



# Cambodia Coconuts

Connecting farmers with coconut trees to producers of coconut products creates a win-win solution that increases farmers' incomes while securing stable supply for producers. Through connecting with the farmers of Ponleu Agriculture Cooperative, coconut oil processor, Oil of Joy, is able to supply its customers in Phnom Penh, enabling them to produce high value coconut products.

## About the Cambodia coconut industry

Owing to the high nutritional value and diverse application across the personal care industry, the demand for organic virgin coconut oil is expected to grow by 11% CAGR per year, equating to US\$1.28 billion by 2022.

Cambodia has an abundance of coconut trees, and many farmers have these trees within their holdings. Yet, not knowing the high market price that mature coconuts can fetch, they are often an afterthought and are either disposed of or sold cheaply before they can ripen. Meanwhile, processors have difficulty securing adequate supply due to limited and scattered production.



### The challenge

#### **Oil of Joy, Chouk District, Kampot province**

*A virgin coconut oil processor*

Oil of Joy is a coconut oil processing facility owned and managed by Chhay Sinoeun in the Chouk District of Kampot Province on the eastern coast of Cambodia. The facility produces virgin coconut oil for customers in Phnom Penh including Bong Dong Thom, a coconut oil and personal care product company. However, sourcing a stable supply of mature coconuts from local farmers for Chhay's small factory has proven to be difficult and unreliable, which means he has to import between 60% - 70% of mature coconuts from Vietnam, while purchasing the remaining from the surrounding villages in his district.



My wish is to buy all coconuts from local farmers in my district to make my coconut oil, but they don't have the resources which means I have had to import from neighboring countries.

**Chhay Sinoeun**



### The solution

#### **The Cambodia Partnership of Sustainable Agriculture (CPSA):**

*A partnership broker and sustainable business enabler*

Approached the Department of Farmer Cooperative Promotions at the Ministry of Agriculture, Forestry and Fisheries (MAFF) to identify an appropriate local farmer cooperative that had the capacity to supply Oil of Joy's factory.

Facilitated a networking meeting in Kampot province between the members of Ponleu Agriculture Cooperative and Oil of Joy to discuss the supply of mature coconuts.

Identified and explained the many opportunities that could result from providing mature coconuts to Oil of Joy's coconut oil processing facility.

Secured supply of mature coconuts that Oil of Joy needed.

## Multi-stakeholder platform: Grow Asia is helping local farmers in Cambodia address the lack of stable supply of mature coconuts

*Grow Asia has aligned best practices, aggregated networks and provided a central platform for change*

- Established CPSA jointly with MAFF
- Supported CPSA by developing and implementing a clear governance structure and providing secretariat support to the Working Groups
- Brought in new projects and partners to the Coconuts Working Group
- Through regional events such as the Grow Asia Forum and Practitioners' Workshop, Grow Asia gives members a space to learn and grow their membership

### Smallholder Impact

*Improving practices and increasing yield to help farmers grow sustainably*

#### **Target:**

1,000 farmer households of the Ponleur Agricultural Cooperative

#### **Income effect:**

Farmers sell their mature coconuts for double (200%) the previous price (for mature coconuts), leading to an average of additional US\$700 income per year.

“ I wasn't sure at first whether the farmers were serious and could deliver the coconuts I needed. Now, as you can see, I have more than enough. If the demand for coconut oil continues to increase, I will in turn increase my production from 1,500 liters a month up to 5,000 liters. ”

#### **Chhay Sinoeun**

Owner

Oil of Joy (coconut oil processor)

“ My cooperative members are really happy with the outcome. I would like to thank Grow Asia and CPSA for linking us together. My members can now sell their coconuts for a fair price, providing a regular income for our community's farmers and their families. ”

#### **Mao Thach**

Ponleur Agricultural Cooperative Leader

Kampot province