodia NGOs are implementing a project namely “Upgrading Memot Pepper Value Chain for the Benefit of Rural Smallholder Producers in Memot District, Cambodia (MPVC)” funded by a donor in Switzerland. To better design their long term project with M4P approach, the study on Memot pepper market system analysis was conducted to seek better understanding on Memot pepper market system and situation. The study required both quantitative and qualitative data from secondary and primary data. Primary data collection was conducted by three methods: 6 Focused Group Discussion meetings with producers in 6 communes of Memot district; individual interviews with 42 randomly selected producers in the 6 communes; and involved stakeholder interviews with representatives of commune council, district office of agriculture, PDoA, MoC Import Export department, MAFF Industrial Crops department, Input supplier companies, collectors, traders, processors, exporters, retailers, banks, MFIs, transporters, Da Memot cooperative, DGRV donor support to cooperative, and insurance company.

The study found that Memot pepper production has been sharply expanded over the last 3 years. Most of small pepper producers (99%) owning pepper farms less than 1ha have been planting pepper in Memot area. Pepper, one of long crops, became the most profitable crop compared to two main potential crops: cashew nut and cassava. Many farmers who have been investing the crop over several years benefited from the market price which significantly increased from 2 US dollars in 2009 to 9 US dollars in early 2015. Pepper plantation became therefore most suitable crop for small holders because they owned farmland and had other income sources to secure their livelihood. Many new pepper producers including medium and large scale producers have invested in pepper plantation in Memot. Input supplies including fertilizers, pesticide, herbicide, fungicide, plastic pipes, shading materials, irrigation materials and equipment, and machinery have been distributed by several companies. Several banks and