



CAMBODIA PEPPER SECTOR COUNTRY REPORT 2019

Prepared for



“Pepper in the Next Decade”

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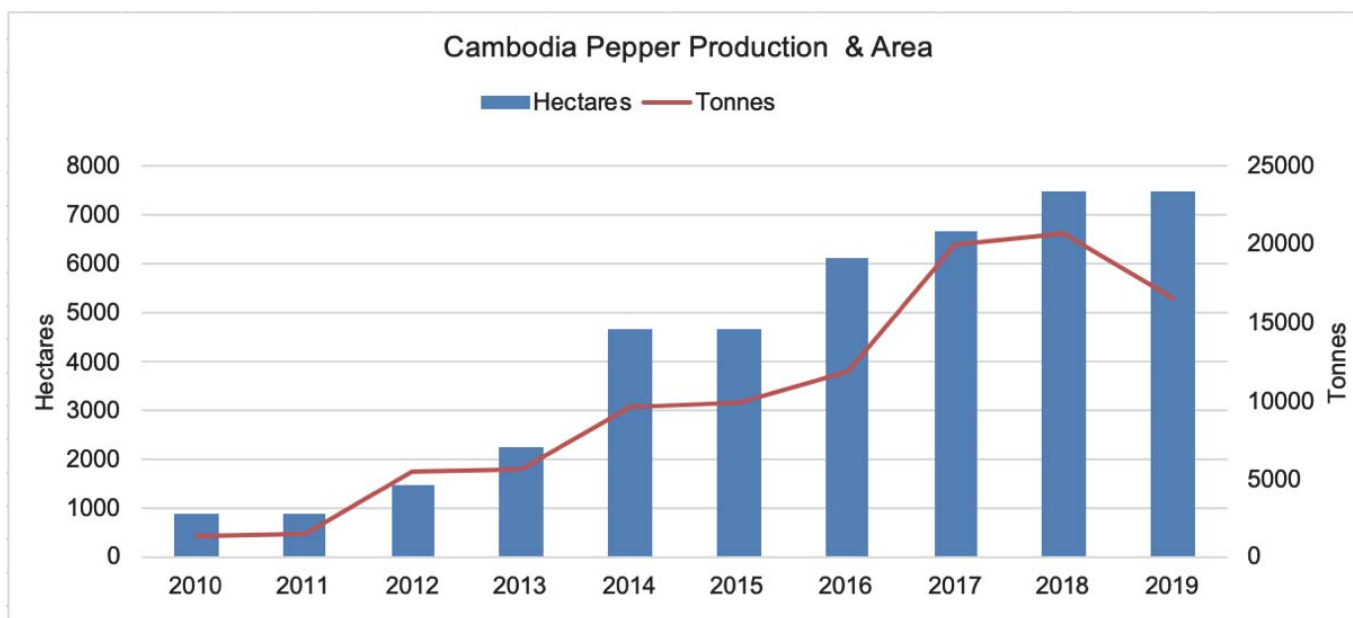
HISTORICAL BACKGROUND OF CAMBODIAN PEPPER

- Cambodia has a tradition of more than 700 years and a natural comparative advantage in pepper cultivation.
- Pepper production was mentioned as early as the 13th century, firstly in Kampong Trach, Kampot.
- Intensive production started in the early 20th century: up to 1 million poles in 1960 and exported up to 8,000 tons per year (Farmlink, 2007).
- Practically the entire pepper production in Cambodia came to an end during the civil war period (1970s & 1980s)
- Pepper production was only gradually re-established after the 1990s.





EVOLUTION OF PEPPER PRODUCTION 2010 - 2019



Year	Hectares	Tonnes
2010	861	1,250
2011	879	1,450
2012	1,444	5,465
2013	2,238	5,608
2014	4,645	9,541
2015	4,645	9,845
2016	6,124	11,819
2017	6,681	20,054
2018	7,471	20,752
2019	7,471	16,586

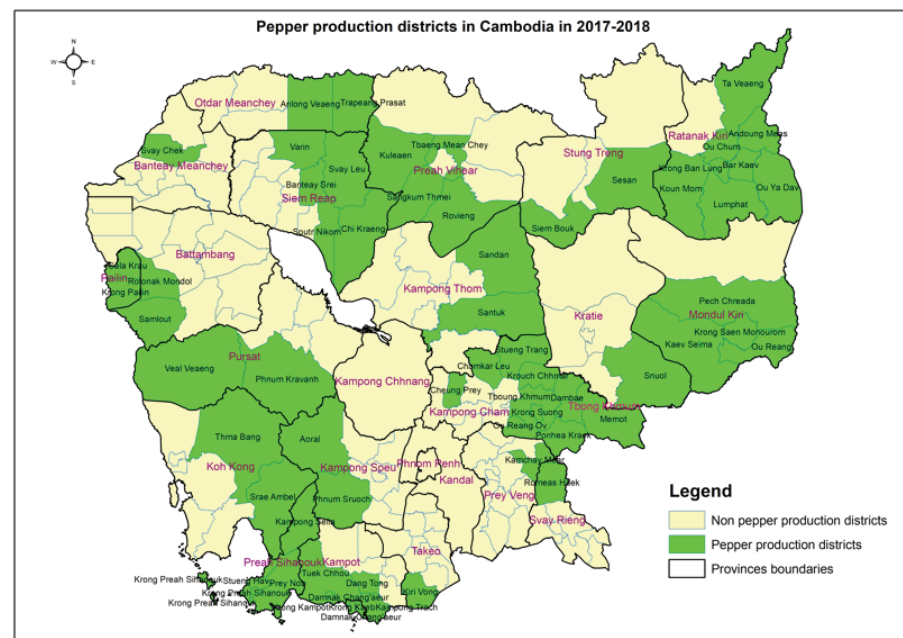
Source:

- MAFF, 2010 – 2018
- CIRD for 2019 data (estimation based on field survey conducted in 2019)



CURRENT STATUS OF PEPPER PRODUCTION

1. Fast growth has slowed.
2. High quality pepper: higher cost of production.
3. Soil and climate are most suitable.
4. Taste, aroma and low chemical residue levels.
5. Attractive to buyers.
6. Capital investment cost is high (\$24-30K/ha).
7. High yields compared internationally.
8. Use of inputs is key to farm competitiveness.





COMMERCIALIZATION OF CAMBODIA PEPPER

- The majority of Cambodian conventional pepper is exported to VN (>70%) and to Thailand (around 20%);
- Direct export to final import countries such as France, Germany, England, Japan, New Zealand, Africa, and China, significantly started in 2016-2017 when pepper price still high and continue to present time;
- Direct export volume is marginal (estimated at 1,200 MT in 2018 and around 2,000 MT in 2019) compared with the pepper volume informally exported to Vietnam and Thailand;
- Only Kampot pepper with Geographical Indication status (around 100 MT per year) is almost all exported directly to final import countries;
- Based on 2017 – 2019 production data, domestic market demand is estimated at only around 2% - 3% of the total country production of pepper.



Formal Direct export of Cambodia's pepper in 2019

Kinds of pepper	Export volume (MT)
Conventional pepper	1600
Organic pepper	80
GI Kampot pepper	50
Organic GI Kampot pepper	30
Total direct export	1760

Source: CIRD, based on data provided by export companies

Key export companies (formal direct export in 2019)



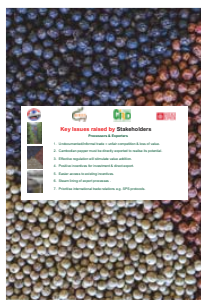


KEY ISSUES IN PEPPER PRODUCTION AND COMMERCIALIZATION

Concerning Producers

1. Inputs - quality, authenticity and instructions for use. Regulations enforcement.
2. Production costs + Lower prices = Declining yields due to low maintenance.
3. Loss of confidence (first time price shock) = reduced investment.
4. Need more technical support.
5. Undocumented trade does not fairly value Cambodian Pepper.

Source: MoC, IFC, CIRD, HEKS stakeholders workshop 2018



KEY ISSUES IN PEPPER PRODUCTION AND COMMERCIALIZATION

Concerning Processors & Exporters

1. Undocumented/informal trade = unfair competition & loss of value.
2. Cambodian pepper must be directly exported to realise its potential.
3. Effective regulation will stimulate value addition.
4. Positive incentives for investment & direct export.
5. Easier access to existing incentives.
6. Stream lining of export processes .
7. Prioritise international trade relations e.g. SPS protocols.

Source: MoC, IFC, CIRD, HEKS stakeholders workshop 2018



RECENT DEVELOPMENT OF CAMBODIA PEPPER SECTOR

- **Establishment of Cambodia Pepper and Spice Federation (CPSF)** in late 2018, by pepper producer organisation, processor and exporter in order to have a national-level coordination and support body in promoting Cambodian pepper on both production and marketing aspects
- **Ministry of Commerce has developed pepper sector policy** with technical assistance from IFC, CIRD and HEKS
- **Decrease in pepper price from 2018 to date:** most of pepper producers minimize investment in both labor and agro-inputs, pepper yield significantly decrease (around 24%, based on CIRD field survey).





THE OPPORTUNITY FOR CAMBODIAN PEPPER

1. Targeting high value markets.
2. Development of processing for export at the primary level of cleaning, grading and bulk packing.
3. More complex value addition processes.
4. The greater the level of value addition the greater the protection from the low price cycles of the market.
5. The higher the price potential of the products and the more likely processors are to pass the benefits on to the farmers.



D'où vient le poivre de Memot ?

L'EPER soutient les producteurs de poivre dans une démarche innovatrice, qui implique tous les acteurs de la chaîne de valeur. En effet, un poivre de qualité sert les intérêts de toute la filière. L'EPER met donc en relation ces différents acteurs. Cette démarche collaborative contribue au développement durable de toute une région. Pour savoir d'avantage, visionnez notre reportage photo.

[voir le reportage photo](#)



Le poivre de Memot a débuté sa carrière gastronomique

Elu jeune talent de l'année 2011 par le guide Gault et Millau, [Tobias Funke](#), 16 points au Gault & Millau, une étoile au Guide Michelin, a fait tester le poivre de Memot par un expert. Son avis : « Le poivre de Memot se distingue par un arôme exceptionnel. Sa fragrance légèrement fruitée en fait un poivre adapté à tous les plats - qu'il s'agisse de saumon en croûte de poivre, de poêlées au wok ou de fruits de mer. »



Soutenir le commerce équitable

Les petits paysans ont besoin d'un accès aux marchés. Grâce à la plateforme Gebana, les ménages suisses peuvent commander des produits issus des pays en développement et permettre une exportation de leurs produits vers



THE OPPORTUNITY FOR CAMBODIAN PEPPER

Exploit the competitive advantages of Cambodian pepper by developing a sector environment which



1. Encourages investment in processing
2. Offers access to markets
3. Provides services to develop SPS compliance, food safety management, quality management systems/ certification.
4. Develops the profile of Cambodia as a high quality, premium, sustainable supplier of pepper and pepper value added products.

