



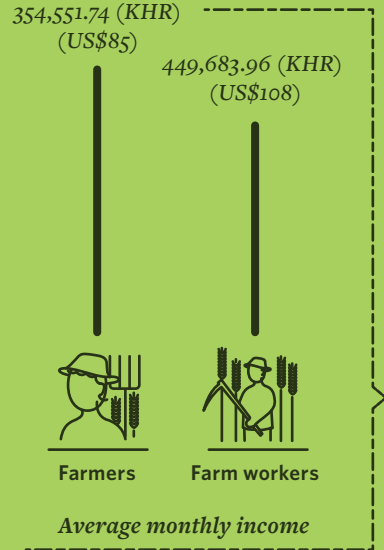
Approximately 1.9 million households in Cambodia derive a livelihood from agriculture.



Although about a third (3.1 million) of the adult population works full-time in farming, relying on farming as a main source of income, a further fifth (1.5 million) of the adult population depends on farming to supplement their main income source, with a further 200,000 or so adults earning their main income in the form of farm wages.

Most households in Cambodia have multiple sources of income, and the adult population is largely dependent on the informal sector. In this context, farming forms the cornerstone of most people's livelihoods, providing people with the means to not only earn income but also improve productivity and ultimately transition from poverty.

However, while significant in this sense, farming remains for the most part small scale, informal and subsistence: on small pieces of land, and relying on limited infrastructure and very limited access to finance. This limits the scalability of farming, making it almost impossible for farming households to reap the kinds of benefits that would come from full-scale commercialization.

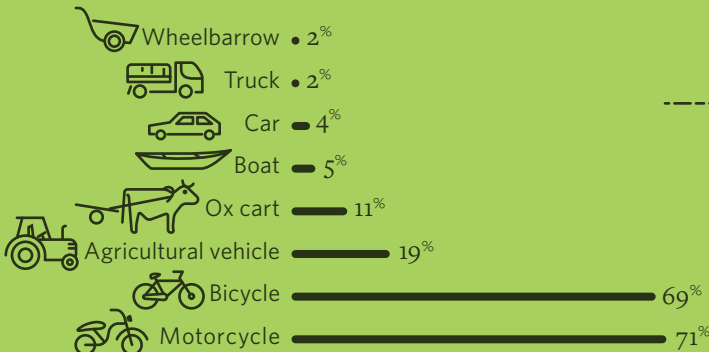


5

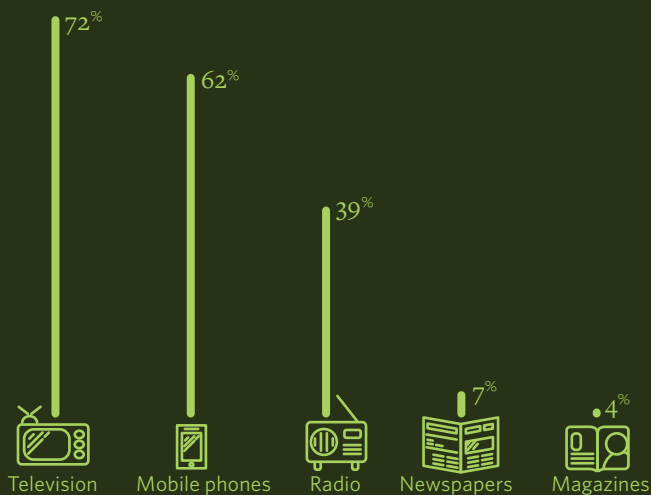
Average size of household

39

Average age of farmers



Agricultural assets owned



Access to media



Cambodia

AGRICULTURE



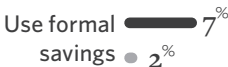
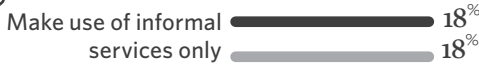
Farmers



Farm workers



Farmer households



When the figures for farmers and farm workers are considered together (i.e. 'farmer households'):

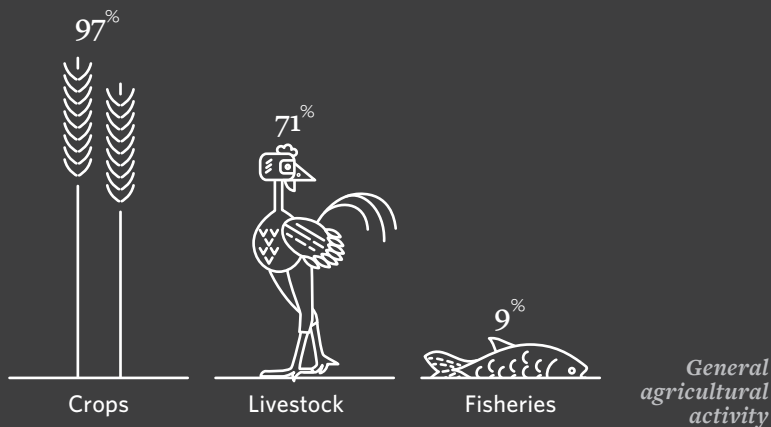
The average monthly incomes of farmers and farm workers are very similar.

40% of farmer households use formal payments.

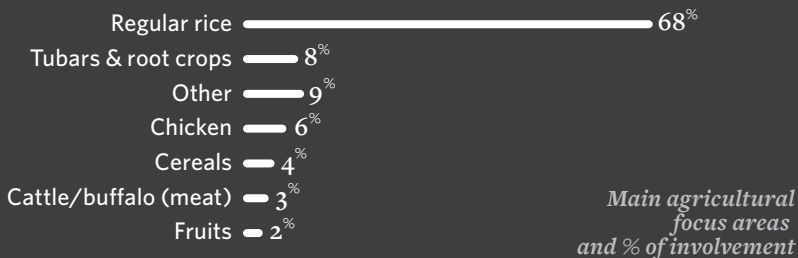
36% use formal credit. 15% use informal credit.

Of those farmer households that use formal credit: 12% use informal credit as well.

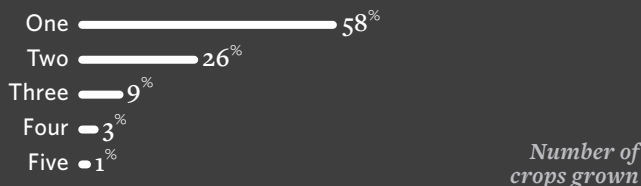
Overview of farming activities



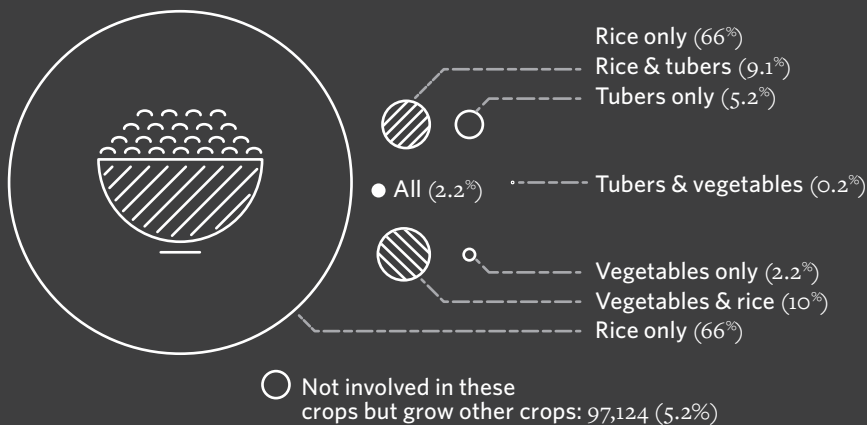
Rice production is the dominant agricultural activity. Almost all those who indicated that their households are involved in farming also indicated that they are involved in crop production. Rice is overall the biggest crop produced, with 68% of all of the households that are involved in farming reporting that their households are involved in paddy production (1.16 million households).



Most adults involved in fewer than two crops. Of those households involved in farming (1.9 million), most are involved in farming one type of crop (rice), with only 26% involved in farming two or more crops.



High concentration in rice farming, with small overlaps between the main crops farmed. Of the 1.9 million households (1,868,458 adults) involved in crop production, 95% are involved in farming at least one of two main crops: regular rice (87% of households in crop production); tubers (8% of household in crop production).



There is an equal degree of overlap (approximately 10% respectively) between those who are involved in the production of both regular rice and vegetables, and those who are involved in the production of tubers as well as vegetables. Only about 5% of crop farmers solely farm tubers and 2% farm other crops.

For two in every three households involved in crop farming, the main income crop is regular rice. Tubers

and vegetables combined are the main cash crop for one out of ten farmer households. For households involved in livestock farming (1.3 million), FinScope reveals that only one in ten households get their main income from chickens

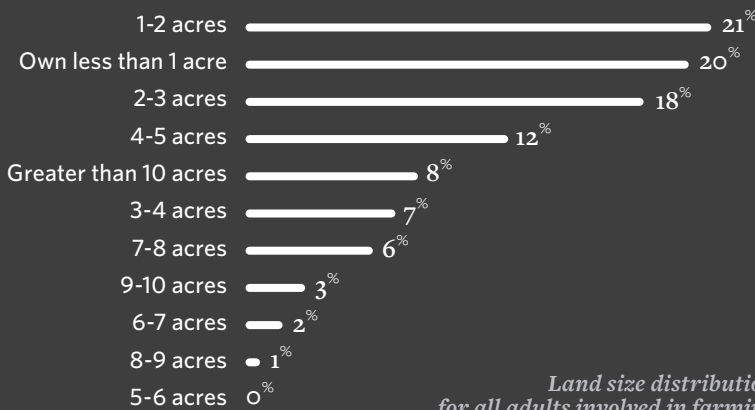
(7%) or cattle/buffalo (4%). This indicates that most farming households sell a portion of the produce, but with the bulk of livestock being bred for the household needs (consumption) and not for commercial purposes.



68%
RICE PRODUCTION IS THE DOMINANT AGRICULTURAL ACTIVITY



60%
LAND OWNERSHIP FIGURES ARE HIGH



Land size distribution for all adults involved in farming

Significant proportion of farmers with farms smaller than four acres.

The majority of farmers involved in farming do so on land that they own albeit small in size: the average farm size is about three to four acres, with more than 60% of farmers farming on less than four acres.

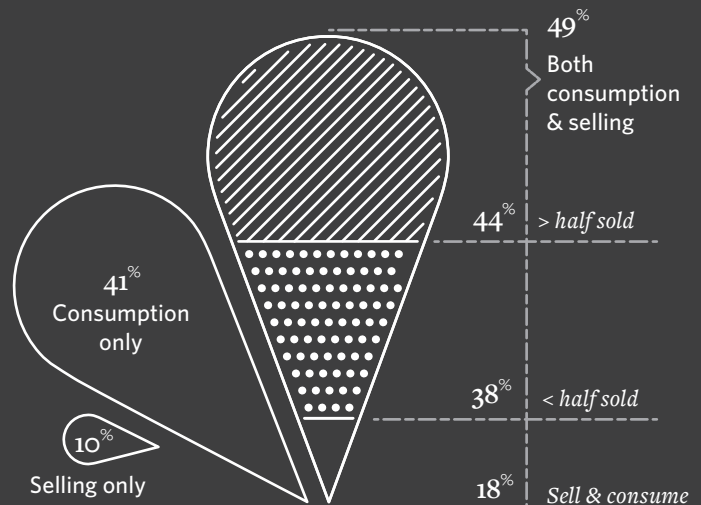
Land ownership figures are high.

Interestingly, about 60% of farmer households are in possession of documents of ownership for their land, while 54% report having title deeds for the land on which they farm. Such documentation is significant because in Cambodia it represents a crucial aspect of accessing credit in line with regulation (secured lending). Only 5% of farmers were found to have used their land to secure someone else's loan in the previous year.

Agricultural commercialization, subsistence farming & food security

Agriculture in Cambodia is driven by subsistence farming. A large proportion of the produce grown is consumed by the households that grow it. Overall, about nine out of ten households indicated that some to most of their household eating needs are satisfied by their produce. A large proportion of agricultural activity is for household consumption (i.e. the households are farming to live). Agricultural activity is a significant driver of livelihoods.

- Of those households (49%) that both consume their produce and have a commercial element to their farming:
- 44% indicated that they sell more than half of their produce.
 - 38% indicated that they sell less than half of their produce.
 - 18% indicated they sell and consume equal amounts of their produce.



Degree of agricultural commercialisation

Source of farming inputs

Farmer households pump very little capital into farming. The capital that does go into farming (e.g. to purchase equipment, additional land etc.) is either from savings or in the form of borrowings from family and friends.

- 4% rely on informal borrowings (e.g. moneylenders) to fund the next season's activities.








More than 50% of farming households do not fund any farming inputs, thus making commercialisation very difficult.

Of the households involved in farming (1.9 million):

- 32% use formal credit. Credit is used for income smoothing rather than to fund agricultural inputs.
- 14% either borrow money from or get donations from friends and family.
- 11% claim to mainly source their inputs through credit from MFIs (3% being from banks).



Funding agricultural inputs

		 Farmers (% main income source)	 Farm workers (% of farm workers not main)	 All adults
 Credit	Formal	31%	34%	28%
	Informal	15%	20%	10%
	Family & friends or self	15%	20%	9%
	Not borrowing	47%	41%	58%
 Payments	Formal	36%	30%	43%
	Informal	4%	0%	3%
 Insurance	Formal	4%	6%	4%
	Informal	2%	0%	2%
 Savings	Formal	3%	2%	10%
	Informal	34%	29%	25%
	Family & friends or self	22%	24%	22%
	Not saving	56%	57%	57%

Usage of financial services among farmers



The MAP country data dashboards

The MAP country data dashboards are a sub-set of the larger FinScope Consumer Survey, with the data and insights presented in the dashboards being drawn and summarized from the nationally representative FinScope survey for that country. (More information and data on FinScope can be obtained from the full FinScope Consumer Survey.)

The data in this focus note is part of UNCDF's Making Access Possible Programme. The FinScope survey provides a detailed understanding of the demand-side characteristics and explanatory factors for the entire adult population. However, farmers have different financial needs and their household characteristics are often fundamentally different. It is important to get a better picture of the patterns and drivers

of and constraints on agriculture access and usage of financial products and services. A better understanding of the differences in agricultural households in the financial sector can enable providers to develop products and services tailored to meet the differential needs of agricultural households as well as recognize the size and potential of the small-scale agricultural sector.

The country-specific dashboards focus in on the areas that have emerged, during that country's FinScope survey process and research, as strategic for financial inclusion interventions. The details and salient points highlighted via the dashboards will help financial services providers to develop products and services tailored to meet the differential needs of segments within each dashboard focus area.

About the Making Access Possible Programme

Making Access Possible (MAP) is a multi-country initiative to support financial inclusion through a process of evidence-based analysis feeding into a financial inclusion roadmap jointly implemented by a range of local stakeholders.

MAP was initiated by the United Nations Capital Development Fund (UNCDF) and is implemented in partnership with FinMark Trust and the Centre for Financial Regulation and Inclusion (Cenfri). In each country, MAP brings together a broad range of stakeholders from within government, the private sector and the donor community to create a set of practical actions aimed at extending financial inclusion tailored to that country.



Rajeev Kumar Gupta

Programme Management Specialist - Inclusive Finance

Deputy Programme Manager - SHIFT Programme in ASEAN

Tel: (+66 2) 304 9100 ext. 5356,

rajeev.kumar.gupta@uncdf.org