Scaling up Economic and Political Growth of Rural Swine Enterprises Through Improved Local Made Feed Production.

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Session 4, Thursday 19 January

Implemented by DAI
Overview of MSME Project

- $26.5 million, two-phase project, over 7 years
- MSME facilitates comprehensive assistance to more than 7,000 firms and 600 government officers – more than **256,000 Cambodians** benefit from Project activities.

**Main Objectives**

1. Facilitate improvements in productivity, cooperation, and competitiveness.

2. Facilitate improvements in confidence of the private sector – from fearing the government and other firms; to partnership with the government and other firms.

3. Facilitate improvements in the public sector to move from management by decree and intimidation to partnership in support of economic growth.

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17 Targeted Provinces and 9 Sectors.

- Swine
- Aquaculture
- Clay Roof Tiles
- Honey
- Tree Resins
- Eco-tourism
- Potable Water
- Household Latrines
- Garment Industry
Three Integrated Components:

**Value Chain**
- Build Relationships
- Improve Competitiveness
- Identify Technical and Business Issues and Solutions

**Private Sector Voice**
- Build Confidence through Working Groups and Associations
- Encourage Private and Public Sector Relations and Dialogue
- Manage Issues to Resolution

**Better Regulations and Business Environment**
- Train Government to Write Better Regulations
- Encourage Private Sector Input into Regulations
- Pry Open Economic Space

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Swine Enterprise Demographics

- 70% of rural families (micro firms) raise swine.
- 24% of these firms are represented by women.
- 90% of firms are within 30 km of markets.
- 67% of enterprise owners are literate.
- Average family size is 5.2 persons.
- Most firms have more than one income-making business – swine, fish, rice, retailing, input supplies, veterinary, trading, and so on.
Challenges in the swine value chain

- Access to Quality Feed
- Upgrade to better Breeds
- Bio-security and Disease
- Linkage to Markets and information
- Competition with imports

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Two Critical Issues to Enterprise Growth

- Keeping Economical Space Open
- Ensuring Political Space and Voice in Decisions
MSME Project’s Value Chain Approach

Impact Logic: Capacity Building of to Reduce Pig Feed Costs (Dec 2011)

Impact at the Poverty Level

- More income (USD 491,400 after two years) (Sept 2012)
- More profit (USD 225 per pig cycle) (Sept 2009 - Sept 2010)
- Reduction in the cost of production cycle per pig producer (USD 225) (Sept 2009 - Sept 2010)
- Pig producers (346) start using low cost feed (Sept 2009 - Sept 2010)
- Lead pig producers (79) start producing low cost feed (Sept 2009 - Sept 2010)
- Raw material supplier starts sharing knowledge on feed making technique

Activity Related Outputs

- 50% of the lead pig producers start producing low cost feed
- 70% people who attended the training become more knowledgeable

Activities

- Training (with demo) of lead pig producers (225) on feed making - (May 2009 - Sept 2010)
- Cross exposure trip of lead pig producers (225) to visit leading feed producers / groups selling places of raw materials and feed mill and big storage farm owners (May 2009 - Sept 2010)
- Feed making manual and posters shared with raw material suppliers, feed producers, leading pig raisers to increase awareness about low cost feed making - Dec 2009

Service and Market Outcomes

- More income (USD 185,379 after one year) (Sept 2011)
- More profit (USD 250 per pig cycle) (Sept 2009 - Sept 2011)
- Pig producers (677) start using low cost feed (Sept 2009 - Oct 2011)
- 99 lead pig producers start producing low cost feed (Sept 2009 - Sept 2011)
- Among 610, 230 lead pig producers formed into 67 pig feed making groups within 677 members gained more knowledgeable on how to make low cost feed and where to buy the ingredients and equipment to produce the feed (Sept 2011)

Activity Related Outputs

- Raw material supplier starts sharing knowledge on feed making technique through its each respective group meeting

Activities

- Training (with demo) of 610 lead pig producers on feed making - (May 2009 - Sep 2011)
- Cross exposure trip of lead pig producers (230) to visit leading feed producers / groups selling places of raw materials and feed mill and big storage farm owners (May 2009 - Sept 2011)
- 1,000 posters and 1,000 manual of pig feed making distributed and shared with raw material suppliers, feed producers, leading pig raisers to increase awareness about low cost feed making - Dec 2011

Training provider (FDA staff) selected training module and poster on feed making created - Oct 2011

50% of the lead pig producers start producing low cost feed (Sept 2009 - Sept 2010)

Per kg, each pig producer saves USD 2.5. In total per production cycle each pig needs 300 kg of feed, so for each pig, cost saved is USD 750. On average each pig producer has 6 pigs, so he saves USD 225.

Each lead pig producer makes additional feed and sets it to another 7 smaller pig producers.
UNDERSTANDING OF THE KEY WORDS

Local Made Feed Vs Commercial Feed.
Impact of Local Made Feed.

Total Local Made Feed by Each Year (Kg)

- 2009: 236,455 Kg
- 2010: 524,375 Kg
- 2011: 567,593 Kg
- Total: 1,328,423 Kg
## Impact of Local Made Feed.

### Economic Analysis of A Swine Raising between Local Made Feed and Commercial Feed Per Cycle.

<table>
<thead>
<tr>
<th></th>
<th>Local Made Feed</th>
<th>Commercial Feed</th>
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</thead>
<tbody>
<tr>
<td>Body Weight per Cycle (Kg)</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Total Feed per Cycle (Kg)</td>
<td>300</td>
<td>270</td>
</tr>
<tr>
<td>Unit/Cost (USD/Kg)</td>
<td>0.41</td>
<td>0.55</td>
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<tr>
<td>Average Feed Conversion Rate (Kg)</td>
<td>3.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Total Cost Per Cycle</td>
<td>123</td>
<td>149</td>
</tr>
<tr>
<td>Total Benefit/Cycle (USD)</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>

![Graph showing the economic analysis between local made feed and commercial feed per cycle.]

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**USAID**

From The American People

**Cambodia MSME**

Micro, Small and Medium Enterprise Strengthening Project
Impact of Local Made Feed.

Comparison of Total Local Made Feed (Kg) and Its saving cost by Each Year (USD)

- Total Local Swine Feed Made (Kg)
- Total Benefit Made by Each Year (USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Local Swine Feed Made (Kg)</th>
<th>Total Benefit Made by Each Year (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>236,455</td>
<td>236,455</td>
</tr>
<tr>
<td>2010</td>
<td>354,468</td>
<td>354,468</td>
</tr>
<tr>
<td>2011</td>
<td>524,375</td>
<td>524,375</td>
</tr>
<tr>
<td>Total</td>
<td>1,115,298</td>
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Total: 1,328,423 USD
MSME Project’s Value Chain Approach

Accumulative Beneficiaries of Training, Advisory and Copying/Crowding-in Clients on Local Made Feed Activity, from 2009 through 2011.

- **Training**: 2,772
- **Advisory**: 1,980
- **Copying/Crowding-in**: 693

- **Total Participants Trained**: 2,772
- **Total Women Participants Trained**: 891

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MSME Project’s Value Chain Approach

Total Labor Improvement of USAID-Cambodia MSME Project, from October 1, 2008 - September 30, 2011.

- Large Scale Enterprises: 1,288
- Medium Scale Enterprises: 16,741
- Small Scale Enterprises: 19,317
- Micro Scale Enterprises: 11,590
- Total Labor for all categories: 50,224
The MSME Rigorous Database System (TAMIS)

The MSME TAMIS Technical and Administration Management Information System.

Developed By DAI
TAMIS TOOLS

Technical Programs, include:

1. Interest Groups Formed
2. Trainings Conducted
3. Local and International Study Tours Facilitated
4. Workshop Facilitated
5. Trade Fairs Facilitated
6. Public-Private Sector Dialogue Forums
7. Business Membership Association Meetings
8. Client profiles
9. Media and Publications
TAMIS TOOLS

10. Community Meetings
11. Business Forums
12. Community Working Group Formed
13. Legal/Regulatory Advisory Forums;
14. Success Stories
15. Radio/TV Broadcasts,
16. Sub-Forms for tracking the clients’ annual business progress

Implemented by DAI
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Thank You!

USAID-CAMBODIA MSME TEAM

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