

Using Private Extension Agents to Improve Farm Income in Cambodia



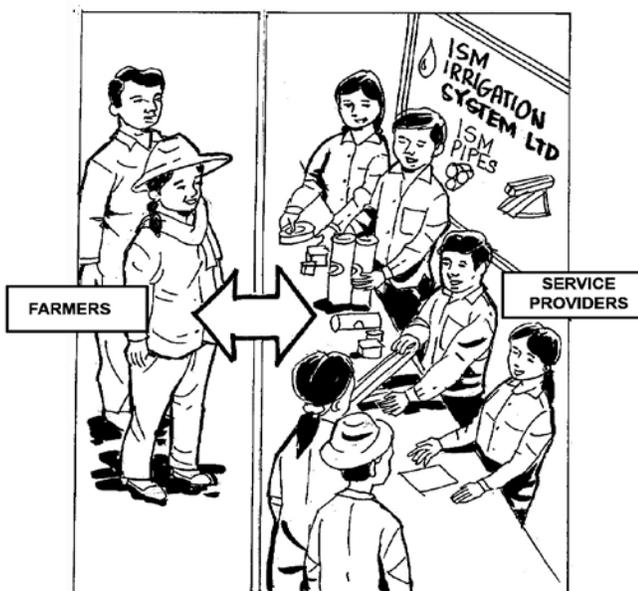
What prevents small farmers from adopting new proven agricultural technologies? Access to markets and income level are important, but there are other factors as well. The first factor is having access to information and skills training. The second is having strong local support systems with the ability to deliver affordable, demand-responsive products and services related to the technologies. As one strategy to strengthen local support systems, the CGIAR Challenge Program on Water and Food (CPWF) Innovative Market-Based Strategies project in Cambodia trained farmers to be private extension agents (PEAs).

Sustained adoption of new technologies depends on improving not only water productivity in the farms but also farmers' income. In the promotion of affordable irrigation systems in Cambodia, farmers are encouraged to plant high-value crops such as vegetables. Interventions put special emphasis on market integration. They recognize the role of the private sector in providing local and affordable access for farmers to mature technologies released by research institutions. Farmer-PEAs are seen as providing this link to the supply chain.

PEAs are farmers recruited and trained to become 'mobile retailers' of agricultural products and services. Their services include provision of technical advice and market information, even buying farmers' produce, which they sell to wholesalers.

Once farmers become fully integrated into the market, the farmer-PEAs take on the responsibility of providing market and technical information, even technical backstopping. The PEAs, therefore, also serve as a link between farmers and research institutions. They can also be vehicles for extending the technologies to other farmers within the same community. This then allows government researchers and extension workers to shift their attention to the promotion of mature technologies in other communities.

Farmer-to-farmer approaches encourage them to become fully integrated into the market value chain by developing select farmers into PEAs. However, the strong focus on the business orientation of this approach poses the risk that PEAs will prioritize their business interests over the interests of their fellow smallholder farmers.



Findings important to the scaling up/out agenda

From the CPWF experience and from a review of field experiences on PEAs (Roberts *et al.* 2008), the following were noted:

1. PEAs provided products and services that raised farmers' incomes by an average of 50%. However, many PEAs did not earn enough to continue as PEAs.
2. There were many repeat clients, indicating that PEAs were providing services and products valued by farmers. These repeat customers required less intensive support than new customers.
3. Offering in-kind credit for inputs (to be repaid at harvest) was a popular service among both poor and better-off farmers and was an effective way for PEAs to attract clients.
4. The prices of farm inputs were more important to farmer-clients than the services offered with them. Thus, PEAs could not charge more than the market price for their products, inspite of the added value they provide through giving advice and follow-up service. This resulted in PEAs often preferring wealthy clients who needed less credit, could repay loans, and required less technical support.
5. Incentives (e.g., project stipends) to PEAs had positive and negative effects. Positive effects were a) PEAs focusing on developing their skills and in reaching the poorest 40% in the villages and b) some PEAs being able to rely less on the project for financial support. A negative effect was that some PEAs were motivated by the stipend only and this became an added, unsustainable cost to the project.

6. Overlapping PEA territories led to more competition and more choices for farmers but decreased the profitability of the agent's business.
7. PEAs with additional skills (e.g., animal health services) were able to supplement their PEA income and continue their business as PEAs when the project ended. One of them showed that it was possible to run a sustainable PEA business purely through providing farm inputs, using a bicycle to minimize operational costs.
8. PEAs selected by the community were more active over the longer term.



Lessons learned

1. Technologies must be able to address socio-economic constraints if they are to be adopted at the farm and community levels.
2. Participation of all stakeholder groups and farmer-to-farmer approaches are key elements of any communication strategy and plan for the successful and large-scale promotion of technologies. This includes effectively linking the farmers, research and the supply chain.
3. Participatory and interactive methods such as farmer field schools, are effective for knowledge sharing and training of farmers and PEAs.
4. Provision of baskets of choices, a wide range of technologies and suppliers of related products/services, is most beneficial to farmers.
5. Promotion of high-value crops for increased farm income encourages farmers to adopt and invest in the technologies/innovations.

Conclusion

The experiences from the project provide further proof of the critical role of farmers in the scaling up process. In particular, emphasis should be placed on farmer-to-farmer approaches in developing enabling policies and support systems for the speedy and affordable adoption of appropriate technologies, especially by the poorest farmers. Supporting the PEA experience may be one step in this direction. In its ideal form, the role of the farmer-PEAs is more than selling products or services; they play a broader role in helping small farmers analyze farm-business operations, compare performance against local benchmarks, identify areas where products and services can offer the

most return for investment and then support the farmers in making needed changes. In this sense, the PEA is more of a small-farm business analyst with a genuine interest in the success of the farmer's whole livelihood system.

There is, however, danger in PEAs working more for their own business interests and leaving out the poor farmers. Stakeholder workshops and planning of communication strategies must take

into account agreement on a set of policies and procedures towards upholding the true objective for adopting the PEA mechanism. Identification, selection and training of the PEAs will be critical policy elements that the different stakeholder groups will have to agree on, develop, implement and monitor.

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Partner Organizations

Canadian International Development Agency
International Center for Soil Fertility and Agricultural Development
International Development Enterprises
Provincial Department of Agriculture, Cambodia
The World Vegetable Center

Key Reference

Roberts, M. 2008. *Demonstration and documentation of innovative market-based strategies to realize agricultural income through increased on-farm water productivity and market integration*. CPWF Small Grants Final Report. Colombo, Sri Lanka: CGIAR Challenge Program on Water and Food.

Tags: SG502; Innovative market-based strategies

Bibliography

Roberts, M., A. Long and N. Baxter 2008. *Provision of agricultural support services to small farmers through private-sector agents: A review of selected field experience in Cambodia*. International Development Enterprises.