Australia Awards

Unlocking New Source of Agricultural Growth:

Assessing the Role of Finance in Modern Agriculture

Presented by:
Monirattana Sok, Chheanghak Ang and Sereymanuth Heng

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01: About Our Research

1. Research Team

Ang Chheanghak

Master of Economics
Beijing, China

Sok Monirattana

Master of Public Policy
Adelaide, Australia

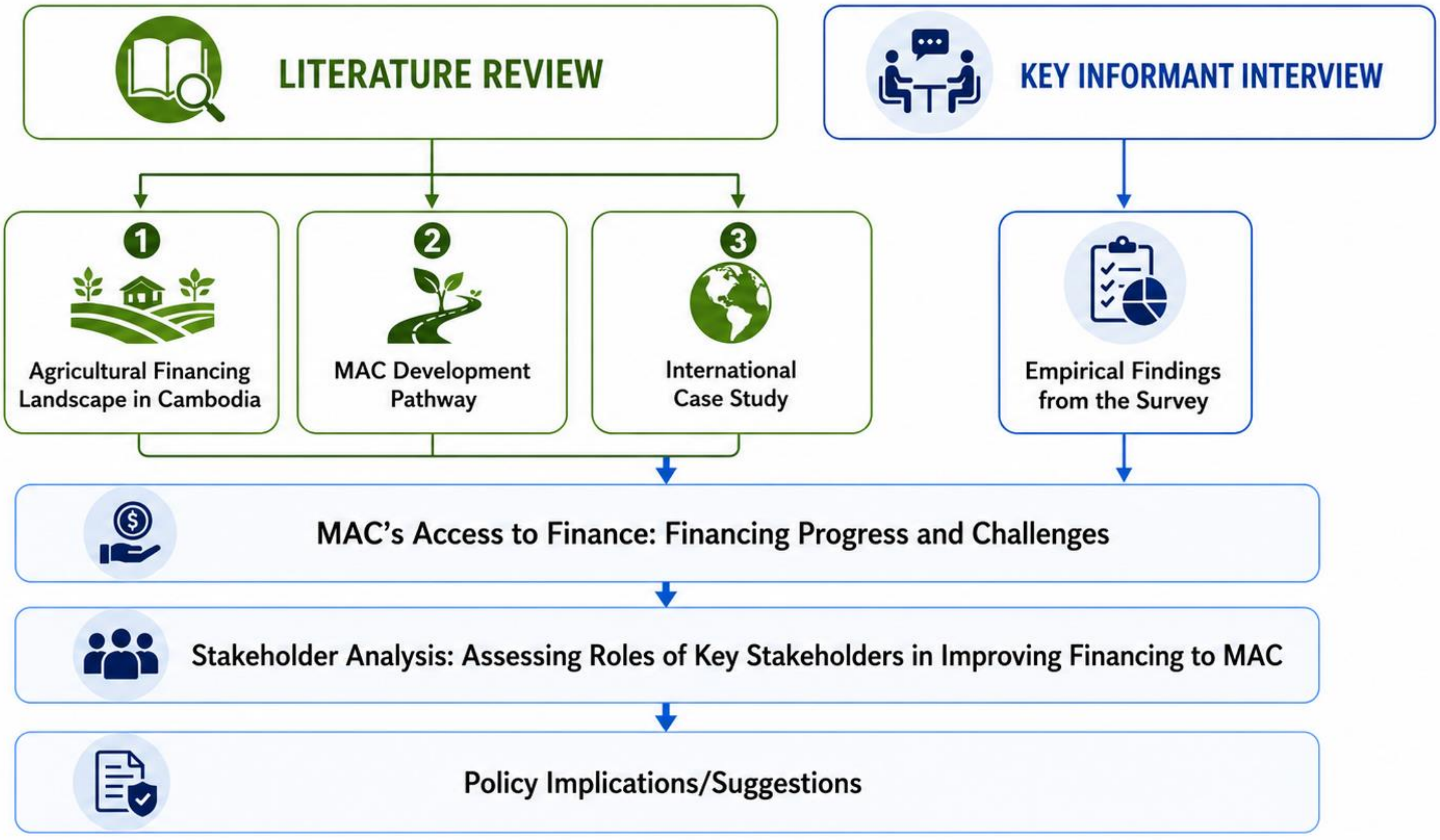
Heng Sereymanuth

Master of Science in Economics
and Management, France

2. Research Objectives

1. **Assess the current financing situation** for agricultural sector, particularly for modern agricultural communities (MACs)
2. **Examine international experiences** to identify best practices in financing modern agriculture
3. **Identify key challenges/barriers** that hinder MACs from accessing adequate financial resources
4. **Design financing policy recommendations** to improve access to finance for MACs

3. Methodology



4. Participated Stakeholders

Government

2 Government Ministries
2 State-Owned Bank
1 Government Enterprise

BFIs

5 Private Banks

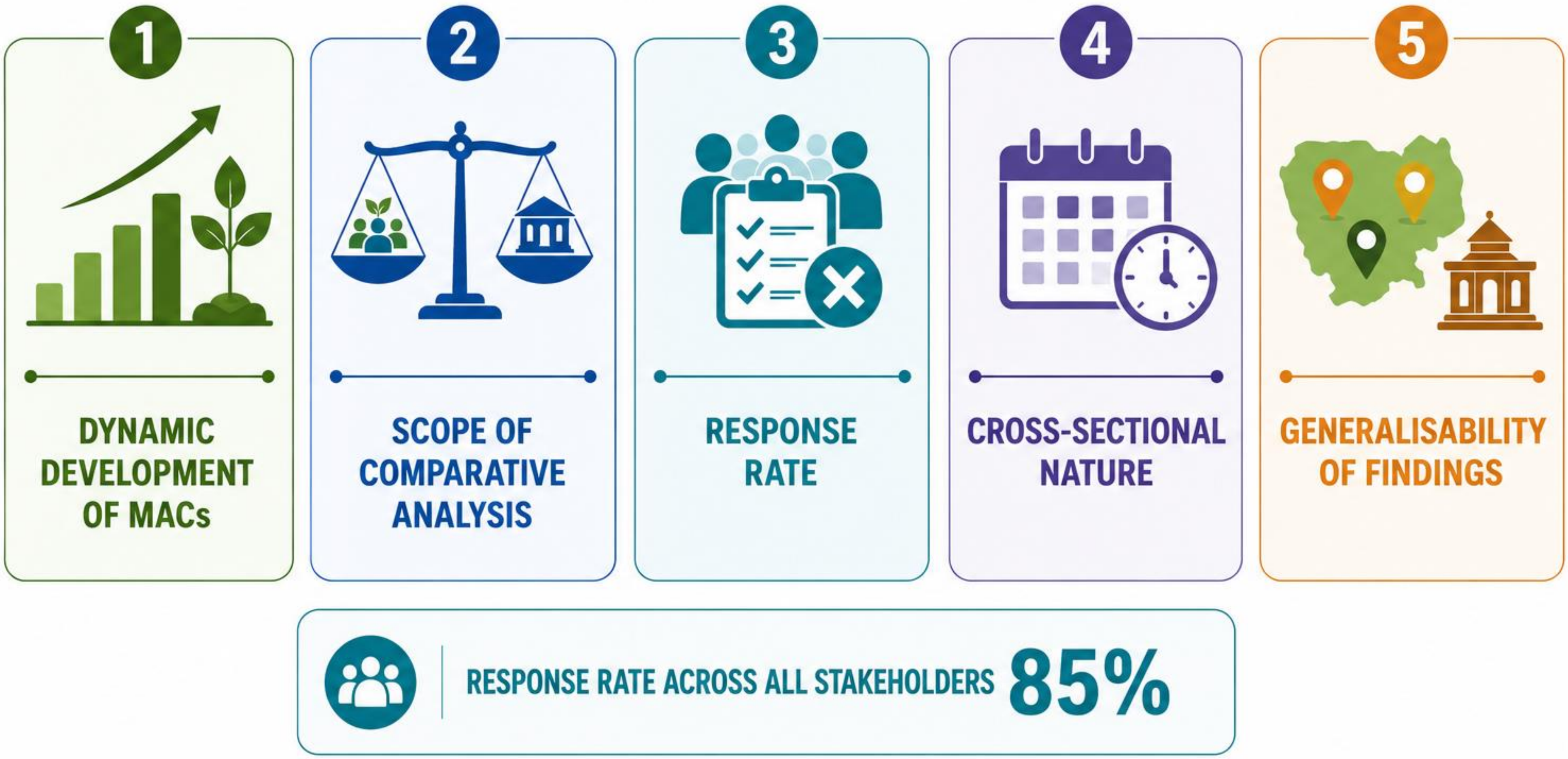
12 MACs & 6 ACs
across six provinces

MAC:
12 MAC
48 Members

AC:
6 MAC
26 Members

Response Rate

5. Scope and Limitations

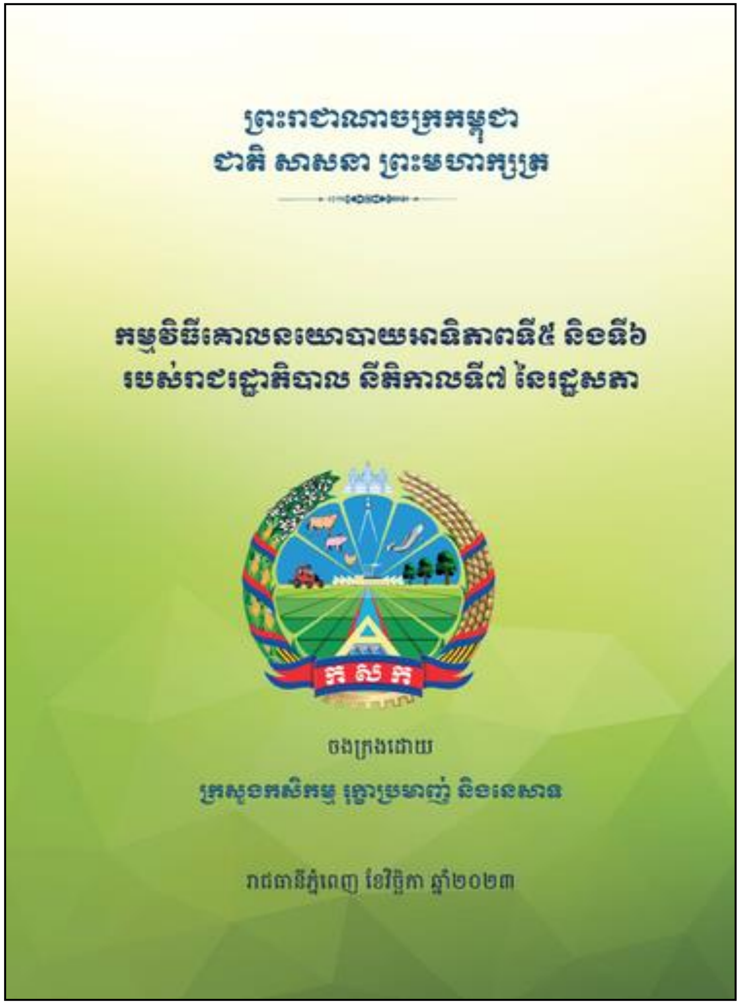


6. Timeframe

No.	Activities	June				July				August				September				October				November				December				January				February				March			
		W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4
1	Literature Review																																								
2	Research Methodology																																								
3	Design Questionnaires																																								
3	Data Collection (field survey, data cleaning)																																								
4	Data Analysis																																								
5	First Draft																																								
7	Editor Review																																								
8	Final Report																																								

02: Literature Review

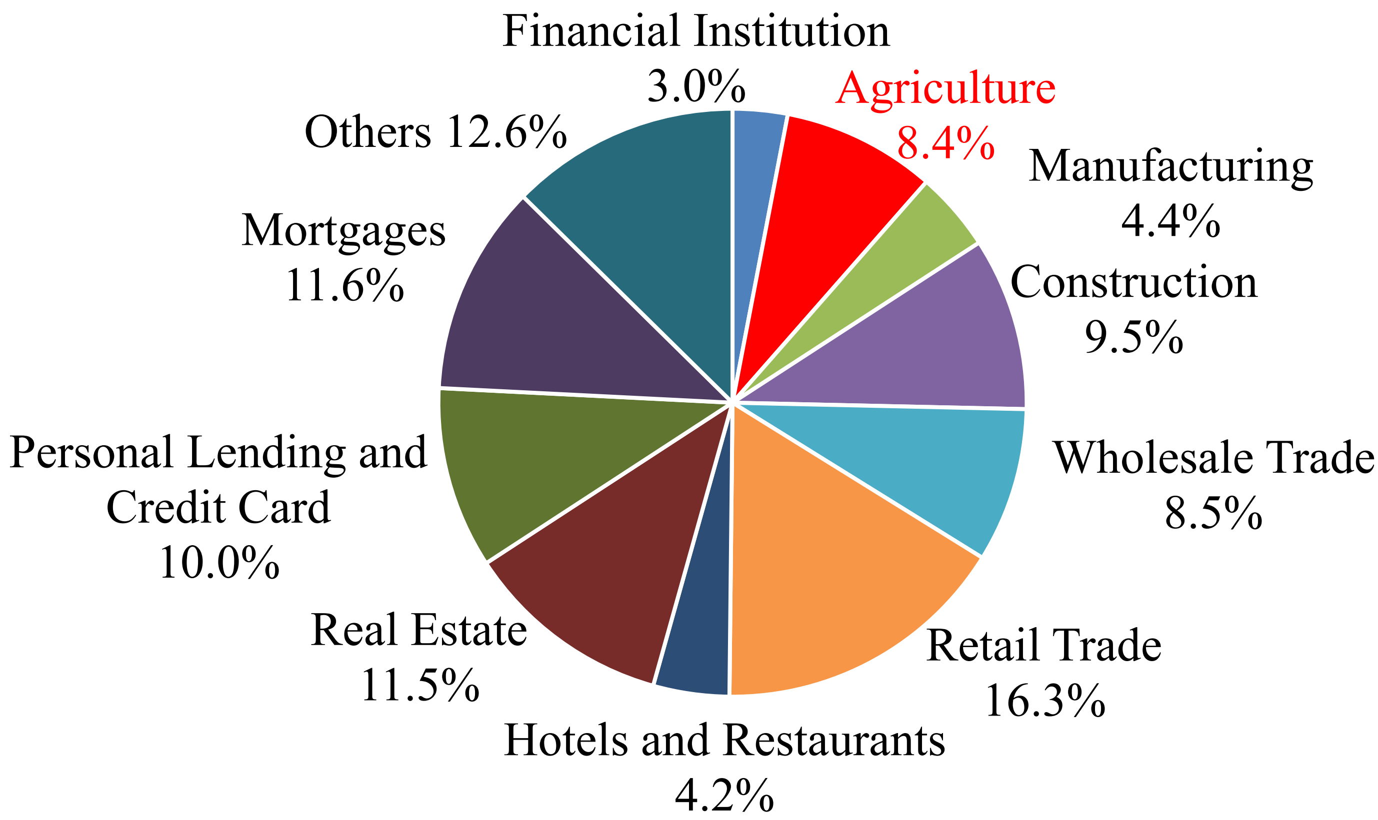
1. About Modern Agricultural Communities (MACs)



- *A Modern Agricultural Community (MAC) is a* ***large-scale collective farming model*** *established under Priority Policy Program No.6 of Cambodia's 7th-legislature Government, and was launched in 2023.*
- Unlike regular Agricultural Cooperatives (ACs), MACs can improve agricultural productivity through joint production, purchasing, selling, and management.
- ***With their potential to improve productivity, promote economies of scale, and strengthen value chain integration, MACs are expected to become a new source of growth for Cambodia's agricultural sector.***
- *However, MACs are still at an early stage of development, and their governance structure, institutional capacity, and operational performance require further strengthening.*

2. Agricultural Financing Review

Credit by Sector from Banking Institutions
(As of March 2025)



Source: National Bank of Cambodia's Published Data as of March 2025

3. Internation Practices

Country	Key Financing Mechanism	Key Lesson for Cambodia
Thailand	Specialised agricultural bank (BAAC) delivering concessional, diversified credit across the value chain	Establish a dedicated agricultural financing institution or window to provide targeted, long-term and affordable credit to MACs
Vietnam	Large-scale public credit programs with preferential rates and tax incentives for agriculture	Expand concessional and high-tech agricultural credit, while ensuring inclusive access for small and emerging MACs
Indonesia	Interest rate subsidies, credit guarantees, and public capital injections to de-risk lending	Strengthen risk-sharing mechanisms (guarantees, subsidies) to incentivise banks to lend to MACs
China	Diversified financial products with low collateral requirements supported by strong guarantee systems	Develop tailored financial products for MACs with flexible collateral and repayment structures
India	Farmer-level credit access through flexible instruments (e.g. Kisan Credit Card) and large public financing	Introduce accessible, flexible credit tools (e.g. MAC credit scheme/card) supported by strong data systems
South Australia	Concessional loans combined with strong institutional and innovation support systems	Promote blended finance (public + private) and concessional lending linked to resilience and value chain development

03: Key Findings


AGRICULTURAL AND RURAL DEVELOPMENT BANK


MEMOTTBOUNG KHMUM PEPPER MODERN AGRICULTURAL COOPERATIVE
071 29 39 560 / 017 93 95 60 / 097 66 66 367

1. KII Result: Government Stakeholders

Ministry of Agriculture, Fisheries and Forestry (MAFF)

As of 29 September 2025, the first MAC pilot focuses on 4 strategic crops (paddy rice, vegetables, cashew, and pepper) across **22 registered MACs** in 11 provinces, involving nearly **3,000 members** and approximately **20,139 hectares**.

Despite this scale, the initiative faces three primary challenges:

- **Cultural Resistance:** Low public awareness and farmer distrust of modern systems due to land security concerns.
- **Management Gaps:** A lack of operational capital to hire professional leadership (CEOs, finance, and stock managers).
- **Financial Constraints:** Insufficient funding to invest in the long-term assets necessary for sustainability.

Ministry of Economy and Finance (MEF)

Agricultural spending via MAFF has nearly doubled since 2020, reaching an estimated **USD 195–196 million** in 2025.

- A specific **USD 382.7 thousand** allocation for 2025 to stimulate broader impacts by enabling activities that facilitate access to credit, attract private investment and strengthen service delivery at the community level.

2. KII Result: Banking and Financial Institutions (BFIs)

Data Consolidation Methodology

Survey sample: 7 banks

01 Equal-weight mean

$$\bar{S}_j = (1/7) \times \Sigma_{i=1}^{7} S_{ij}$$

Source-of-fund shares: each bank receives equal weight.

02 Cumulative growth

$$g_{2020\text{—}25} = (L_{2025} / L_{2020} - 1) \times 100$$

Agricultural loan growth from 2020 to 2025.

03 Exposure-weighted average

$$\bar{x}_w = \Sigma_{i=1}^{7} x_i w_i / \Sigma_{i=1}^{7} w_i$$

Used when larger exposures should have greater influence.

Indicator-specific application of the weighted formula

Indicator	Bank-level measure (x_i)	Weight (W_i)
LR **Lending rate**	Lending interest rate (r_i)	Corresponding loan amount (L_i)
AR **Approval rate**	Bank approval rate (AR_i)	Applications submitted (A_i)
CC **Collateral composition**	Share of collateral type c (C_ic)	Relevant loan amount (L_i)
LT **Loan tenor**	Average tenor or tenor-category share (T_i)	Relevant loan amount (L_i)
LP **Loan purpose**	Share allocated to purpose p (P_ip)	Relevant loan amount (L_i)
RM **Repayment method**	Share using repayment method m (R_im)	Relevant loan amount (L_i)

2. KII Result: Banking and Financial Institutions (BFIs)

Participated BFIs and CGCC

Funding structure and credit trends

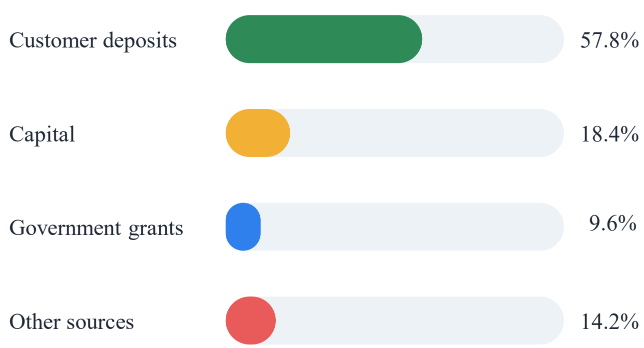
57.8%
Deposits remain the main funding base

-26.8%
Agricultural lending fell in 2020–2025f

USD 4.15m
Projected MAC loans by end-2025

88.7%
Approval rate in 2025f

Where do BFIs get funds for lending?

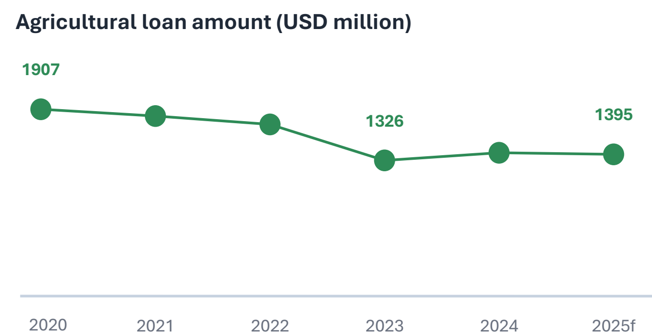


Funding patterns differ by institution: private banks rely more on deposits, while policy banks receive larger public and partner support.

Private banks
deposit-driven

Policy banks
grant / partner-backed

How is lending evolving?



MAC lending only began in 2024, but the projected scale-up to USD 4.15 million by 2025 signals an early opening for cooperative finance.

2. KII Result: Banking and Financial Institutions (BFIs)

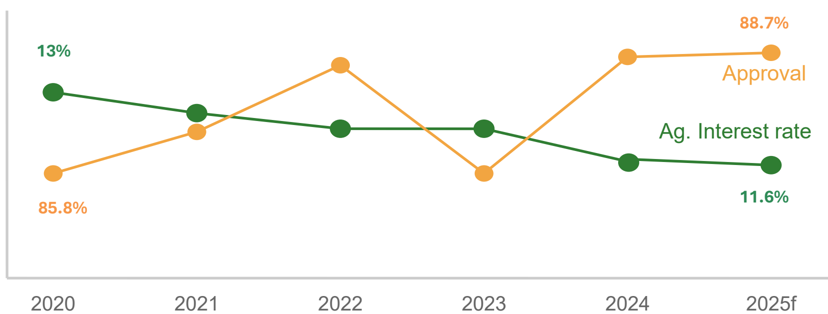
13.0% → 11.6%
Average agricultural lending rate fell steadily by 2025.

7.0%
MAC lending rate remained flat in 2024–2025 under supported programs.

85.8% → 88.7%
Agricultural loan approval rate trended upward over 2020–2025f.

100%
Loan to MACs application approval rate

Interest rate and approval trend

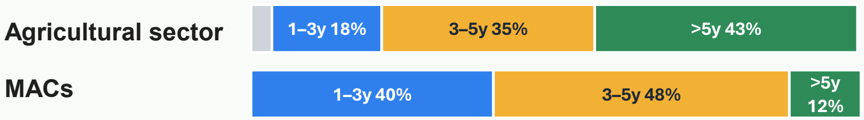


MAC loans stayed at 7% in 2024 and 2025, well below the general agricultural average.

Collateral composition

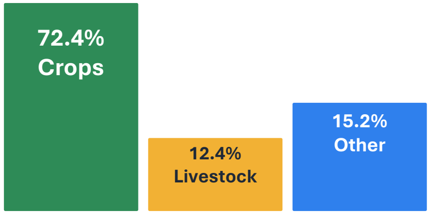
Banks still prefer legally recognized land titles, which limits access for farmers lacking formal documentation.

Loan tenor structure



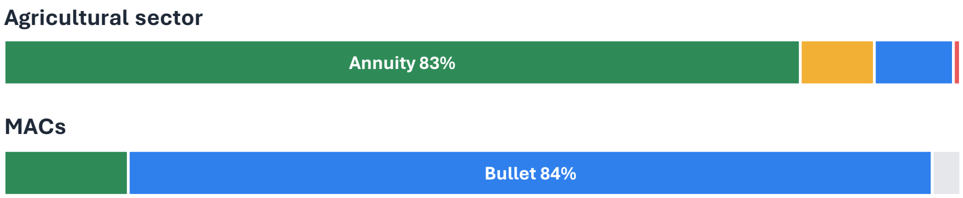
Agricultural lending already leans medium to long term; MAC loans are still concentrated in 1–5 year maturities but could lengthen over time.

Loan purpose



Crop cultivation dominates, while value-added and diversified activities still attract relatively limited credit.

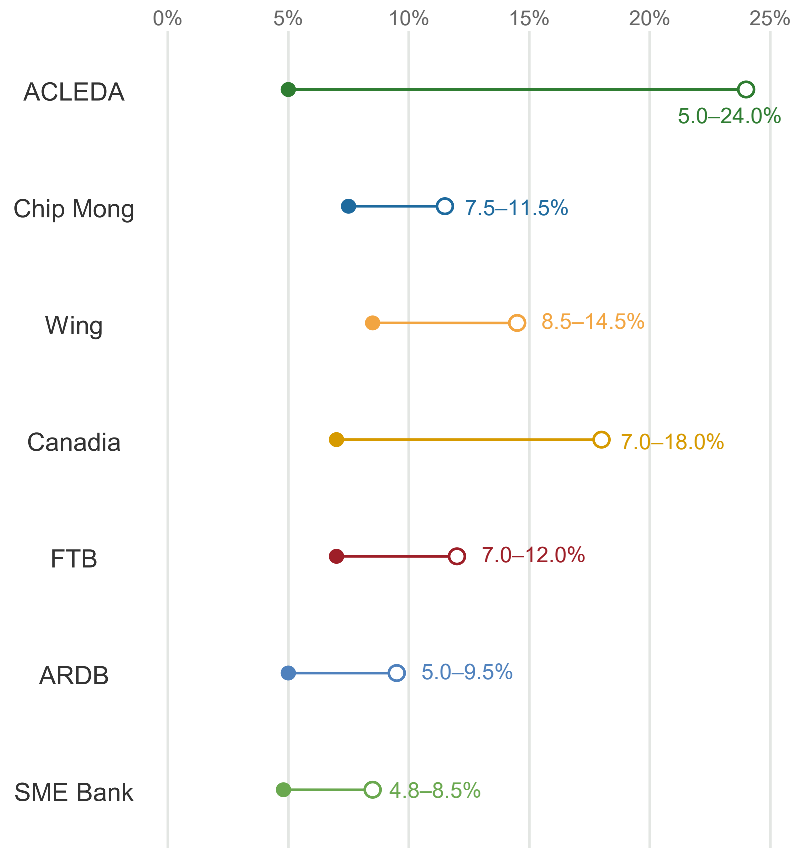
Repayment profile differs sharply



Individual farmers prefer predictable instalments, while MACs depend much more on cash-flow-at-maturity structures.

2. KII Result: Banking and Financial Institutions (BFIs)

Interest rate range for agricultural loans



Policy-oriented banks offer the lowest and most targeted rates, while commercial banks usually lend under broader SME products rather than dedicated agricultural windows.

Borrower mix

Individual farmers	83.5%
Milling & processing	9.2%
Middlemen	3.9%
Agri-food SMEs	0.9%
Others	2.3%
Associations	0.1%

Agricultural lending is still dominated by individual farmers. Associations and communities barely appear in the portfolio, revealing a major finance gap for organised groups.

Current main agricultural special financing programs

ACLEDA	ARDB Co-Financing Facility
ARDB	ACSEP, CASDP, AIM-AIF, ASPIRE-AT
Wing	Rice Export GS, Agricultural Development Facility, Climate Resilient Tech
Canadia / FTB	Rice exporter / rice schemes
Chip Mong	Revolving loans for fish and rice cooperatives

2. KII Result: Banking and Financial Institutions (BFIs)

CGCC agricultural guarantee mix

Agriculture accounted for an average 12.6% of total guarantees; MAC-related guarantees were still small but growing (4.24% of total).

Why guarantees are rejected and how CGCC manages risk

- Main rejection reasons: repayment ability (40%), poor credit history (40%), weak documentation (10%) and misuse of funds (10%).
- Risk management relies on early identification, restructuring support, close monitoring and stronger internal risk tools.

Why some lenders see strong potential

- Formal legal registration and clearer governance distinguish MACs from informal farmer groups.
- Collective accountability, more transparent controls and structured financial management can reduce default risk.
- Some MACs can offer communal assets, joint guarantees or contract-based income streams instead of traditional collateral only.
- Their aggregation role lowers transaction costs and creates more traceable cash flows for lenders.
- ARDB is the most forward-looking institution and links governance quality to financing readiness.

Why others remain cautious

- Many MACs are still young, with thin financial track records and limited management depth.
- Collateral remains limited, and some institutions still prefer hard titles and conventional borrower histories.
- Governance, bookkeeping, budgeting and cash-flow discipline are not yet consistent across MACs.
- CGCC is more conservative than ARDB and does not yet see MACs as a strong borrower segment relative to more established businesses.
- Macroeconomic pressure on agriculture also keeps lenders cautious about asset quality and repayment risk.

Takeaway: BFIs and CGCC generally agree that MACs can become an important channel for agricultural growth, but only if governance, financial records, leadership and market linkages improve enough to make them consistently bankable.

2. KII Result: Banking and Financial Institutions (BFIs)

What would unlock more MAC financing?

1. Build MAC readiness	2. Improve market systems	3. Strengthen finance architecture
• Clear business plans and realistic financial projections	• Warehouses, drying facilities and agro-processing hubs	• Co-funding, concessional lines and tailored loan products for cooperatives
• Better governance, leadership and role separation	• Reliable water supply and stronger local support services	• Guarantees, blended finance and first-loss / risk-sharing mechanisms
• Accurate records, budgeting and cash-flow management	• Stable market linkages, contract farming and value-chain partnerships	• Potential regulatory incentives such as lower risk weights for MAC lending
• Digital tools and continuous financial literacy training	• More predictable revenues to support repayment capacity	• Closer coordination among MAFF, BFIs, ARDB, SME Bank and CGCC

Overall message: financing through stronger MACs can lower transaction costs, widen inclusion, support value-chain investment and become a practical new source of agricultural growth in Cambodia.

3. KII Result: MACs

About Participatory MACs

1. Banle Phtas Samnanh Tramak MAC — Takeo

Profile
- Established: 22 Aug 2024
- Members: 54
- Farmland: 4.3 ha
- Main crops: lettuces, bok choy, curly wrap bok choy
- Agri-tech: net-house farming

Finance
- Annual income: KHR 700 million
- Annual expenditure: KHR 574 million
- Funding: own capital + ARDB loan
- Loan: USD 50,000 • 7% • 3 years

Challenges
- Limited capital reserves
- Unstable market demand
- No accurate daily consumption data

Outlook
- Expand land and production
- Diversify market linkages
- Strengthen technical training and net-house management

2. Srov Phkar Romduol Khnar Chhnar Senchey MAC — Kampong Chhnang

Profile
- Established: 21 Aug 2025
- Members: 51
- Farmland: 398 ha
- Main crops: Romduol paddy, Sen Kro Oh paddy
- Agri-tech: drones and organic inputs

Finance
- Annual income: KHR 150 million
- Annual expenditure: KHR 120 million
- Funding: own capital only
- Capital need: about USD 159,000

Challenges
- No BFI loan yet
- No formal management team
- Limited warehouse capacity
- Machinery rental raises costs

Outlook
- Procure combine harvester, drone, tractor, warehouse, drying machine, colour sorter
- Conduct annual quality audits
- Strengthen management and improve access to finance
- Partnership support: Amru Rice

3. Sosei MAC — Siem Reap

Profile
- Established: 6 May 2024
- Members: 76
- Farmland: 18 ha
- Main focus: chilli and vegetable beds
- Agri-tech: net-houses, drip irrigation, planned solar pumps

Finance
- Annual income: KHR 324 million
- Annual expenditure: KHR 180 million
- Funding: own; 95% BFI loans, 5% own capital
- ARDB loan: USD 200,000 • 7% • 7 years
- Expansion need: about USD 700,000 by 2027 for 271 net-houses

Challenges
- High interest rates
- Strict collateral requirements
- Lengthy approval procedures

Outlook
- Obtain GAP certification
- Replace up to 70% of vegetable imports into Siem Reap
- Expand into agro-tourism
- New longer technology, training, and sustainable irrigation

4. Tum Ring Cashew MAC — Kampong Thom

Profile
- Established: 5 Jul 2024
- Members: 72
- Farmland: 33 ha
- Main crop: cashew nut
- Governance: CEO and accountant appointed

Finance
- Annual income: KHR 1.85 billion
- Annual expenditure: KHR 1.51 billion
- Funding: 100% BFI Loans
- ARDB loan: USD 290,000 • 7% • 3 years
- Capital need: about USD 880,000

Challenges
- Funds must be fully withdrawn on approval
- Loan use flexibility is limited

Outlook
- Expand community management training
- Improve marketing and financial literacy
- Recommend 3.5% interest and simpler approval

Cross-cutting message | Access to affordable credit | Investment in machinery and storage | Training, management, and market linkages

3. KII Result: MACs

About Participatory MACs

5. Prasat Sambour Rung Roeang MAC
Kampong Thom

Profile
- Established: 30 Jul 2024
- Members: 173
- Farmland: 726 ha
- Main focus: expansion and productivity improvement

Finance
- Annual income: KHR 388.8 million
- Annual expenditure: KHR 92 million
- Funding mix: 90% BFI loans, 10% own capital
- ARDB loan: USD 440,000 • 7% • 3 years
- Credit guarantee: CGCC
- Capital shortfall: about USD 750,000

Challenges
- Transportation constraints
- Limited market demand
- Operational uncertainty

Outlook
- Build a cashew processing factory
- Improve storage and transport infrastructure
- Expand agricultural land
- Recommend 4–5% interest and simpler procedures

6. Aphivat Damnam Srauv Kampong Thom MAC
Kampong Thom

Profile
- Established: 25 Apr 2025
- Members: 168
- Farmland: 3,500 ha
- Main crop: paddy rice
- Agri-tech: drones, harvesting machines, tractors

Finance
- Annual income: KHR 4 billion
- Annual expenditure: KHR 2.8 billion
- Funding: 100% BFI loans
- FTB loan: USD 400,000 • 8.05% • 3 years
- Additional need: about USD 2 million
- Includes warehouse need: about USD 120,000

Challenges
- Insufficient drones for pest control
- No proper office workspace
- Limited contract farming experience

Outlook
- Purchase more drones
- Develop high-quality rice seed and feed bikes
- Construct office space and warehouse
- Recommend 4–5% interest and simpler approval

7. Phnomkulen Cashew MAC
Siem Reap

Profile
- Established: 17 Jul 2025
- Members: 112
- Farmland: 331 ha
- Main crop: cashew
- Status: newly formed MAC

Finance
- No BFI loan yet
- Relies on MAFF support
- No clear financial budget yet

Challenges
- Poor road access and transport difficulties
- Early-stage operational capacity
- Limited financial planning

Outlook
- Increase membership by 50%
- Expand activities, including livestock
- Need business plan, office, storage, peeling and packaging machines, drying ovens
- Need technical training and market facilitation

8. Memot Tboung Khmuom Pepper MAC
Tboung Khmum

Profile
- Established: 7 Nov 2024
- Members: 82
- Farmland: 330 ha
- Main crop: pepper
- Agri-tech: solar water pumps, climate-resilient mulching
- GAP status: 38 certified, 24 in process

Finance
- Annual income: KHR 850,653
- Annual expenditure: KHR 346,994
- Funding mix: ARDB loan 10% own capital
- ARDB loan: USD 437,000 • 7% • 1 year
- Capital shortfall: about USD 852,864

Challenges
- No warehouse
- Limited capital
- No accounting software
- No salary budget for CEO, CFO, COO

Outlook
- Diversify into rubber, durian, and cashew nut
- Expand to export markets
- Recommend about 5% interest and simpler procedures

Cross-cutting message | Affordable finance for growth | Better infrastructure and equipment | Training, systems, and market readiness

3. KII Result: MACs

About Participatory MACs

9. Sala Visai Cashew MAC — Kampong Thom

Profile
- Established: 30 Jul 2024
- Members: 88
- Farmland: 255 ha
- Main crop: cashew
- Tree type: four-year-old M23 cashew

Finance
- Financial need: about USD 740,000
- Investment items: officesite, storehouse, drying yard, water facilities, tractor, processing machines, vehicles, drone sprayers

Challenges
- Limited local understanding of MAC structure
- Weak contract compliance and cash flow
- Weather and humidity affect quality
- Aging heirloom cashew varieties
- Banks fees and interest on undisbursed funds

Outlook
- Expand along the processing value chain
- Expand cultivation area
- Strengthen technical support in farming and processing
- Reduce reliance on costly rentals

10. Damnam Srauv Baray Taing Kouk MAC — Kampong Thom

Profile
- Established: 4 Apr 2025
- Members: 180
- Farmland: 5,000 ha
- Main crop: Sen Kro Ob oil and Sroppat Stal paddy
- Harvest potential: twice per year

Finance
- Financing need: about USD 4,750,000
- Covers land rent, labour, fertilizer, pesticides, seeds, and ploughing services

Challenges
- Sells wet paddy without processing
- Weak irrigation system and shallow canals
- Limited electricity and inadequate roads
- No own storeroom for wet paddy
- Strict lending conditions and long processing times

Outlook
- Produce own paddy seed varieties
- Install more pumping stations
- Improve irrigation coverage
- Prioritize roads and market access for higher-value rice products

11. Srauv Neang Om MAC — Siem Reap

Profile
- Established: 13 Mar 2024
- Members: 57
- Farmland: 531 ha
- Main crop: Neang Om and Khay paddy
- Land title mix: 30% hard title, 70% soft title

Finance
- Borrowing cost: about 9% total
- Linked to "finance 9" like processing fee + 0.8% GGC fee
- Average approval time: about 2.5 months
- Investment needs: about USD 670,000
- Priority items: rice milling machine, tractors, harvesters, seed-drying kiln, branding and website

Challenges
- Mistrust after previous losses
- Fund shortage
- Missing key staff: CEO, accountant, technician, admin, stock manager

Outlook
- Develop own rice and paddy seed production
- Strengthen digital marketing and branding
- Build own milling facilities
- Explore livestock using milling by-products
- Recommend lower rates, subsidies, and 3–5-year interest-free support

12. Bonle Sovathipheap Kohkhisachtonlea MAC — Kandal

Profile
- Established: 30 Aug 2024
- Members: 104 families
- Farmland: 214 ha
- Main crops: lettuce, cabbage, bok choy, ginger

Finance
- Funding need: about USD 300,000
- Use of funds: working capital, tools, seeds, fertilizers, and more net-houses

Challenges
- Limited access to capital
- Restricted market outlets
- Shortage of skilled human resources
- Need more technical training
- No formal management structure

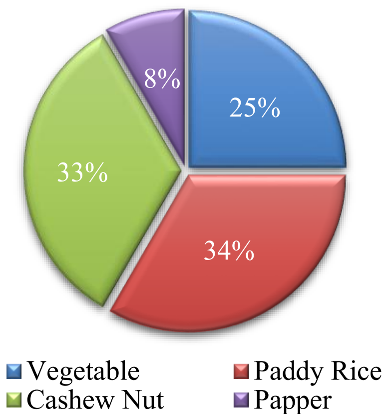
Outlook
- Expand cultivated area
- Diversify crop varieties
- Explore livestock farming
- Develop agro-tourism
- Prioritize support: capital, training, net-houses, and stronger organisational structure

Cross-cutting message
- Finance for scale-up
- Infrastructure, processing, and storage
- Capacity, governance, and market expansion

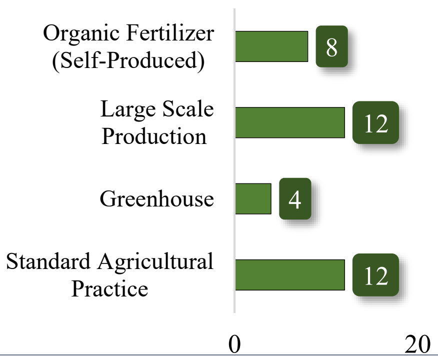
3. KII Result: MACs

Key Findings

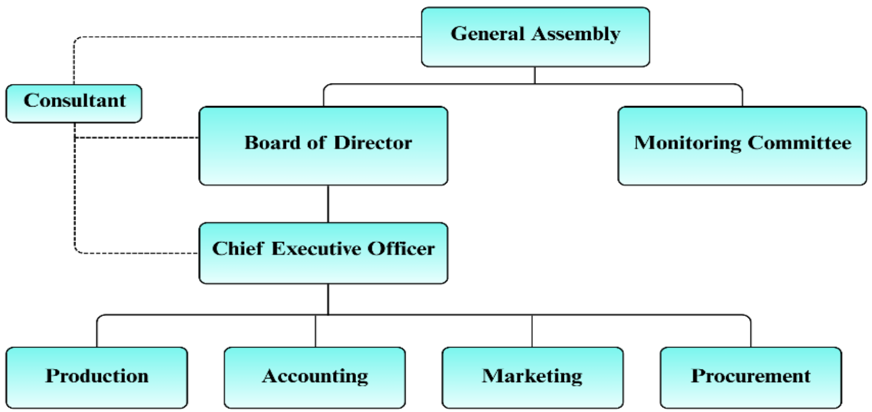
Agricultural Activities



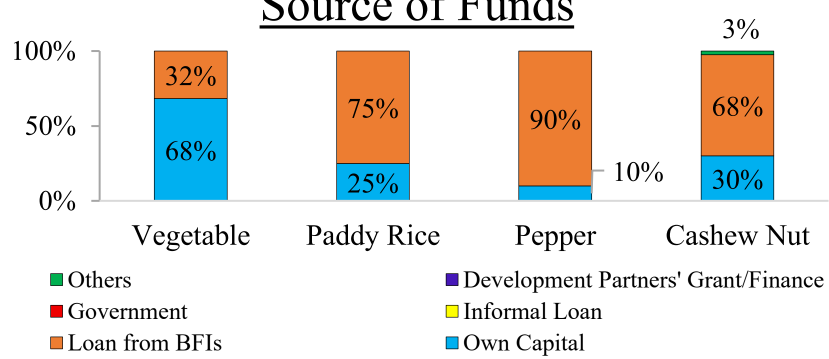
Farming Techniques



MAC Governance Structure



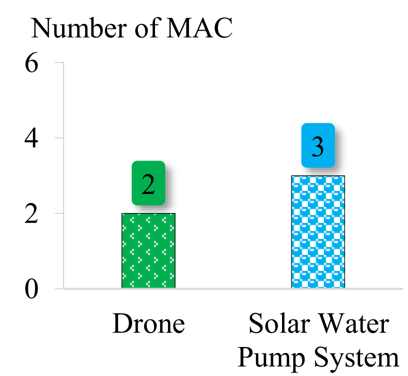
Source of Funds



The term "**Modern**" primarily refers to:

Standardized governance that integrates both business and production functions, along with the adoption of standardized agricultural practices, rather than focusing solely on agri-tech.

Agri-Tech



Source: Survey Results with Authors' Calculation

3. KII Result: MACs

Key Findings

Average Annual Income, Expenses and Profit by Commodity (In million KHR, 2024)			
Commodities	Average Annual Income	Average Annual Expense	Average Annual Profit
Vegetable	KHR 700.00	KHR 574.00	KHR 126.00
Paddy Rice	KHR 1,711.98	KHR 1,343.90	KHR 368.09
Pepper	KHR 2,202.61	KHR 1,387.98	KHR 814.64
Cashew Nut	KHR 876.54	KHR 672.43	KHR 204.11

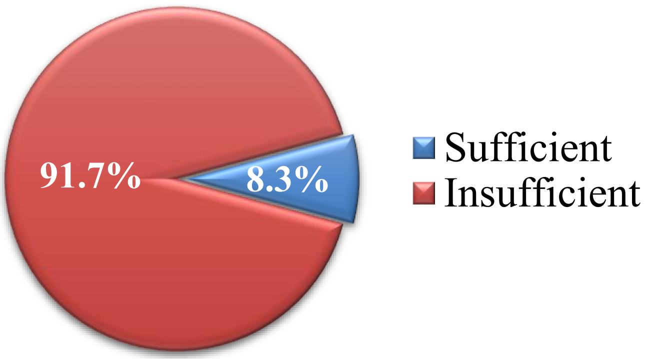
Annual Income, Expenses and Profit per Hectare by Commodity (In million KHR, 2024)			
Commodities	Annual Income per Hectare	Annual Expense per Hectare	Annual Profit per Hectare
Vegetable	KHR 15.12	KHR 12.40	KHR 2.72
Paddy Rice	KHR 0.55	KHR 0.43	KHR 0.12
Pepper	KHR 7.34	KHR 4.63	KHR 2.72
Cashew Nut	KHR 1.96	KHR 1.50	KHR 0.46

Source: Survey Results with Authors' Calculation

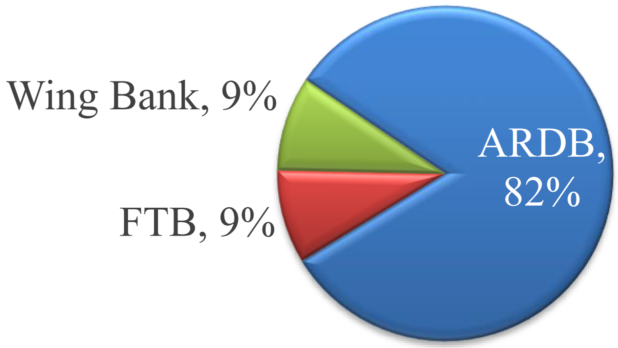
3. KII Result: MACs

Key Findings

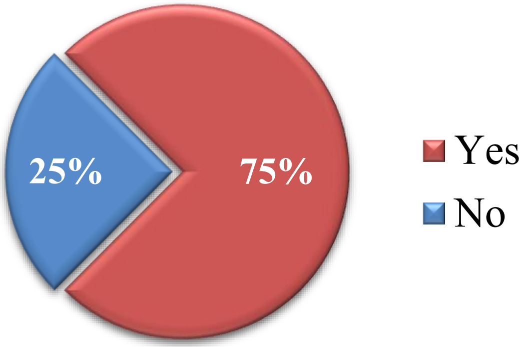
Capital Status



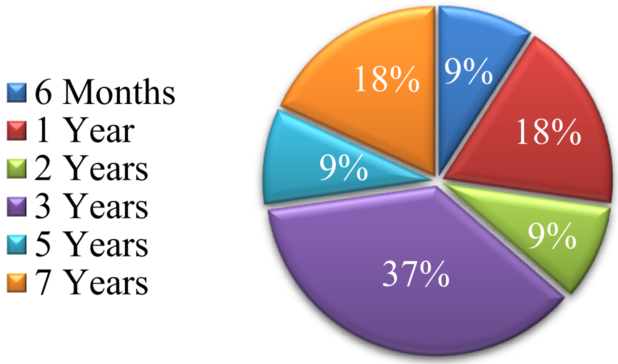
Share of Bank Financing to MACs



Access to Credit



Credit by Tenor

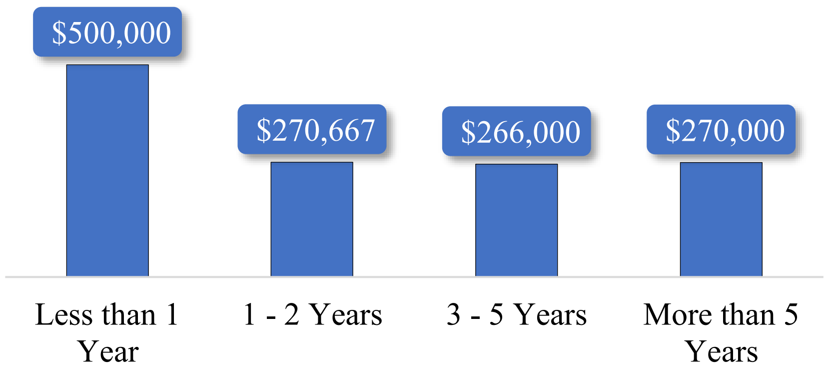


Source: Survey Results with Authors' Calculation

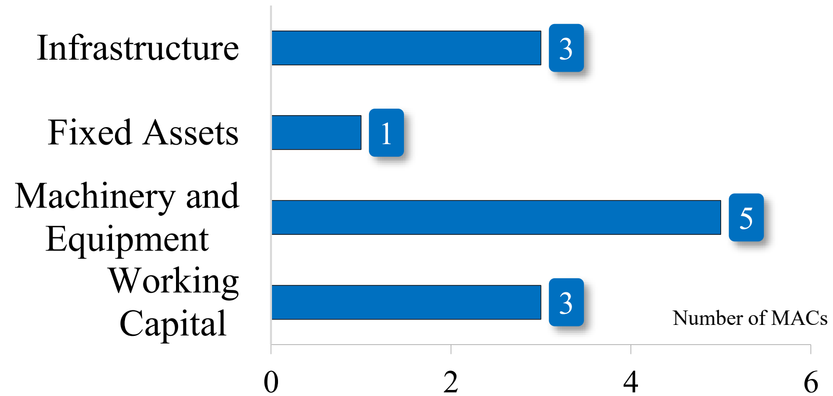
3. KII Result: MACs

Key Findings

Credit by Tenor

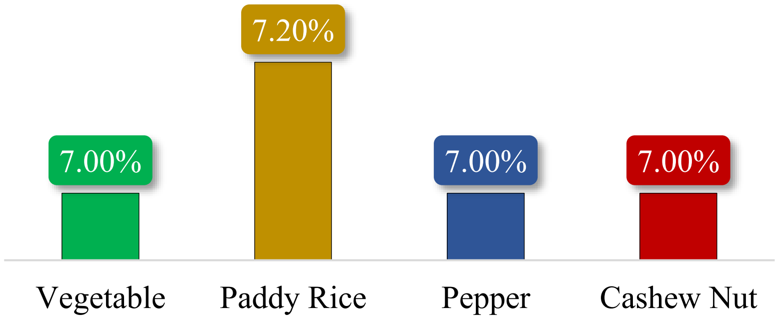


Share of Bank Financing to MACs

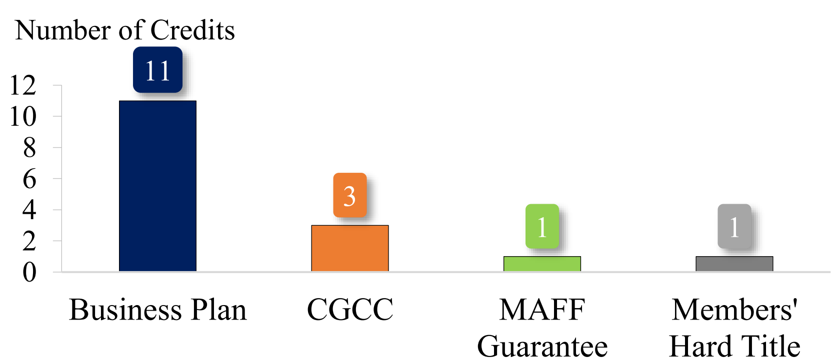


Interest Rate by Commodity

(Weighted Average)



Credit by Tenor

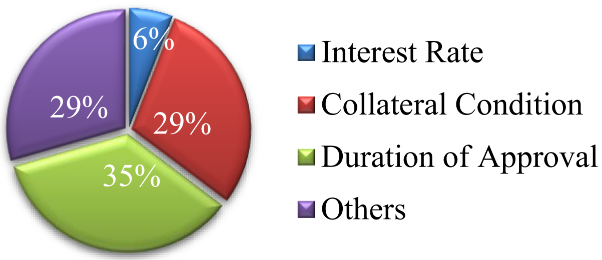


Source: Survey Results with Authors' Calculation

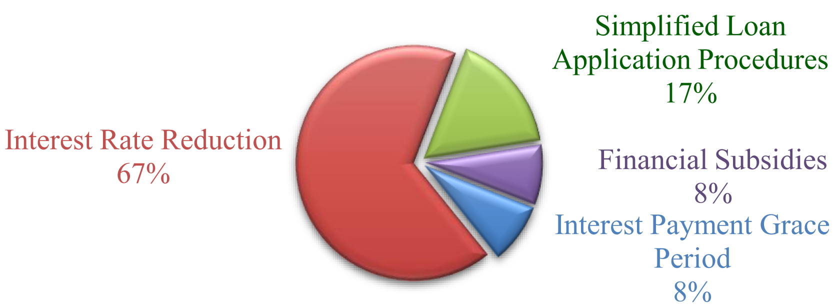
3. KII Result: MACs

Key Findings

Challenges in Access to Credit

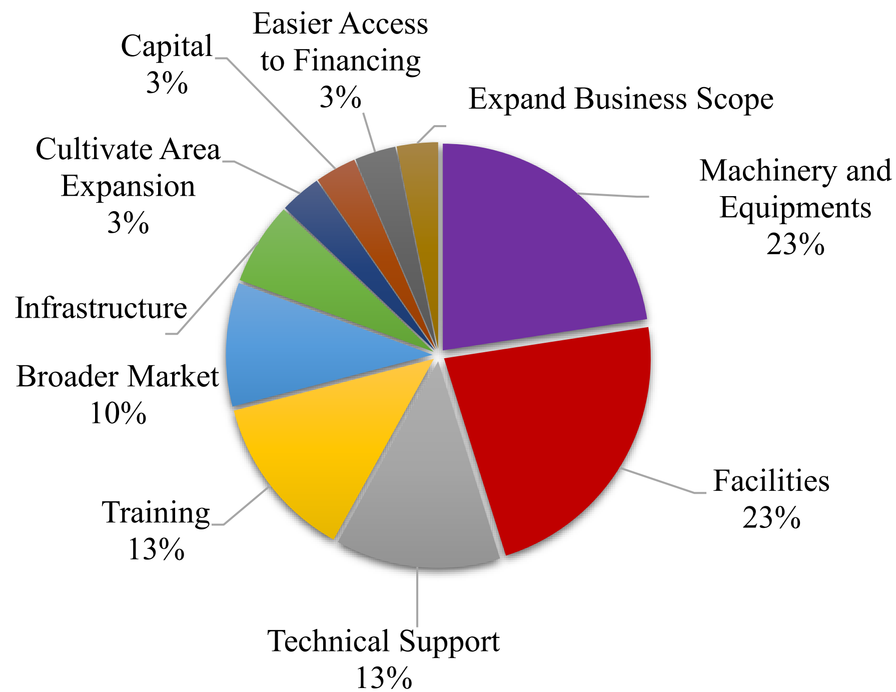


MACs' Suggestion to Ease Credit Access



MACs face multiple challenges beyond interest rates, including approval timelines, collateral requirements, and others.

Priority Support Needs of MACs



MACs aim to move towards modernised, market-driven and sustainable operations, requiring coordinated support in financing, technology, infrastructure and capacity-building to achieve long-term competitiveness.

Source: Survey Results with Authors' Calculation

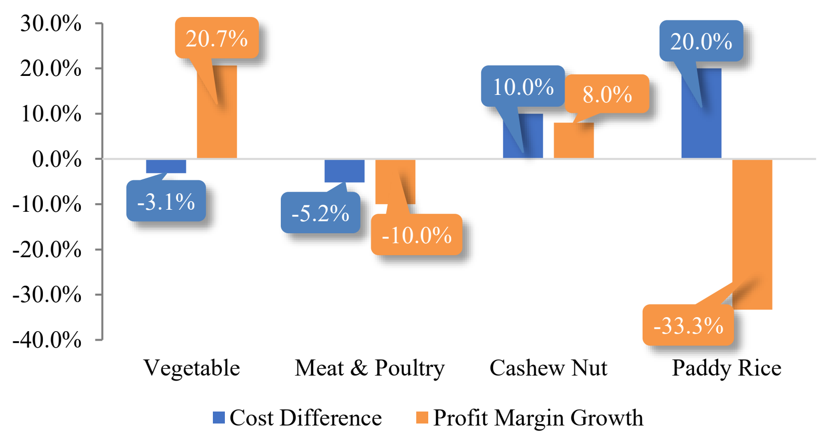
3. KII Result: MACs and ACs

- Average start-up cost is 3.4 times lower than ACs
- Average expenses are 3.2% lower than ACs
- Annual profits are 54.4% higher than ACs

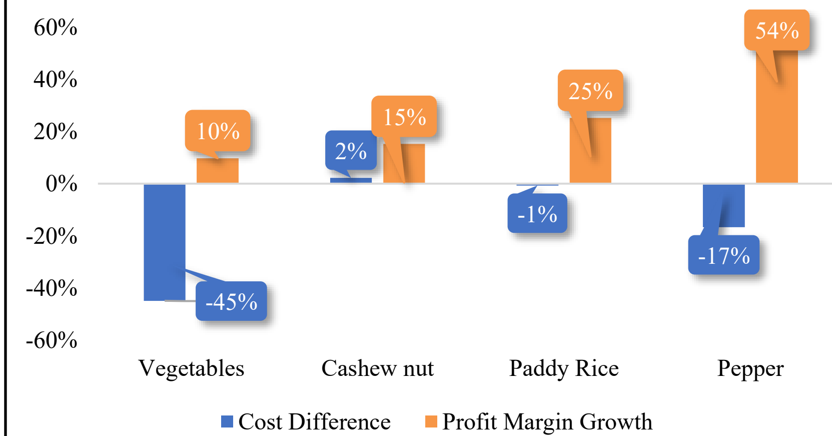
- Average start-up cost is 27.6% lower than ACs
- Average expenses are 6.2% higher than ACs
- Annual profits are 46.8% higher than ACs

Source: MAFF

Comparison Before and After becoming a Member of a Regular AC



Comparison Before and After becoming a Member of a MAC



Source: Survey Results with Authors' Calculation

** For Profit Margin Growth of MAC, we calculate as change of profit compared to its revenue before being a member to get the growth rate.

3. KII Result: MACs and ACs

Performance Indicators and Calculation Methods

Notation

t − 1 = Before becoming an AC or MAC member

t = After becoming an AC or MAC member

Agricultural Cooperatives (ACs)

Profit Margin Growth:

$$\text{Mean}\left(\frac{Profit_t}{Revenue_t} - \frac{Profit_{t-1}}{Revenue_{t-1}}\right) \times 100\%$$

Cost Growth:

$$\text{Mean}\left(\frac{Cost_t - Cost_{t-1}}{Cost_{t-1}}\right) \times 100\%$$

Modern Agricultural Communities (MACs)

$$x1 = \frac{\sum_i Revenue_{i,t-1} * Average\ annual\ expense_i}{\sum_i Average\ annual\ expense_i}$$

$$\boldsymbol{profit\ growth\ rate} = \frac{\boldsymbol{x3 - x2}}{\boldsymbol{x1}} * \mathbf{100\%}$$

$$x2 = \frac{\sum_i Profit_{i,t-1} * Average\ annual\ income_i}{\sum_i Average\ annual\ income_i}$$

$$x3 = \frac{\sum_i Profit_{i,t} * Average\ annual\ income_i}{\sum_i Average\ annual\ income_i}$$

$$\boldsymbol{cost\ difference} = \frac{\boldsymbol{x5 - x4}}{\boldsymbol{x1}} * \mathbf{100\%}$$

$$x4 = \frac{\sum_i Cost_{i,t-1} * Average\ annual\ expense_i}{\sum_i Average\ annual\ expense_i}$$

$$x5 = \frac{\sum_i Cost_{i,t} * Average\ annual\ expense_i}{\sum_i Average\ annual\ expense_i}$$

04: Conclusion & Policy Suggestion

1. Conclusion

Finance as a Strategic Driver

- Expanding access to finance is critical for transforming Cambodia's agriculture into a more productive, resilient and market-oriented sector, with MACs playing a key role in this transition.

Persistent Financing Constraints

- Despite strong demand, MACs face major barriers, including limited credit supply, rigid collateral requirements, misaligned loan terms and low financial literacy, which reduce their credit readiness and access to formal finance.

Institutional and Governance Gaps

- Weak governance, poor financial records, lack of standardised creditworthiness and limited visibility among banks, combined with financial institutions' risk perceptions, continue to constrain lending to MACs.

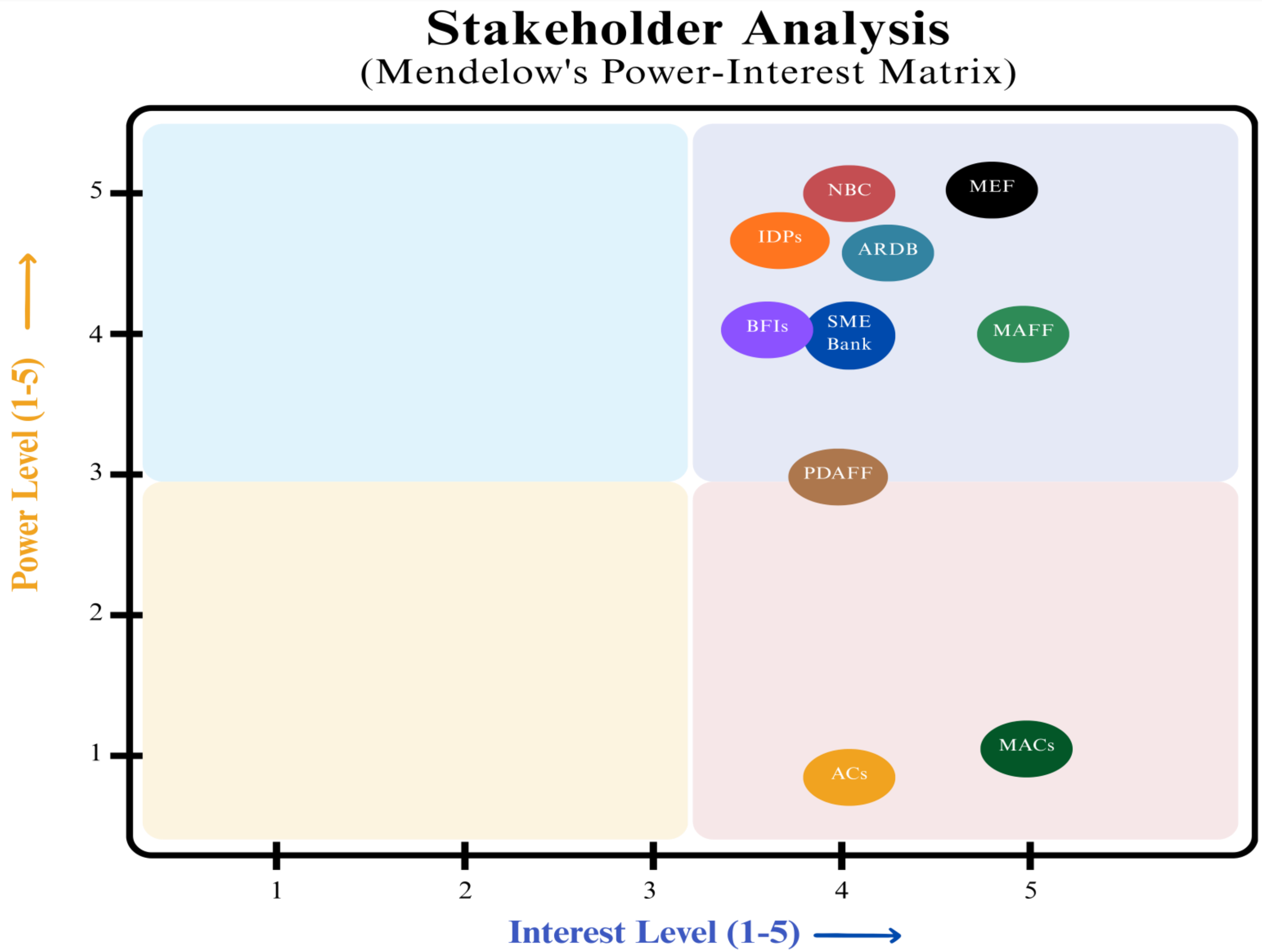
Lessons from International Experience

- Successful models highlight the importance of concessional finance, credit guarantees, interest subsidies, specialised agricultural banks and strong cooperative governance, offering adaptable solutions for Cambodia.

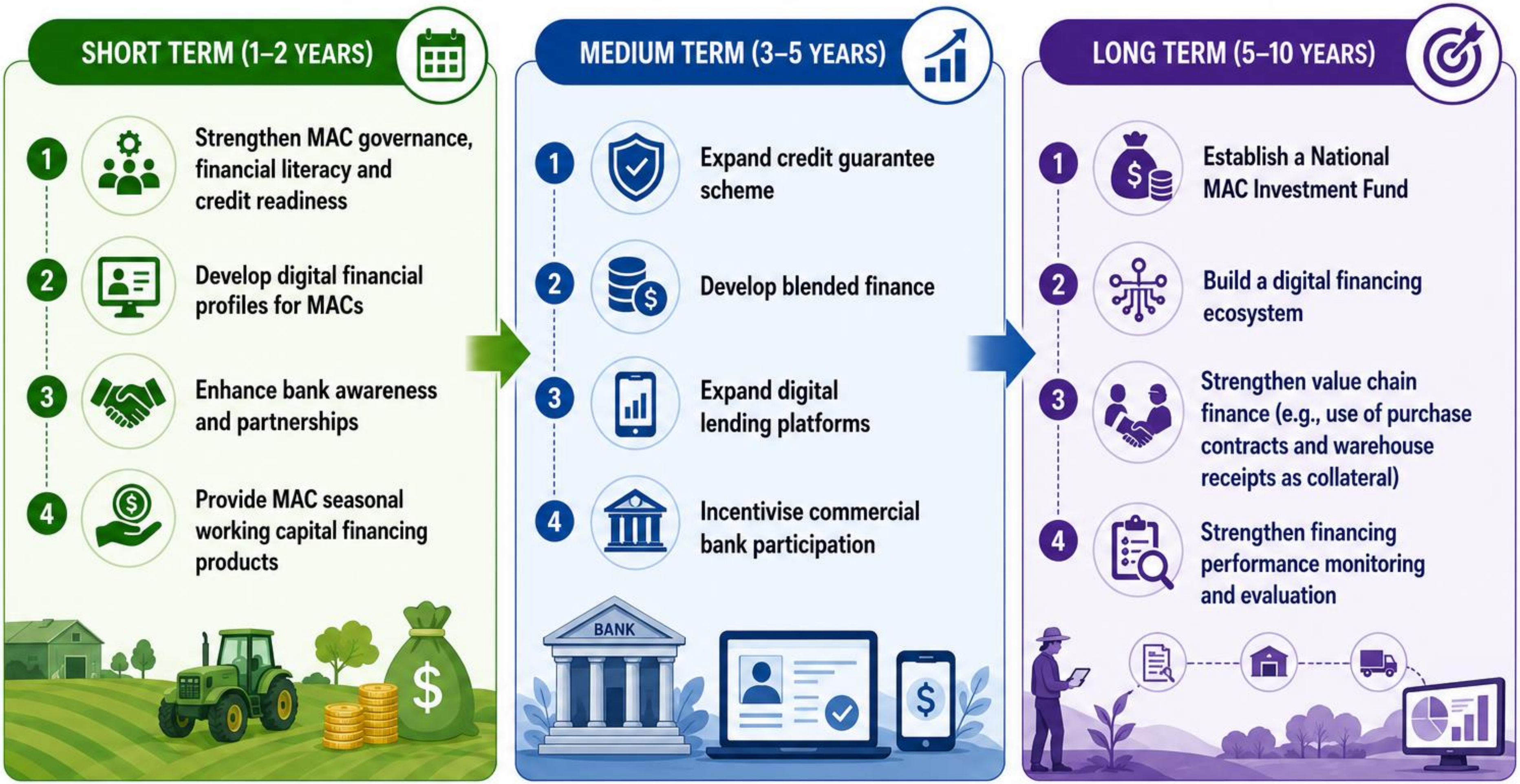
Policy Approach Needed

- Build financial literacy, governance and credit readiness
- Expand blended finance, guarantees and institutional coordination
- Establish dedicated agricultural financing schemes and strengthen cooperative laws

2. Stakeholder Analysis



3. Policy Suggestion



MACs' Agricultural Activities

THANK YOU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MEMOTTBOUNG KHMUM PEPPER MODERN AGRICULTURAL COOPERATIVE
071 29 39 560 / 017 93 95 60 / 097 66 66 367