

IFC's Mars Food Sustainable Rice Project



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Approval year:
2023

Grant amount:
USD \$405,000

USD \$150,000 from CMAW
(another donor)

Food and Nutrition Security Context

History of Private Sector Window Support

While this project brief covers the latest project approved in 2023, IFC and GAFSP have been supporting advisory engagements in the Cambodia's rice sector since 2011. Work has focused on addressing challenges in the supply chain by improving paddy quality, increasing milling efficiency and enhancing food safety. These efforts have contributed to a sixfold increase of exports over 13 years: from 100,000 metric tons in 2010 to 656,323 metric tons in 2023.

A first engagement with Mars Food in Cambodia was part of these efforts. From 2018 to 2021, the project successfully developed a sustainable, traceable and inclusive rice supply chain with 1,273 farmers who produced an average of 3,715 metric tons of certified paddy per year.

Ongoing Challenges

However, the sector still faces key challenges that limit future growth including sub-optimal agricultural practices, lack of access to technology, knowledge, improved seed, inputs, and finance. At the farm level, lack of access to technology, knowledge, and inputs underpin low productivity and farm incomes. Further, relatively low levels of adoption of digital technology necessitates face-to-face training, keeping costs for farmer engagement higher than most companies can afford. At the supply chain level, weak organizational structures also inhibit the sector's growth. Farmer organizations and other entities have low levels of business management capability, limiting their ability to provide key value-added services to their members such as training, obtaining agri inputs, mechanization services, gaining access to finance and marketing their members' rice crops.



The Solution

In 2022, Mars Food requested a new IFC rice project in Cambodia to continue building a sustainable, traceable, climate-smart and inclusive rice supply chain – while also including Mars Food suppliers Herba/Ebro and BRICo. This was approved in 2023. The project has 3 components.

Increased production of SRP rice

The project will (a) facilitate farmers' adoption of climate smart agriculture (CSA) technologies and practices consistent with the Sustainable Rice Platform (SRP) (b) improve financial awareness and business management skills amongst farmers; and (c) support income diversification at the household level. A gender mapping/assessment will be undertaken as part of a baseline to understand women and men's activities in sustainable rice production and what activities that they are performing, the access to and control over resources and income, and the participation in decision-making. The result of the assessment will determine what activities and capacity building those women should be involved in and how they can participate for the maximum impact.

Improved business management performance among farmer aggregators

The project will use IFC's Agribusiness Leadership Program (ALP) resources (which have been developed with support from GAFSP) to improve Agriculture Cooperative (AC) management capacity among AC officers and Board of Directors. One of the functions of the ACs that will be supported by the project is to increase access to improved seeds.

Engaging additional potential buyers of SRP rice

IFC will engage with SRP stakeholders to determine the most effective ways to develop the market for sustainable (SRP certified or verified) rice and crowd in additional sustainable rice buyers. In addition, the project will support dialogue on key topics of interest such as: SRP standards application, capacity building, logistics, public-private blended finance and Global Trade Supply Chain Finance (GTSF) approaches to achieve sustainability.

Key Achievements

- While IFC's long-term engagement has delivered a significant expansion in rice exports, the project recently approved in 2023 has already trained over 400 farmers, while 6 Agricultural Cooperatives have already sold 310 metric tons of quality paddy to the BRICo.
- Training materials on climate-smart agriculture (CSA), financial awareness and business management skills have been developed. A local implementing partner has been identified, and IFC is conducting the necessary training of trainers. Some training started with 429 farmers reached, of which 163 female farmers.
- To support participating ACs to obtain foundation seed or certified seed from certified institutions and provide technical training and on-site coaching on the multiplication of Sen Kra'op seed, IFC conducted a training on seed multiplication for 22 seed producers drawing from 6 ACs.
- IFC also supported 6 participating ACs to obtain 3 metric tons of foundation seed from a certified institution. As a result, 72.84 metric tons of seed was produced by 19 participating seed producers.
- Six participating ACs have sold 310 metric tons of SRP paddy to BRICo.



Next Steps & Outlook

As the project moves forward, it will...

- Conduct field demonstrations, farmer field days, and knowledge sharing of key CSA practices to facilitate scale up among current and potential SRP farmers.
- The project will assess land preparation, transplanting machine, and drone service providers, conduct field demonstrations and facilitate service contract agreements between ACs/farmers and drone service providers to use the appropriate drone sprayer technologies for agricultural inputs such as climate smart pesticides.
- Provide capacity building to farmers to become better prepared for climate shocks such as improved access to weather forecasts and early warning systems.
- Conduct roundtable discussion on "sustainable rice sourcing" jointly hosted by IFC, MARS and HERBA.