



## Success Story Contract Farming Increases Rural Employment



Thlork Vean Meanchey Agriculture Cooperative (AC) is located in Sre Krav village, Thlork Vean commune, Samaki Meanchey district, Kampong Chhnang province, about 45 Km from Phnom Penh. It consisted of 184 members of which 142 are women. It formed a vegetable producer group (VPG) with 10 members of whom 8 are women. The VPG received technical trainings from other projects and planted different kinds of crops with a bit of chemical fertilizer and pesticide and low yield. They sold the vegies to local market and middlemen with lower price of 1,000 Khmer Riel (US\$0.25) per Kilogram in average. On the other hand, they faced a problem of fluctuated price and had no orders from the middlemen. This leads to income loss and stopped planting sometime.

In 2021, EU funds was introduced, through DCA with partnering FNN, to rural employment for COVID-19 economic recovery project in five province Kampong Chhnang, Pursat, Battambang Siem Reap, and Kampong Thom province. The main objective is to contribute to inclusive economic recovery in the Tonle Sap region by improving food security, income and employment opportunities for fishing and farming communities and returnee labour migrants. The AC encouraged the VPG members to do business. The members were trained in organic and good agriculture

practice vegetable production and facilitated to link their product to buyers, especially to Khmer Organic Cooperative (KOC). They discussed with KOC and agreed with the price of 2,000 Khmer Riel (US\$0.5) for tomato and 3,000 Khmer Riel (US\$0.75) leaved vegetable. Finally, they signed contract farming with KOC, under supervision of Kampong Chhnang Provincial Department of Agriculture, Forestry, and Fishery (PDAFF), to supply 600 Kg of organic vegetable per month. They supplied to KOC three times per week. The contract operated on large profit margin.



Ms. Mey Theng, Head of VPG, said that VPG members were satisfied with contract farming due to the best and stable price. They also expressed that before contract farming, we were scare of our veggie surplus. Right now, KOC buy all vegies we produced. Ms. Theng explained the importance of contract farming to other AC members and join us to be strong together. She also call for consumers to enjoy our organic veggie for being healthy, increased rural employment, and improved livelihood of farmers.



Mr. Nhim Nhin, Leader of Thlorkvean Meanchey Agriculture Cooperative

Mr. NHIM Nhin, Leader of Thlork Vean Meanchey Agriculture Cooperative, and Vegetable Producer Group members expressed their gratefulness to Farmer and Nature Net Association (FNN), KOC, DCA, and Kampong Chhnang PDAFF for facilitating the contract farming and gave special thanks to EU for funding the project through DCA.