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Cambodian Institute for Research and Rural Development

Cambodian Food Industry: Status, Market Trend, Distribution Channel, Exportation Procedures

Prepared for

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1. RELEVANT INFORMATION ABOUT CAMBODIA



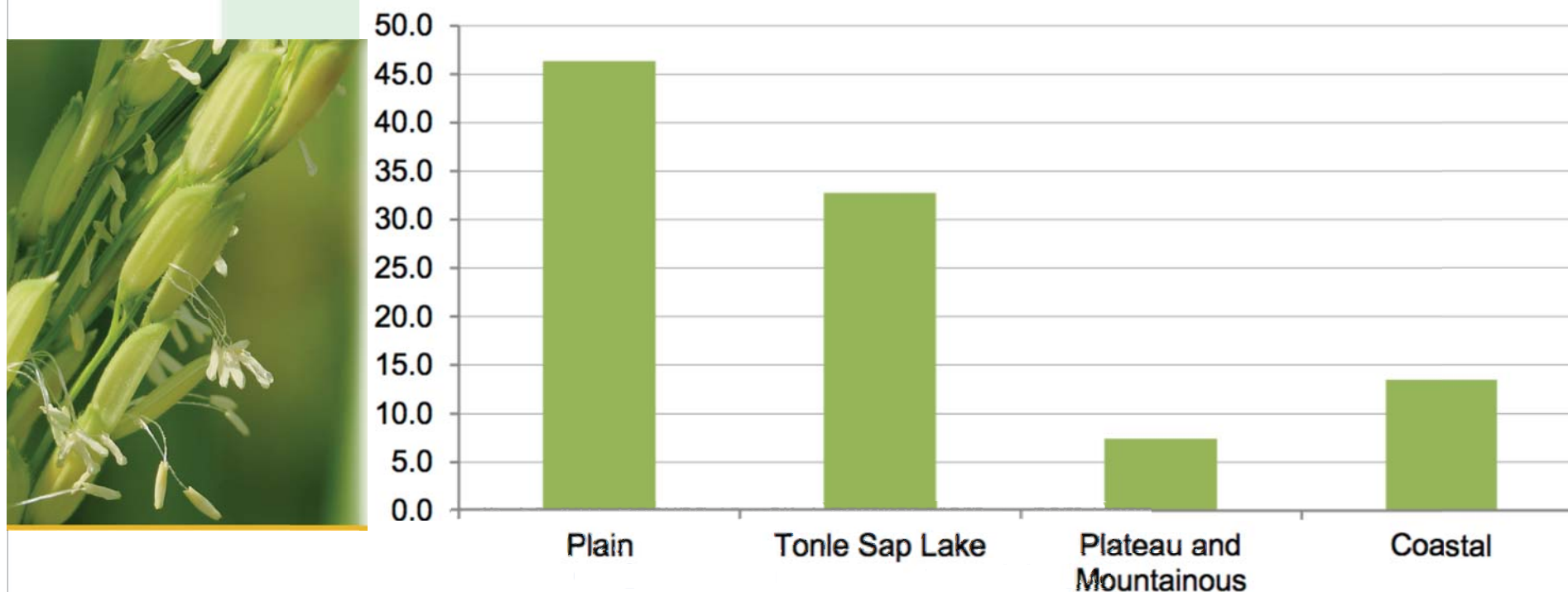
- Located in the southern portion of the Indo-China Peninsula.
- Total land area: 181,035 Km²
- Population: 14.96 million (48.9% males & 51.1% females)
- GDP per capita: USD 1,040 (current price 2013)
- Agriculture: 31.6% to GDP, employ about 64.6% of the total labor force in 2013
- Rice and other cereals were the major agricultural exported products
- Rice export 2015: > 538,000 MT, with high annual growth rate

2. AGRICULTURE STATUS

2.1. MAIN PRODUCTION AREAS/FS

Zone	Number of Agricultural Holdings	Proportion
Cambodia	1,875,712	100.00
Plain	869,305	46.35
Tonle Sap Lake	614,369	32.75
Coastal	139,433	7.43
Plateau and Mountainous	252,605	13.47

Source: NIS, CAC Core Module 2013.



2.2. AGRICULTURAL POLICY AND STRATEGY FRAMEWORK

Rectangular Strategy of RGC

National Strategic Development Plan 2014-2018

Agricultural Sector Strategic Development Plan 2014-2018

Overall Policy Goal:

"Increase Agriculture growth by 3-5% per annum through enhancing of agricultural productivity, diversification and commercialization with high consideration of sustainable forestry and fisheries resource management "

2.3. PROGRAM'S STRUCTURE IN AGRICULTURAL SECTOR STRATEGIC DEVELOPMENT PLAN



2.4. AGRICULTURAL SECTOR STRATEGIC DEVELOPMENT FRAMEWORK

Rectangular Strategy Phase III: Growth, Employment, Equity and Efficiency
National Strategic Development Plan 2014-2018: Economic growth by 7% and
Poverty reduction by 1% per Annum.

Increase agricultural growth
by 3-5% per Annum

Pillar 1:
"Enhancement of
Agricultural
Productivity
Diversification and
Commercialization"

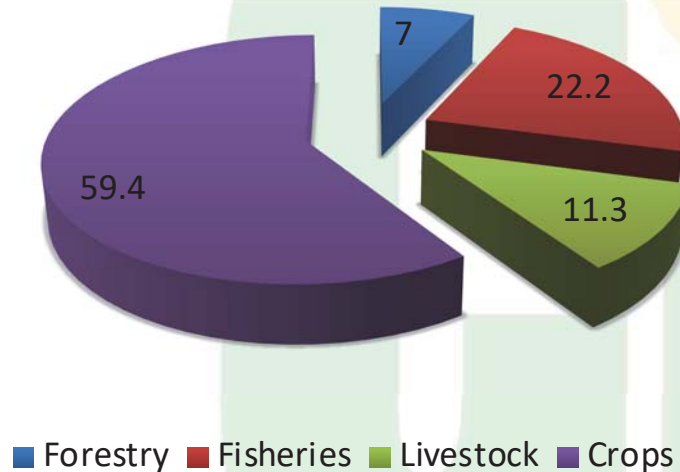
Pillar 2:
"Promote Livestock
Farming and
Aquaculture"

Pillar 3:
"Sustainable Forestry
and Fisheries
Resources
Management"

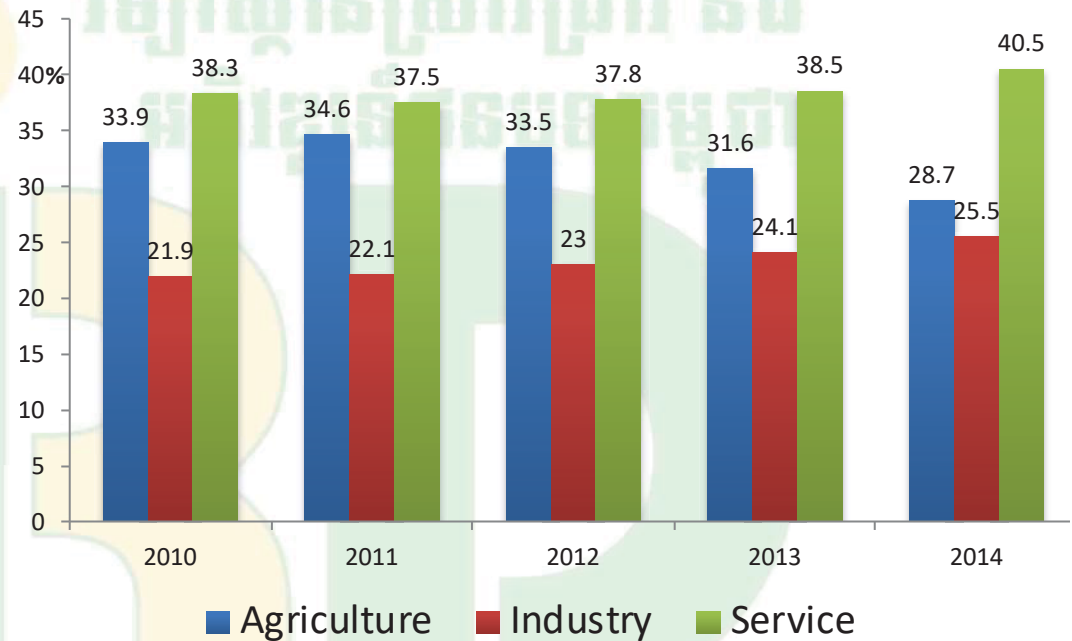
"Strengthening Institutions Capacity, Enhancing Efficiency, Support
Services and Human Resource Development in Agricultural Sector"

2.4. AGRICULTURE SUB-SECTORS AND CONTRIBUTION OF AGRICULTURE TO GDP

Agriculture sub-sectors



Contribution of agriculture sector to GDP (2010 - 2014)



2.5. AGRICULTURAL PRODUCTION: RICE

		Unit	Plan-2015	Achievement- 2015	Plan-2016
1	Rice Production area	Ha	2,827,137.00	3,055,507.00	3,058,563.00
	- Rainy season Rice	Ha	2,411,207.00	2,564,572.00	2,567,137.00
	- Dry season Rice	Ha	415,930.00	490,935.00	491,426.00
2	Rice Yield	MT/Ha	3.16	3.05	
	- Rainy season Rice	MT/Ha	2.92	2.82	2.90
	- Dry season Rice	MT/Ha	4.38	4.44	4.45
3	Annual rice production	MT	8,863,745.00	9,233,976.00	9,550,320.00
	- Rainy season Rice	MT	7,040,724.00	7,089,248.00	7,386,697.00
	- Dry season Rice	MT	1,823,021.00	2,144,728.00	2,163,623.00

2.5. AGRICULTURAL PRODUCTION: OTHER MAIN FOOD CROPS

Nb.	Crops		PLAN 2014-2015	ACHIEVEMENT 2014-2015	% OF ACHIEVEMENT	PLANING 2015-2016
1	Corn	Ha	218,200	143,517	65.77	146,387
2	Cassava	Ha	421,000	521,459	123.86	531,888
3	Sweet Potato	Ha	7,000	5,915	84.50	6,033
4	Vegetable	Ha	52,000	51,637	99.30	52,670
5	Mungbean	Ha	54,000	53,294	98.69	54,360
	Total	Ha	752,200	775,822		791,338
1	Groundnut	Ha	19,000	17,818	93.78	18,174
2	Soybean	Ha	80,000	72,511	90.64	73,961
3	Sesame	Ha	23,000	28,170	122.48	28,733
4	Sugarcane	Ha	24,000	48,357	201.49	49,324
5	Claws	Ha	190	192	101.05	196
6	Tobacco	Ha	10,000	10,727	107.27	10,942
	Total	Ha	156,190	177,775		181,330
	Grand Total		908,390	953,597		972,668

3. EXPORTED FOOD-PRODUCTS



3.1. RICE EXPORT



- We are supplying the rice that exceeds international quality standard:
WORLD'S BEST RICE

**CAMBODIAN JASMINE RICE:
WORLD'S BEST RICE
2012 & 2013 & 2014**

Source: CRF, 2016



The World Rice Conference of The Rice Trader (TRT) & the
International Commodity Institute (ICI)
awarded Cambodian Premium Jasmine Rice 3 years in a row
WORLD'S BEST RICE – 2012- 2013-2014

3.2. OTHER MAIN FOOD-PRODUCTS EXPORTED

Cambodia agro-product market trend has switched to Rice, Sesame, Pepper, Rubber, Cassava, and Maize.

N°	Agro-Product Name	Production volume (MT)		
		2013	2014	2015
	Black Pepper	5,465	5,611	9,541
	Cassava	7,632,997	13,298,108	13,298,108
	Maize	843,477	549,607	399,649
	Sweet Potato	30,656	54,259	45,424
	Mungbean	53,044	60,652	59,220
	Groundnut	80,662	72,511	66,824
	Soybean	131,062	104,180	96,942
	Sesame	23,369	17,260	17,859
	Sugarcane	730,088	1,540,996	709,175

Source: MAFF statistic from 2013-2015

4. DISTRIBUTION CHANNEL: Exporting by Land

Poi Pet Border

The Poipet-Aranyaprathet border is situated in the northwest of Cambodia locating in Ou Chrov district, Banteay Meanchey province. It became an official International Border Checkpoint in 1994.

Hours of Operation

Border Gate	08:00 – 20:00 Daily
CAMCONTROL	08:00 – 12:00 13:00 - 17:30 Daily
Customs and Excise	07:00 – 11:30 14:00 – 17:30 Daily



4. DISTRIBUTION CHANNEL: Exporting by Land

Bavet Border

The Bavet-Moc Bai border: Southeast of Cambodia and it is the primary land crossing for people and goods moving between Cambodia and Vietnam. At present, the most common commodities being exported through this border are agriculture and light industrial goods. Bicycles, garments, and shoe products comprise a large percentage of exports as these goods are produced in the nearby special economic zone.

Hours of Operation

Border Gate	
People	08:00 – 22:00 Daily
Export	08:00 – 22:00 Daily
CAMCONTROL	06:00 – 18:00 Daily



4. DISTRIBUTION CHANNEL: Exporting by Land

Phnom Penh Autonomous Port (PPAP)

The Phnom Penh State Port Authority export destinations include Taiwan, Province of China, Malaysia, Korea, France, the European Union and USA. It operates under the Ministry of Public Works and Transport.

Hours of Operation

Port Authority:	24 hrs every day
CAMCONTROL	07:00 – 11:30 14:00 – 17:30 Mon-Fri 07:00 – 11:20 Sat-Sun upon request
Customs and Excise	07:00 – 11:30 14:00 – 17:30 Mon-Fri 07:00 – 11:20 Sat-Sun upon request



4. DISTRIBUTION CHANNEL: Exporting by Land

Special Economic Zones

Special Economic Zones (SEZs) referred to Free Trade Zones or Export Processing Zones commonly used to attract foreign direct investment (FDI) and to stimulate growth by providing tax advantages and incentives for businesses to locate operations in a designated zone.

SEZ Location	# of SEZ	Land Area (Ha)	# of Zones
BAVET District	4	461.64	64
POI PET City	2	533.5	7
SIANOUKVILLE	4	2281	77
KAM POT Province	1	145	1
KOH KONG Province	1	335.43	5
PHNOM PENH City	1	350	83
KANDAL Province	1	200	1
Total	14	4306.57	238

Source: <http://www.cambodiainvestment.gov.kh/list-of-sez.html>

4. DISTRIBUTION CHANNEL: Exporting by Sea

Port of Sihanouk vile

The Sihanouk ville Autonomous Port (PAS) is the only deep sea port in Cambodia accounting for approximately 70% of Cambodia's international cargo. It has over 1,000 employees and workers and the main exports at PAS are agricultural products.

Hours of Operation

Port Authority	Open 24 hrs every day
CAMCONTROL	06:00 – 18:00 daily
Customs and Excise	07:00 – 11:00 14:00 – 17:30 Mon-Sat
Administrative	08:00 – 18:00 daily



4. DISTRIBUTION CHANNEL: Exporting by Air

Phnom Penh International Airport (PPIA)

The PPIA is located 10km from downtown Phnom Penh on Road # 4 (Russian Blvd). PPIA cargo facilities include mechanical handling, air-conditioned storage, refrigerated and deep freeze storage, fresh meat inspection, livestock handling, security for dangerous goods and very large/heavy cargo.

Hours of Operation

Administrative	06:00 – 21:30 daily
CAMCONTROL	07:00 – 11:30 M-Fri 14:00 – 19:00 M-Fri 07:00 – 11:30 Sat
Customs and Excise	07:00 – until last flight



5. CAMBODIA EXPORT PROCEDURES

1. Sale Contract
2. Shipping terms
3. Shipping documentation
4. Freight forwarders and customs brokers
5. Packaging and labeling
6. Permits, licenses and certifications
7. Taxes
8. Certificate of Origin

Shipping document & Freight forwarders and customs brokers?

Shipping document prepared by export company or freight forwarder include:

- ✓ Airway Bill: issued by an airline and waybill travels with the cargo
- ✓ Authorization Letter
- ✓ Bill of loading: prepared by carrier or forwarder
- ✓ Commercial Invoice: prepared by exporter/freight forwarder
- ✓ Insurance Certificate: prepared by exporter/freight forwarder
- ✓ Packing List

Export documentation issued by Customs and other relevant Ministries:

1. Certificate of Origin
2. Customs Declaration
3. Export License
4. Export Permit: Controlled by relevant Government authorities.

How many Freight Forwarder in Cambodia?

-Around 62 are Freight Forwarders in Cambodia.

How to find them?

-please go following this link:

<http://www.camffa.org.kh/frm-regular-member.php>

Custom Declaration Process

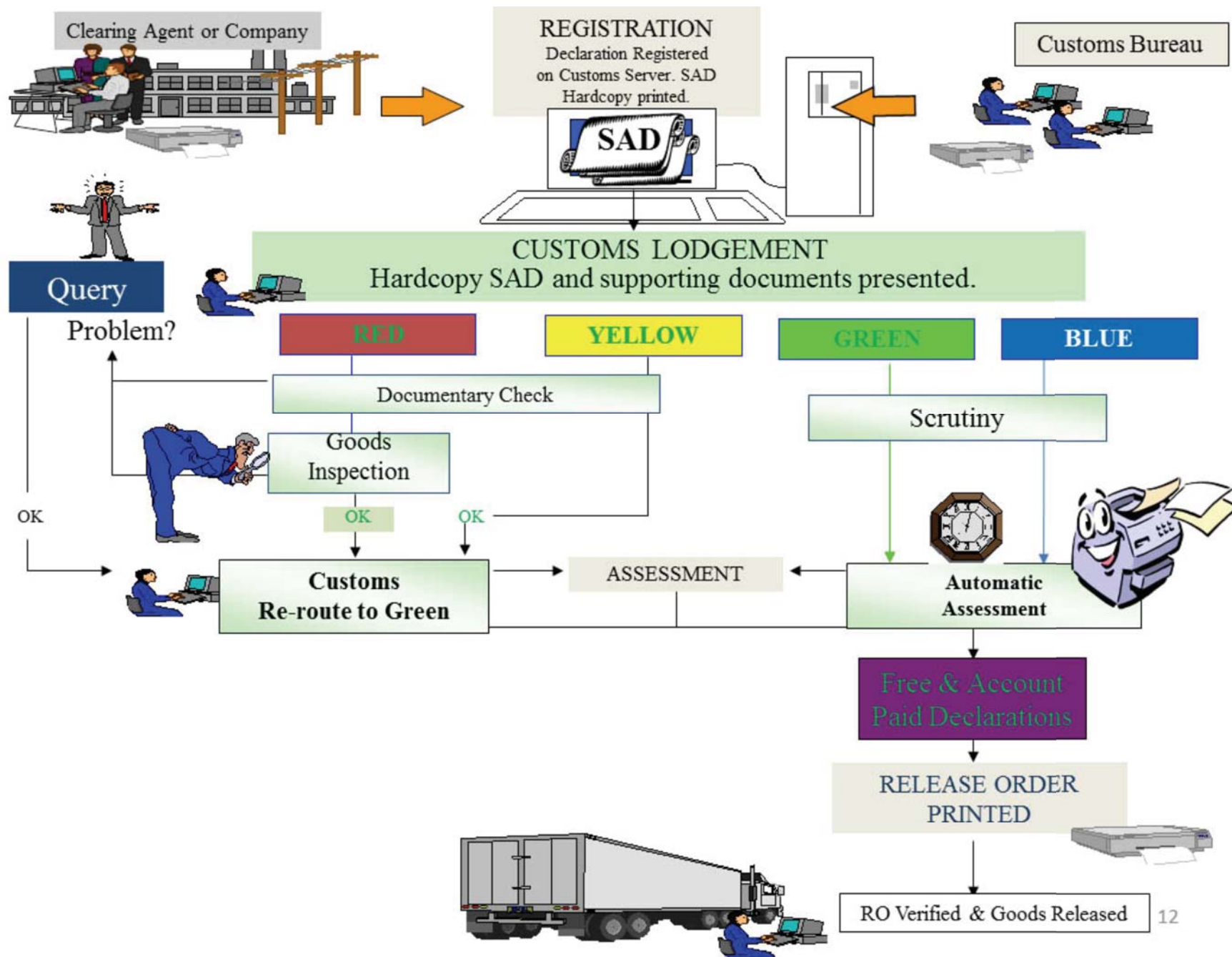








Table 3: Licenses, Permits and Certificates

	Type of Goods	Documentation	Government Authority
Export License   	Unprocessed Rubber	- Export License (Valid: 60 days)	- Ministry of Commerce, Bilateral Trade Dept.
	Processed Wood and Non-timber Forest Products	- Export License (Valid: 60 days) - Permit Letter	- Ministry of Commerce - Ministry of Agriculture, Forestry and Fisheries - Council of Ministers
	Sand	- Export License (Valid: 60 days)	- Ministry of Commerce Bilateral Trade Dept.
Certificates 	Raw Fruit, Vegetables, Plants and Agricultural Materials (includes pesticides, fertilizers, seed and seedling materials, feed additives)	- Customs and Excise Permit - Sanitary and Phytosanitary Certificate (SPS)	- Customs House - Ministry of Agriculture, Forestry and Fisheries
	Garments	- Certificate of Origin (Valid: 6 months)	- Ministry of Commerce
	Drugs and Medicines	- Certificate, Ministry of Health (Valid: 5 years)	- Ministry of Health
	Live Animals	- Animal Health Certificate or CITES Certificate (Valid: 5 years)	- Ministry of Agriculture, Forestry and Fisheries
Authorization and Permit 	Art and Cultural Products	- Authorization - Permit Letter (Valid: 1 year)	- Ministry of Culture and Fine Arts
	Fish, Crustaceans, Mollusks and Other Aquatic Products	- Transportation Permit Letter - Certificate of Origin - Customs Permit	- Ministry of Commerce - Ministry of Agriculture, Forestry and Fisheries - Customs House
	Jewelry, Silverware and Uncut or Unprocessed Precious Stones	- Permit Letter (Valid: 1 year)	- National Bank of Cambodia

Sources: A hand book on Export Procedure,
www.moc.gov.kh/Portals/0/Docs/.../Handbook-Export-Procedure-Eng.pdf

Five (5) categories of goods subject to Export Taxes:

1. Unprocessed Rubber
2. Uncut (unprocessed) Precious Stones
3. Processed Wood
4. Fish and Crustaceans, Mollusks and Other Aquatic Products
5. Sand

- Export below 1000\$/Ton, Free duty rate
- Export between >1000\$-<2000 \$/Ton, duty rate is 50\$/Ton
- Export between >2000\$ - <3000\$/Ton duty rate is 150\$/Ton
- Export between >3000\$ - <4000\$/Ton, duty rate is 200\$/Ton
- Export between > 4000\$/Ton, duty rate is 300\$/Ton

Taxes

Duty rate by Categories

Table 4: Export Tax

	Export Goods	Duty Rate	Details
	Natural Rubber	10%	
	Processed Wood and Non-timber Forest Products	5% and 10%	There are over eight types of wood and many subcategories. Duty rate is determined by the wood type and amount of processing.
	Fish and Crustaceans, Mollusks and Other Aquatic Products	10%	
	Uncut (unprocessed) Precious Stones		
	Sand		

Sources: A hand book on Export Procedure,

www.moc.gov.kh/Portals/0/Docs/.../Handbook-Export-Prodcedure-Eng.pdf

Source: Royal Sub-Decree no 35 សន្តិក្រឹត្យ.បក

CERTIFICATE OF ORIGIN

Steps to Determine CO Requirements for a Particular Country



<http://www.asycuda.org/onlinehs.asp>

Helpful Website:

ITC Market Analysis Tool : <http://www.trademap.org/asean/login.php>

World Customs Organization: <http://www.wcoomd.org/ie/index.html>

UNCTAD : <http://www.unctad.org>

WTO: <http://www.wto.org>