

Transition of Farm Mechanization in Cambodia

CAMBODIA

Regional Roundtable of National Agricultural Machinery
Association in Asia and the Pacific

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(Wuhan, China)

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I. Institution's Profile “CaSAMNet”

- Cambodia Society of Agricultural Machinery Network “CaSAMNet”
- Found in 2014.
- **Member:** Farm Machinery Importers, Farm Equipment Workshops, Manufactures, Distributors and Dealers Farm Machineries.
- **Objective:**
 - ▶ Expand networking, coordination to assist the agricultural machinery and tools.
 - ▶ Contribute to reduce cost, time, barrier of using agricultural machinery and tools.



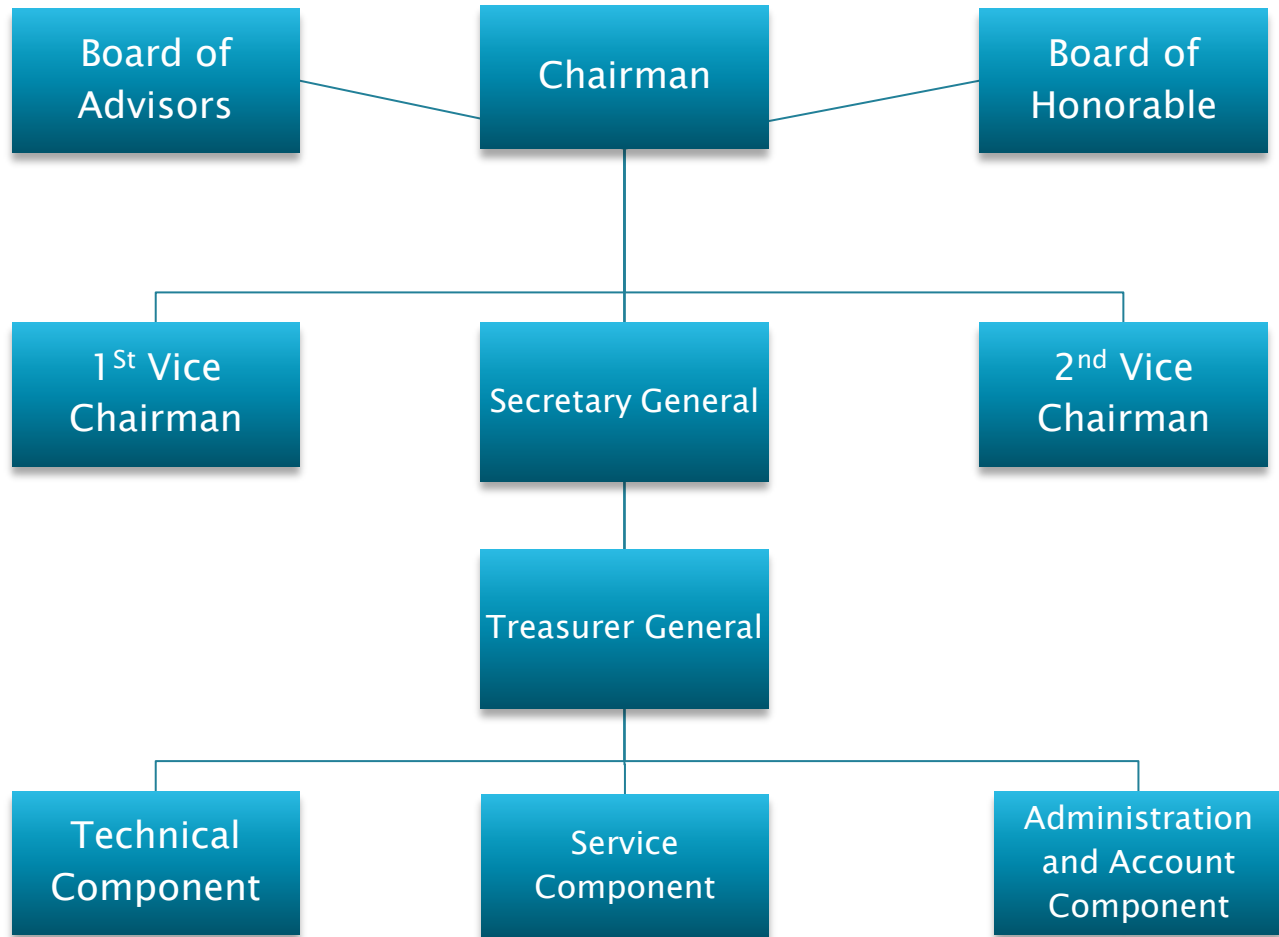


Objective Continue...

- ▶ Interchange to increase in knowledge, experiences and to promote innovative ideas to technical specialist of agricultural machinery;
- ▶ Provide consultation services within its ability to the stakeholders;
- ▶ Contribute to maintain and protect rural infrastructure, social order and environments;
- ▶ Contribute to restore and reconstruct the country in line with the policy of the Royal Government of Cambodia for the development and social stability;



Structure of The Association Committee of “CaSAMNet”





II. Economic in Brief

- Cambodia is located in South East Asian region and bordered with Vietnam, Laos and Thailand;
- Area: 181,035 km²;
- Total population: 15 millions;
- Agricultural Base
- Labor Force 7.9 Millions
- Rural residence 11 millions
- Export Rice 400,000 tons in 2012,





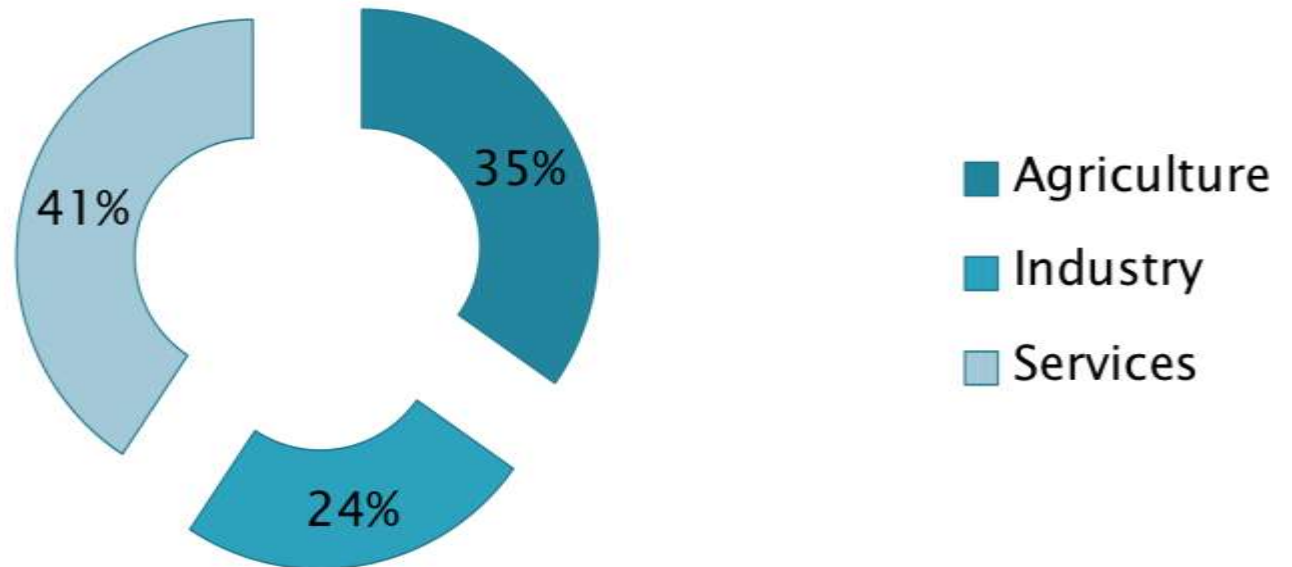
II.2. Economic in Brief...

- Agriculture is one of the main contributors economy of Cambodia, accounts 34.8% (2013) of the Gross Domestic Product (GDP);
- Paddy is the main crop and occupies 90% of the cultivation land;
- Agriculture also employs almost 55.8% of the total population and provides the main source of income;
- The machineries utilization in agriculture in Cambodia is limited due to high cost of agricultural machineries; lack of agricultural credits; lack of well-trained operators and mechanics for agricultural machineries;
- However, the agricultural mechanization is progressively developed in the last few years.



II.3. Economic in Brief...

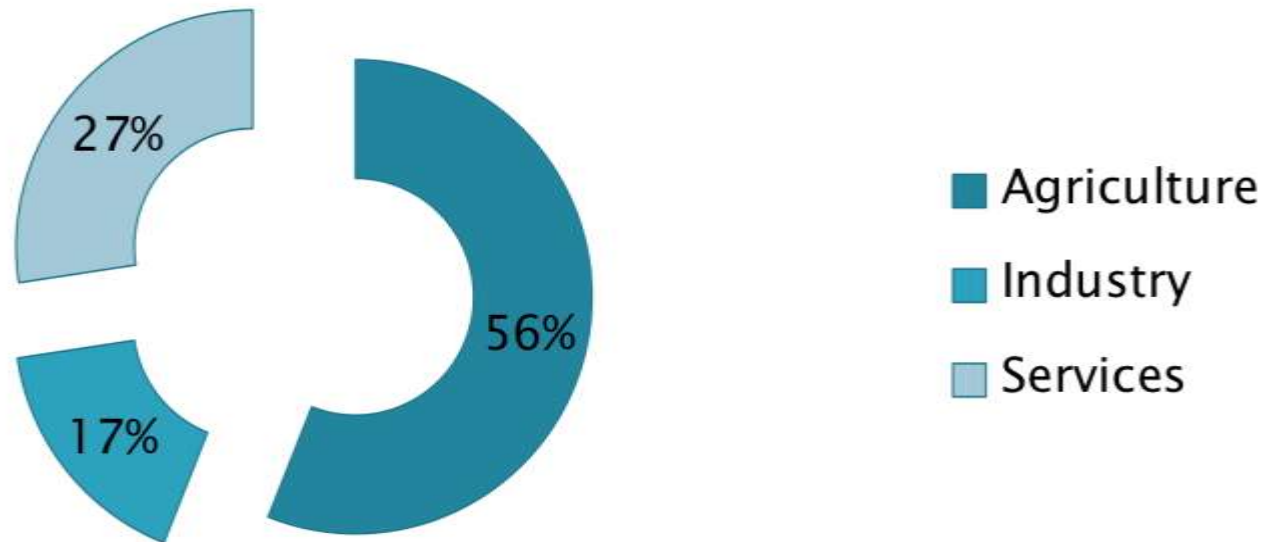
GDP Composition by Sector





II.4. Economic in Brief...

Labor Force by Occupation

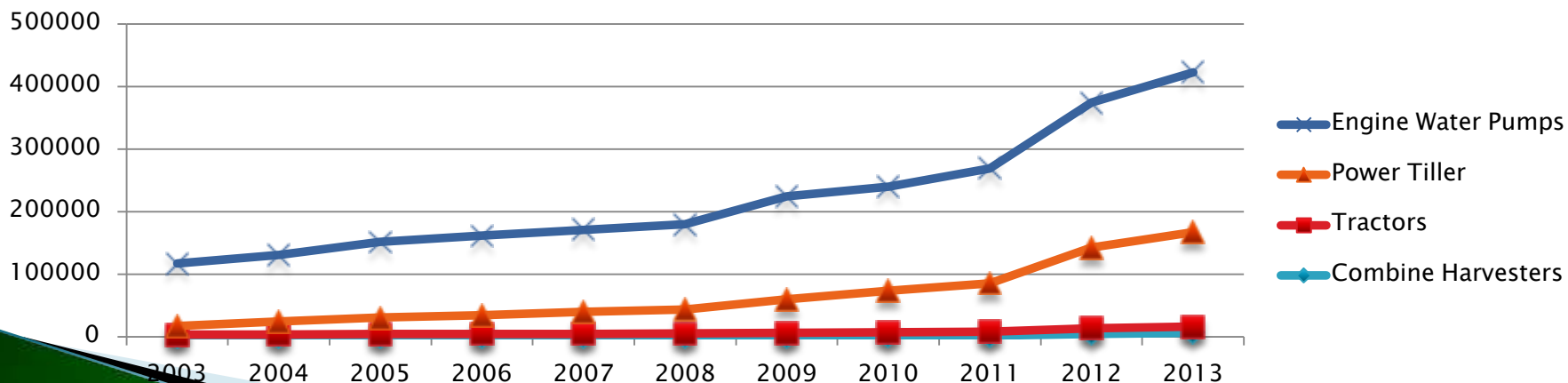




III.1. Status of the Country's Agricultural Machinery Industry

Data of Farm Machineries Registered in MAFF 2003-2013

No	Machine/Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Combine				325	395	430	836	947	1,548	4,820	6,500
2	Tractor	3,310	3,857	4,166	4,247	4,475	4,611	5,495	6,200	6,786	8,961	9,417
3	Thresher	4,967	6,220	7,338	7,795	8,036	8,237	13,798	14,390	14,390	15,210	16,067
4	Power Tiller	13,693	20,279	26,504	29,706	34,639	38,912	53,220	66,548	77,421	128,806	151,612
5	Milling Machines	32,945	36,531	38,606	38,618	38,680	39,429	47,620	48,217	48,217	48,753	54,328
6	Water Pumps	99,875	106,569	120,968	127,610	131,702	136,061	164,974	166,633	183,502	231,942	255,757



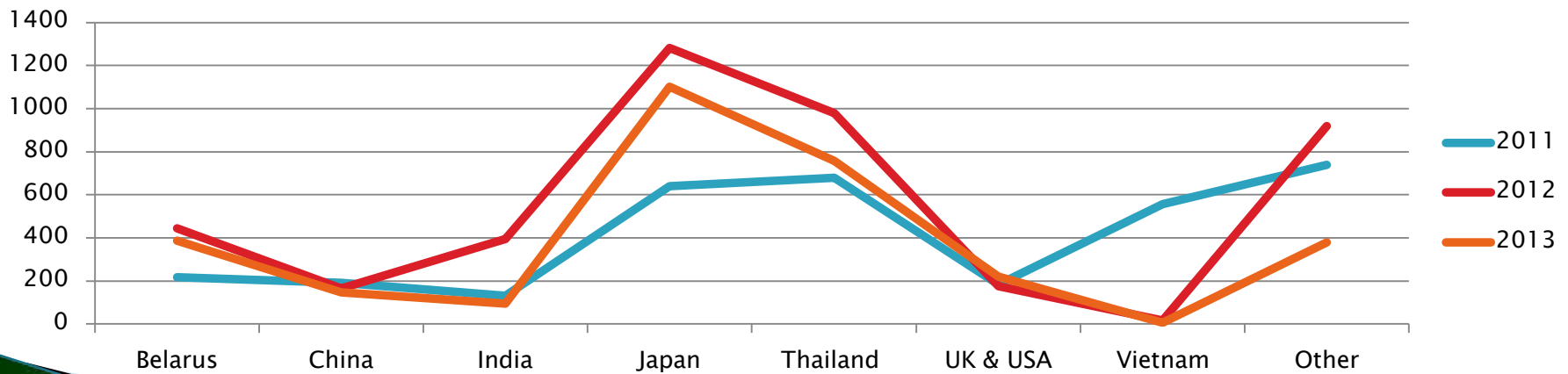
Source:: MAFF Report 2013



III.2. Status of the Country's Agricultural Machinery Industry

Data of Imported Four Wheel Tractor by Country MEF 2011-2013

Country/Year	2011	2012	2013
Belarus	217	445	386
China	191	164	148
India	131	396	95
Japan	639	1,283	1,102
Thailand	680	980	757
UK & USA	184	175	220
Vietnam	557	17	7
Other	740	919	380
Total	3,339	4,379	3,095



Source: MEF, Customs & Excise Department



IV.1. Distribution and Supply Chain of Agricultural Machineries





IV.2. Farm Machineries Showroom & Lathe Workshop



Ruesey Keo “Larano Lathe Workshop”

-1996, Fabricates farm implement such as Plough, Seeder, Dozer, etc.

Kong Nuon Group Co., Ltd.

-Established 1991,

Importers/Distributor of:

- YANMAR Tractor
- YANMAR Power Tiller
- YANMAR Combine Harvester
- HITACHI Construction Equipment
- TOYOTA Forklift.





IV.3. Farm Machineries Showroom & Lathe Workshop



Mekong Agriculture Tractor Co., Ltd.

- 1993, Distribute Mahindra Tractor, and Implement import from Europe, China, and India.

Belarus Mekong LLC's Showroom

-2012 Dealers Four Wheel Tractor and implements.





IV.4. Assembly Plant of MTZ Tractor in Cambodia

Belarus-Mekong LLC, established 2013, Assemble **MTZ-Belarus** four wheel tractor and Hand tiller. The first assembly plant of farm tractor in Cambodia, targets to supply to Asian in 2015.





V.1. Agricultural Mechanization Policies, trade and investment policies

- ❖ The Cambodian government's Rectangular Strategy sets out a long-term vision for growth. With respect to agriculture, the strategy seeks to improve productivity and diversification. Agricultural Mechanization is almost covering these sectors; food security and nutrition, rural development, and forestry reform.
- ❖ The government developed a policy on “Paddy Rice Production and Promotion of Milled Rice Export” in 2010, aiming to achieve a paddy rice production surplus of 4 million tones and milled rice exports of at least 1 million tones by 2015 by investing in irrigation facilities, encouraging private sector investment in paddy rice processing and export.
- ❖ The government has formed water user communities across the country, expanding reservoir capacity to meet demand.



❖ Cambodia Royal Government's Policy to ward Mechanization in Agriculture:

- i. Strengthen the organization of the Provincial Office Agricultural Engineering;
- ii. Data collection in-depth in actual market of agricultural machinery and equipment;
- iii. Prepare laws, regulations and guidelines for the improvement of agricultural machinery;
- iv. Research and Development implements to fit local requirement;
- v. Training and promoting technical knowledge of farm machineries to users;
- vi. Make availability technical literature;
- vii. Facilitate to better relationship between importers/dealers/users/farmers.



V.2. Foreign Direct Investment in Agriculture

- ❖ Foreign investors have a strong interest in rubber, cassava, sugarcane, corn, and acacia. By number of projects, their engagement is seen mainly in Cambodia's strategic area: North-East, North, North-West, and West.
- ❖ Foreigners cannot own land in Cambodia; however, the government offers three types of land concessions, in which State land is leased to domestic and foreign investors: (1) Social Concessions; (2) Economic Land Concessions; and Use, (3) Development or Exploitation Concessions.
- ❖ Economic Land Concessions (ELCs) permit beneficiaries to clear land for industrial or agricultural exploitation. The legal framework governing ELCs consists primarily of the 2001 Land Law. ELCs can be granted by the Ministry of Agriculture, Forestry and Fisheries for a maximum of 10,000 hectares, and no more than 99 years.



V.2.

❖ Distribution of ELCs by Nationality

CATEGORY	SIZE (HA)	% OF TOTAL	MEAN SIZE (HA)	MINIMUM SIZE (HA)	MAXIMUM SIZE (HA)	NO. OF PROJECTS	NO. OF PROJECTS >10,000 HA
Active projects							
Unreported	-	-	-	-	-	9	-
Cambodia	668,725	65	18,576	807	315,028	36	6
China	186,935	18	10,996	5,000	60,200	17	1
India	7635	1	7,635	7,635	7,635	1	0
Korea	27,622	3	5,524	3,000	7,500	5	0
Malaysia	7,955	1	7,955	7,955	7,955	1	0
Taiwan	4,900	0	4,900	4,900	4,900	1	0
Thailand	37,436	4	7,487	6,523	9,700	5	0
U.S.	36,203	4	9,051	7,000	9,820	4	0
Vietnam	47,228	5	6,747	2,361	9,380	7	0
Total	1,024,639	100				86	7



V.2.

The FDIs project is the leading of Agricultural Mechanization in actual. The projects have brought modern technology, equipment, and machineries which the local users have never been experienced.



Sugar Cane Factory established in 2012





VI. Challenge for Sustainable Agricultural Sector in Cambodia

- ❖ External support and cooperation with development partners is still missing;
- ❖ Lacking of cooperation between stakeholder;
- ❖ Inadequate information, data, and technical document;
- ❖ Not enough technician and technical support to users;
- ❖ Lacking of credit and finance;
- ❖ Limited market availability of agricultural out put;

Tractor imports decrease, but experts not concerned

Thu, 7 February 2013 [redacted] and [redacted]



Tractor imports fell by 24 per cent last year, a significant decrease from 44,993 units in 2011 to 36,301 units, according to recent statistics from the Ministry of Economy and Finance.

Although the cultivation of some crops in the Kingdom has increased, analysts said yesterday the decrease in tractor imports would not radically affect the country's agricultural productivity.



VII. Potential Role of the CaSAMNet

- ❖ Promote agricultural mechanization;
- ❖ Reduce the impact of mechanization;
- ❖ Act as a focal point between stakeholder;
- ❖ Data bank and information of Agricultural Machineries;
- ❖ Collective voice for a better attention from stakeholder;



Farming Activities





Thank You