

# **2016 CHINA AGRICULTURE OUTLOOK CONFERENCE**

## **SUGAR CANE INDUSTRY IN CAMBODIA**

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## Sugar Cane

Sugar Cane is a tropical plant that is growing in many countries in Southeast Asia. Cane juice is a very popular beverage. Cane juice can be processed into sugar cane.

There are many species of canes such as honey species, black and white, talan, etc. that are grown by farmers on their land.



Sugar cane is not a fruit crop; we squeeze sugar cane in order to extract its juice. Sugar cane is a crop that can plant in a large field and easy to grow.

Production size: One company with concession land of 200,000 ha and others are 200,000 ha, yields are about 60 to 80 tons/ha.





# Kingdom of Cambodia



**Capital City: Phnom Penh**



Description	2000	2006	2013	2015
<b>Population</b>	<b>11,437,000</b>	<b>14,080,000</b>	<b>15,205,539</b>	<b>15,780,437</b>
Annual growth rate, %	2.50	1.81	1.70	1.50
Male, %	48.20	48.60	48.50	48.30
Female, %	51.80	51.40	51.50	51.70
Age 0-15, %	42.80	37.30	36.10	37.10
Age 15-59, %	51.80	57.20	58.30	57.30
Age 60 and above, %	5.30	5.50	5.60	5.60
Urban, %	15.61	15.00	17.00	19.00
Rural, %	84.39	85.00	83.00	81
Total Fertility Rate, %	4.00	3.40	3.00	2.70
Life expect., yrs., M/F	54.4/ 60.6	57.87/64.14	61.35/66.32	63.34/67.35
Pop. density, per Sq. km	64.00	79.00	84.00	86.00

## Crops Production of Cambodia (tons)

Description	2000	2006	2013	2015
Rice (Paddy)	4,026,000.00	6,264,000.00	7,950,000.00	9,324,416
Maize	157,000.00	365,000.00	927,000.00	1,023,613
Cassava	148,000.00	2,200,000.00	6,680,000.00	11,943,204
Sweet potato	28,000.00	47,000.00	55,000.00	54,259
Vegetable	196,000.00	228,000.00	400,048.00	415,239
Mung Bean	15,000.00	61,000.00	76,196.00	77,760
Soya Bean	28,000.00	100,000.00	114,603.00	104,180
Sesame	10,000.00	35,000.00	33,478.00	37,260
<b>Sugar cane</b>	<b>164,000.00</b>	<b>177,000.00</b>	<b>468,738.00</b>	<b>1,540,996</b>
Rubber	42,000.00	20,000.00	44,969.00	106,480

Source: Ministry of Agriculture, Forestry and Fishery (MAFF)

# Livestock Production of Cambodia

Description	2000	2006	2011	2015
<b>Livestock:</b>				
<b>Cows, Heads</b>	3,490,000.00	3,345,000.00	3,400,000.00	3,090,526
<b>Buffalos, Heads</b>	694,000.00	724,000.00	689,829.00	544,568
<b>Pigs, Heads</b>	1,838,000.00	2,760,000.00	2,090,000.00	2,790,431
<b>Poultry, Heads</b>	15,250,000.00	15,694,000.00	21,619,000.00	33,162,840
<b>Fisheries:</b>				
<b>Fish, shrimp, tons</b>	296,000.00	456,000.00	445,000.00	766,000.00
<b>Crocodiles, Heads</b>	26,000.00	138,000.00	151,000.00	172,000.00

**Source: Ministry of Agriculture, Forestry and Fishery (MAFF)**

# Cambodian Basic Economy

Description	2009	2010	2011	2012	2015
GDP growth rate	0.1	6.0	6.9	6.5	7.4
Share of GDP					
Agriculture (%)	33.5	33.9	34.0	35.6	35.3
Industry (%)	21.7	21.9	22.6	24.7	25.2
Services (%)	38.8	38.3	37.8	39.7	39.5
GDP/cap (USD)	753.0	830.0	909.0	984.0	1,080.0
Inflation (%)	-0.6	4.0	5.5	5.0	5.0
Currency	Khmer Riel (KR)				

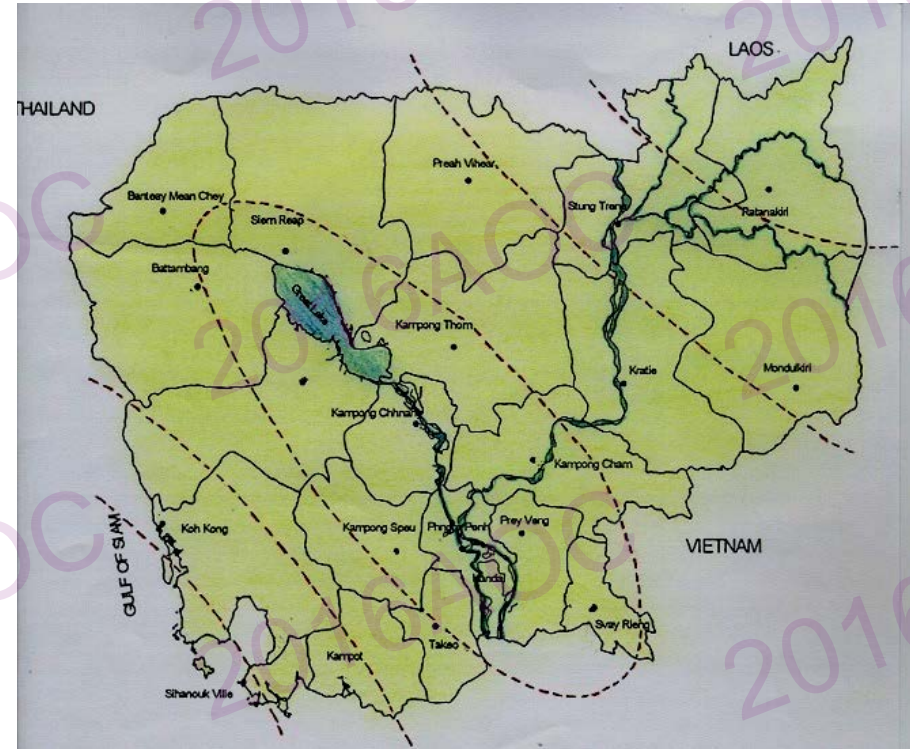
- GDP growth: 6.58%
- Cambodian economy:
  - Agriculture 35.6%
  - Industry 24.7%,
  - Services 39.7%
- Per Cap. Income: \$1,080
- Currency: Khmer Riel (KR)
- The exchange rate:
  - 1USD = 4,000KR



# Sugar Cane Industry in Cambodia

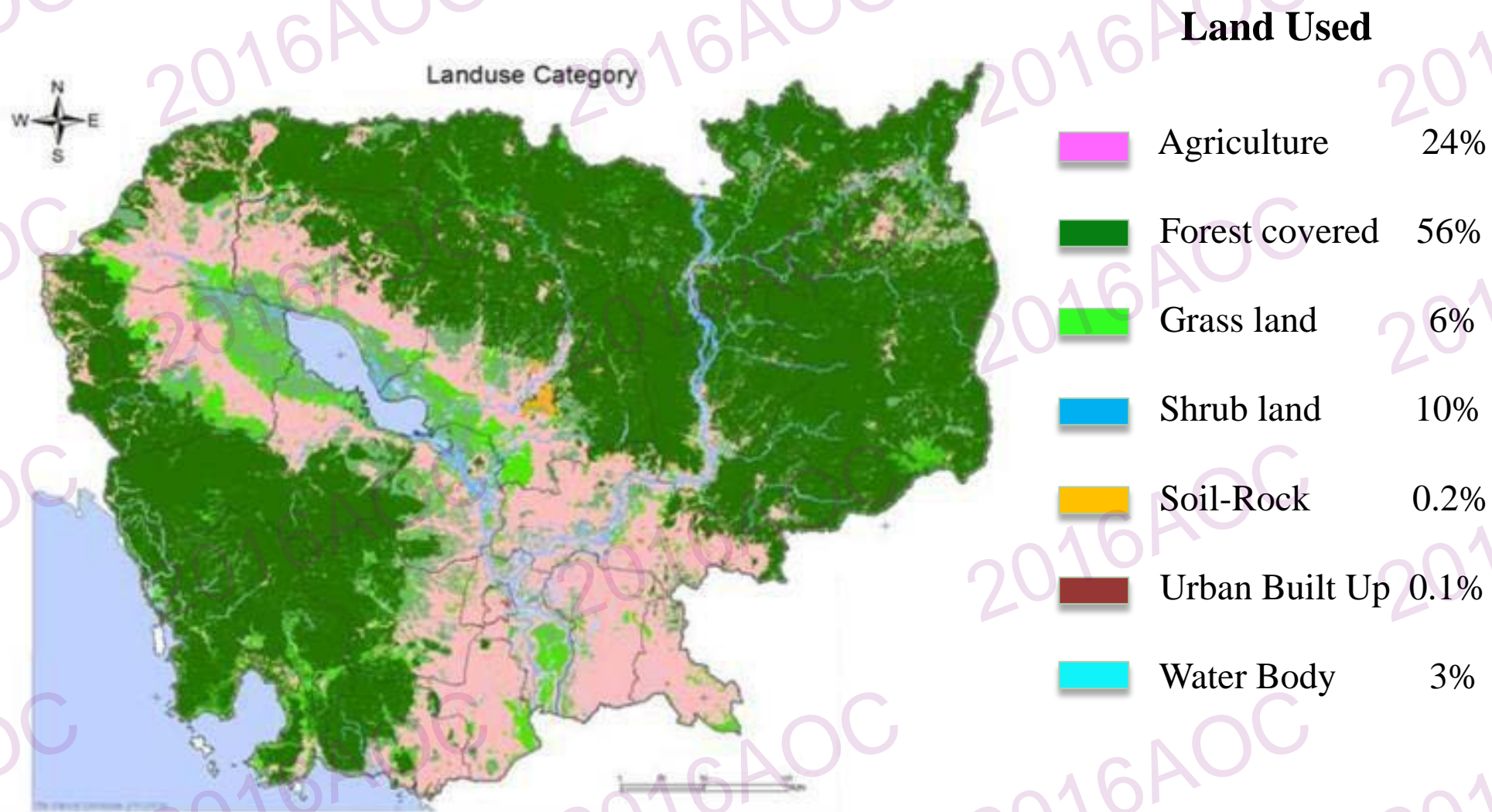
- ❖ Climate: Hot and wet
  - ❖ April is hottest
  - ❖ December is coolest
  - ❖ Temperature:
    - ❖ Max: 32.1<sup>0</sup>C
    - ❖ Mean: 27.8 <sup>0</sup>C
    - ❖ Min: 23.5<sup>0</sup>C
- ❖ Seasons
  - ❖ Dry season: Nov-Apr
  - ❖ Wet season : May-Oct
- ❖ 1,458mm of rainfall per year (May to October)
- ❖ Annual relative humidity: 60-80%
- ❖ Day length : 11h-13h
  - ❖ December : shortest; June: longest

## Climate and Season

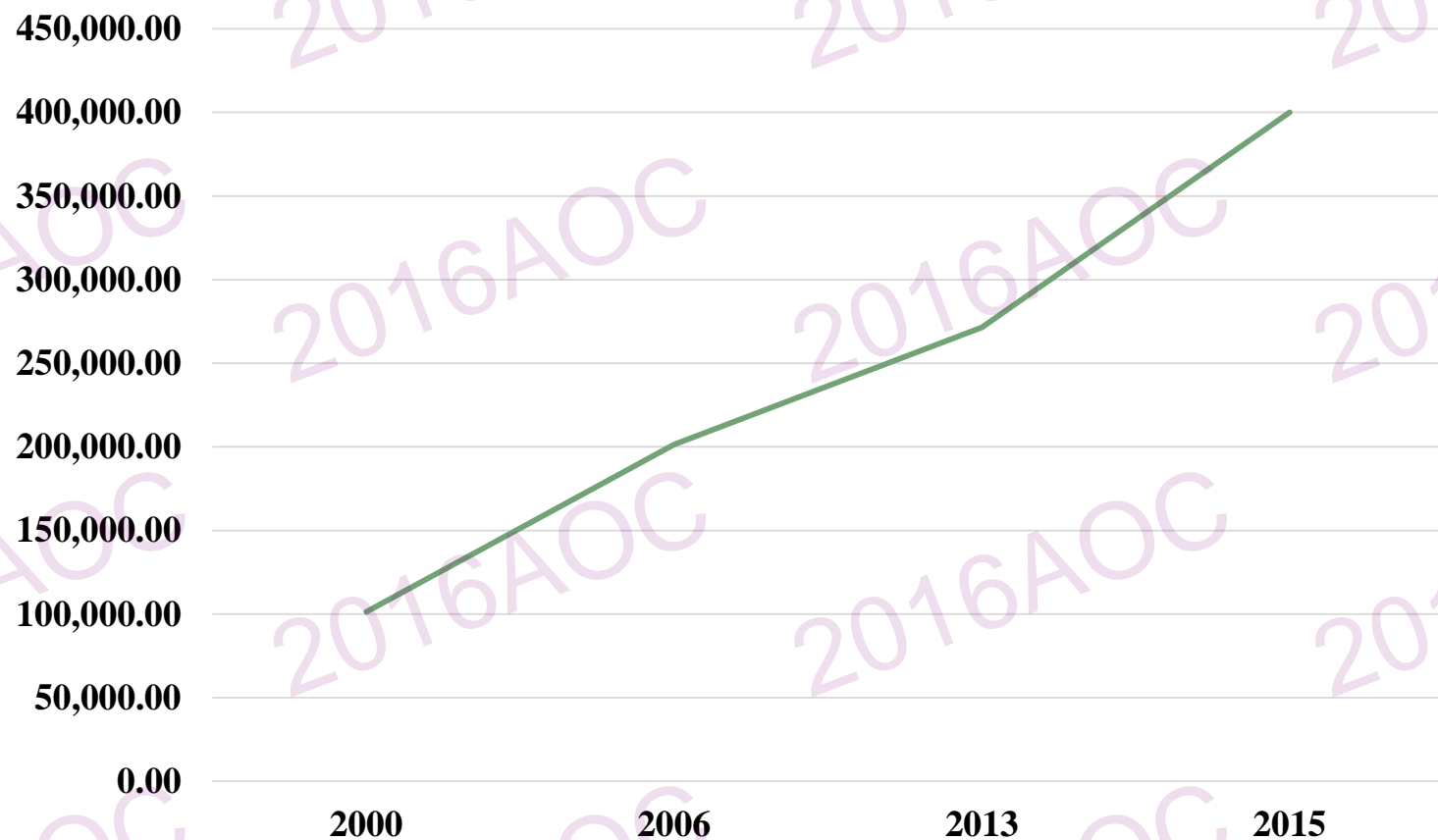


Source: Ministry of Agriculture, Forestry and Fishery (MAFF), 2013

# Sugar Cane Industry in Cambodia (Cont.)



## Cambodian Sugar Cane Cultivation Area (HA)



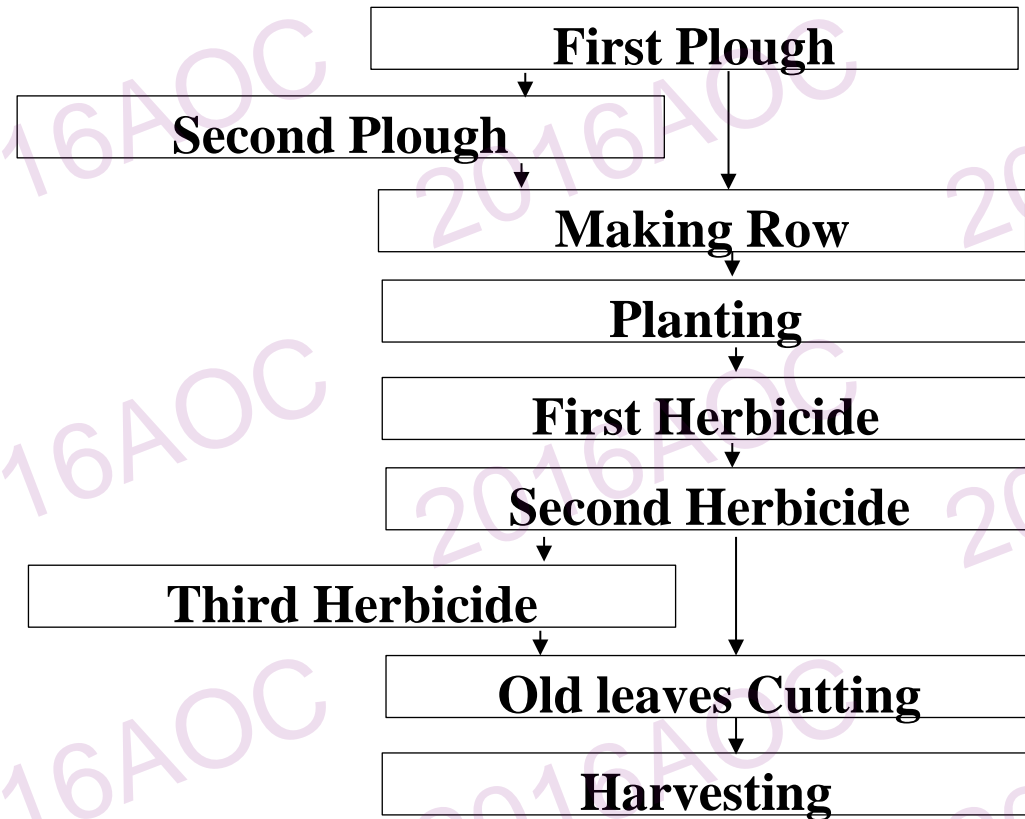
Cultivation Area  
increases by the  
year from 101,200  
hectares in 2000 to  
400,000 hectares in  
2015.

# Sugarcane Cultivation

## *Timing*



## *Processing*





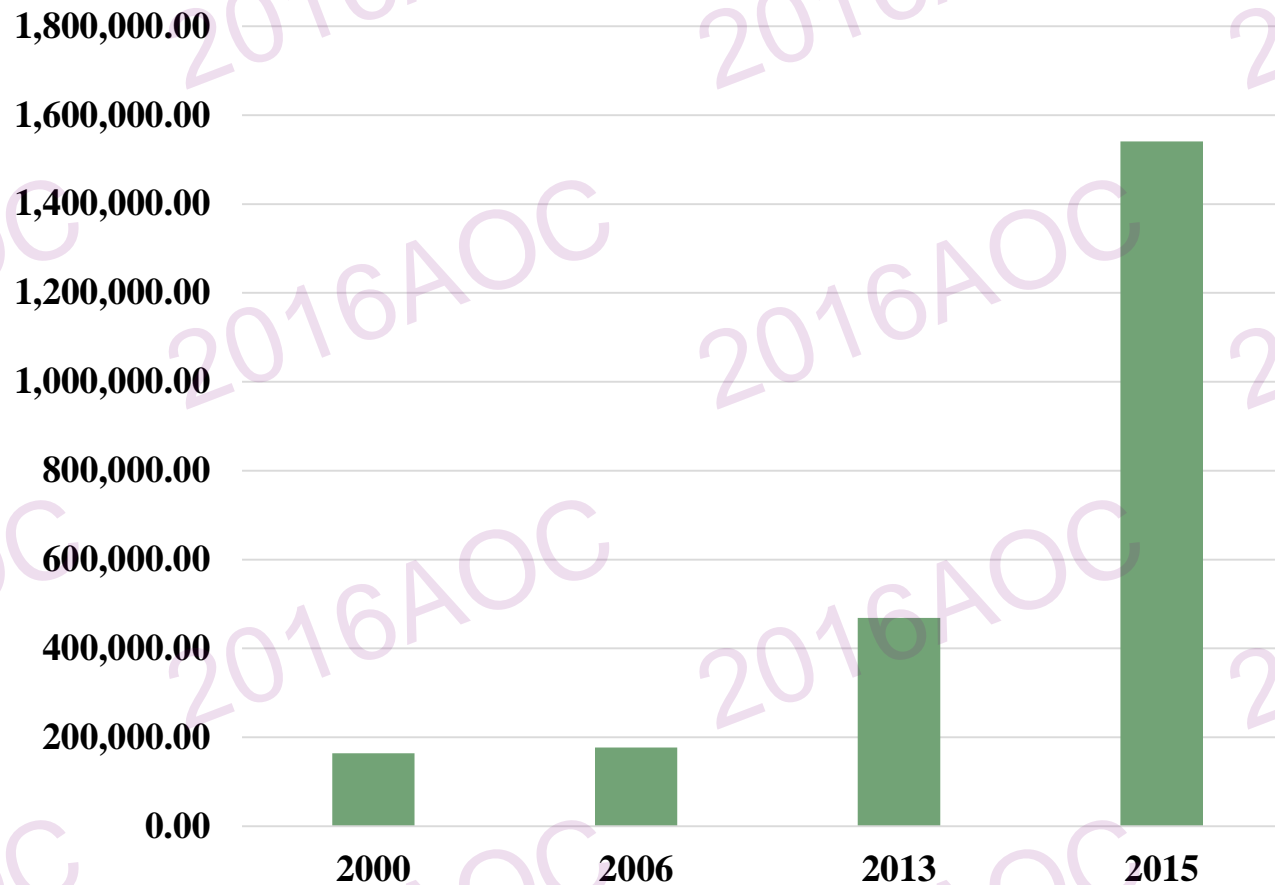
# Harvesting

Sugar cane is one of the more interesting crops that any people can plant. A sugarcane farmer must have much patience; the crop can take as much as 2 years to grow before harvest time. In some places, it is only 6 months, but the average is 1 year. This is a mighty long time to wait for your investment to mature and to see any kind of return on it at all.





## Cambodian Sugar Cane Production (TONS)



Cambodia Sugar  
Cane Production  
gradually increases  
by the year from  
164,000 tons in  
2000 to 1,540,996  
tons in 2015.

## Marketing Chain

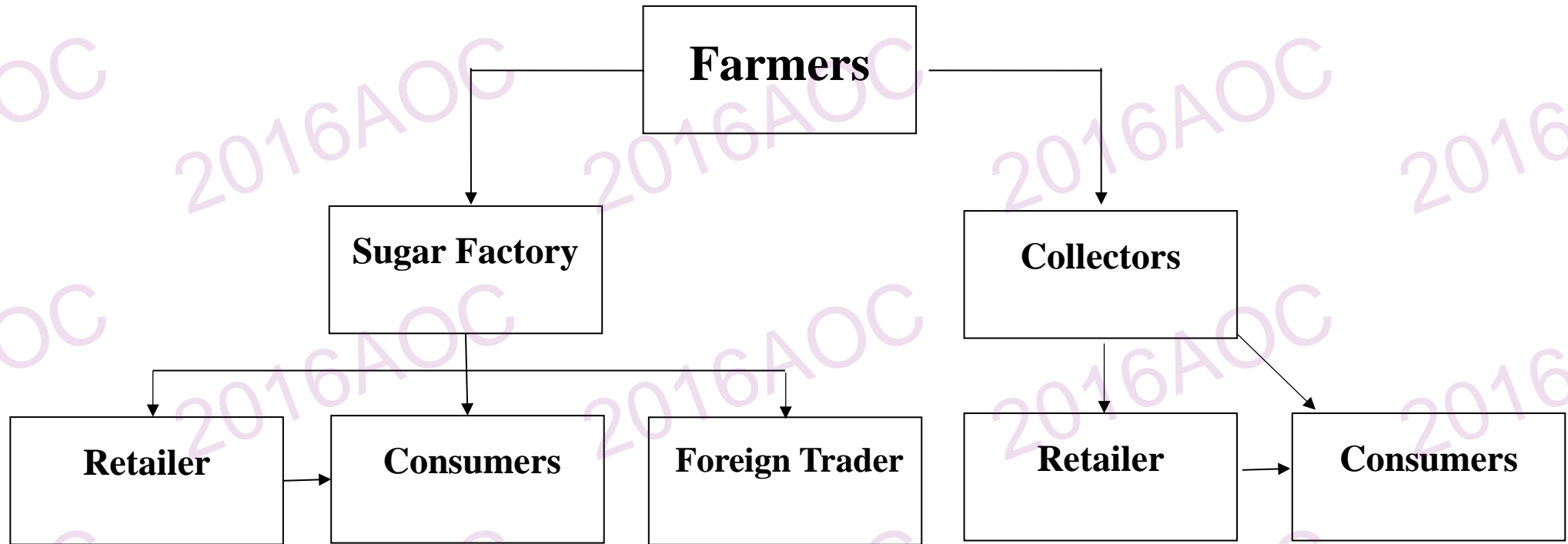
The marketed sugar cane channel commences with sales to either collectors or sugar factory directly. JICA reports that two-third of farm sales of sugarcane are made to collectors, with 20 percent to sugar factory and 13 percent to other sources (Japan International Cooperation Agency 2013). Collectors will then sell sugar cane to commercial factory.

Finally, the commercial factory sales sugar to Thailand,  
European countries, and domestic customers.

Cambodian farmers are growing this plant to supply the  
Koh Kong Sugar industry KSI & KSL, Phnom Penh Sugar  
Industry, Preah Vihear Sugar Factory...



## Sugarcane Trade Flowchart



# Challenges and Opportunities

## ●Challenges

- ✓ Poor infrastructure for productions, processing and marketing
- ✓ Low level of Post – harvest Technology and Marketing accessibility
- ✓ Insufficient Institutes Capacity
- ✓ Irrigation Systems (up to 1.2 million hectares can access to water)
- ✓ Natural disasters (Floods and Droughts...), Climate Change
- ✓ Lack of Investment Finances,
- ✓ High cost of power (electricity )
- ✓ High cost of inputs prices (mostly imported)





## Challenges and Opportunities (Cont.)

### ● Opportunities

- The first emerging opportunity is the continual increasing in international price of sugar cane, which has risen over the last ten years at an average rate of 5 to 10 percent every year. According to FAO's International Commodity Price, the FOB of Bangkok price of sugar cane. Given the increasing global and regional demand for sugar cane, its price is likely to rise further.



## Challenges and Opportunities (Cont.)

### ● Opportunities

- A second emerging opportunity is export development and market diversification. Although its current export is limited, sugar cane is considered to have high export potential due to high world market demand and good domestic supply capacity. Cambodia's sugar cane exports receive tariff preferences from ASEAN, the EU and China through either free trade agreements or the Generalized System of Preferences.



## Challenges and Opportunities (Cont.)

### ● Opportunities

- The third opportunity is expansion of value added. Since population increasing from day to day and need more food to eat and drink also can be processed into a variety of products, the industry could be localized to attract investment into food processing and animal feed, gasoline...etc. Growth of these demands would have big implications for sugar cane production and farmers' livelihoods.





**Thanks for your listening.**

