

# Savings-led microfinance as a platform for training and investment in agricultural technologies among Cambodian smallholders

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**Abstract:** This project uses savings groups as a platform to deliver training on agricultural technologies. Furthermore, it measures farmer investment in such technologies and gathers data on how the technologies are evaluated, used and altered by farmers.

## Savings-led Microfinance

A savings group is an autonomous mechanism for saving money among a group of trusted individuals who can then borrow the money at a low interest rate (usually 2% per 28 days) for personal and business investments.

Key economic indicators and savings portfolio		
	Total	Average per group
Total value of savings	15,798 USD	1,317 USD
Cash in social fund	434 USD	36 USD
Value of cash in box	3,748 USD	312 USD
Members with outstanding loans	84%	-
Number of outstanding loans	124	10.3
Value of outstanding loans	13,370 USD	1,114 USD
Average loan amount	108 USD	-
Number of loans for farming activities	101	8
Total value of loans taken for farming	20,705 USD	1,725 USD

## Savings for Change (SfC) Model

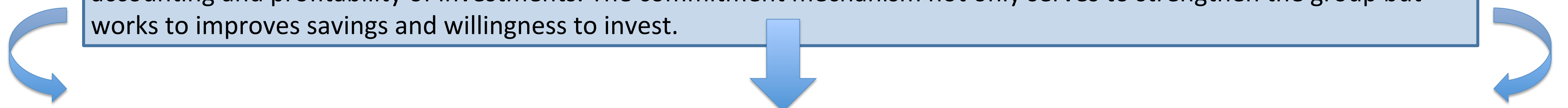
- Group formation steps: household survey in village, promotion meeting, 7 group training meetings, 1 year of follow-up by SfC facilitator.
- No seed money, all funds are leveraged by group. Group also purchases record book and money box.
- Groups meet weekly and take or repay loans every 4<sup>th</sup> meeting.

Profile of savings groups		
	Total	Average Per Group
Registered members	148	12
Members who are farmers	115	9.6
Female members	125	10
Male members	23	2



## Savings Groups as an ideal Platform for Agricultural Extension and Training

Savings groups develop strong trust and self-confidence among members, especially as resilience and household food security are improved. The weekly meetings create new information channels and members increase their knowledge on accounting and profitability of investments. The commitment mechanism not only serves to strengthen the group but works to improve savings and willingness to invest.



### Workshops on Horticulture Innovation Lab technologies

In November RUA hosted a workshop that brought farmers from savings groups and high value vegetable marketers together to learn about agricultural technologies and market opportunities in Phnom Penh.



**Results:** Farmers selected the protective nets among their top 3 picks of technologies. Following the workshop 1 farmer gave land to test the protective nets on his farm. The other technologies selected were soil solarization and compost.

### Campus and on-farm demonstration and testing of technologies

A farmer and savings group member tested the nets on his field using his preferred design of the net covering 4 rows of Chinese kale. Results were compared with the same crop grown outside of nets that received 4 pesticide applications.



**Preliminary results:**  
Yield with net: 160 kg  
Yield control: 100 kg  
Market price with net: 0.25 USD /kg  
Market price control: 0.15 USD/kg



### Connecting farmers and high value vegetable marketers

We bring farmers and marketers together in workshops, focus group discussions and field visits to foster relationships where information on crop production, market demands and prices can be shared among value chain actors.

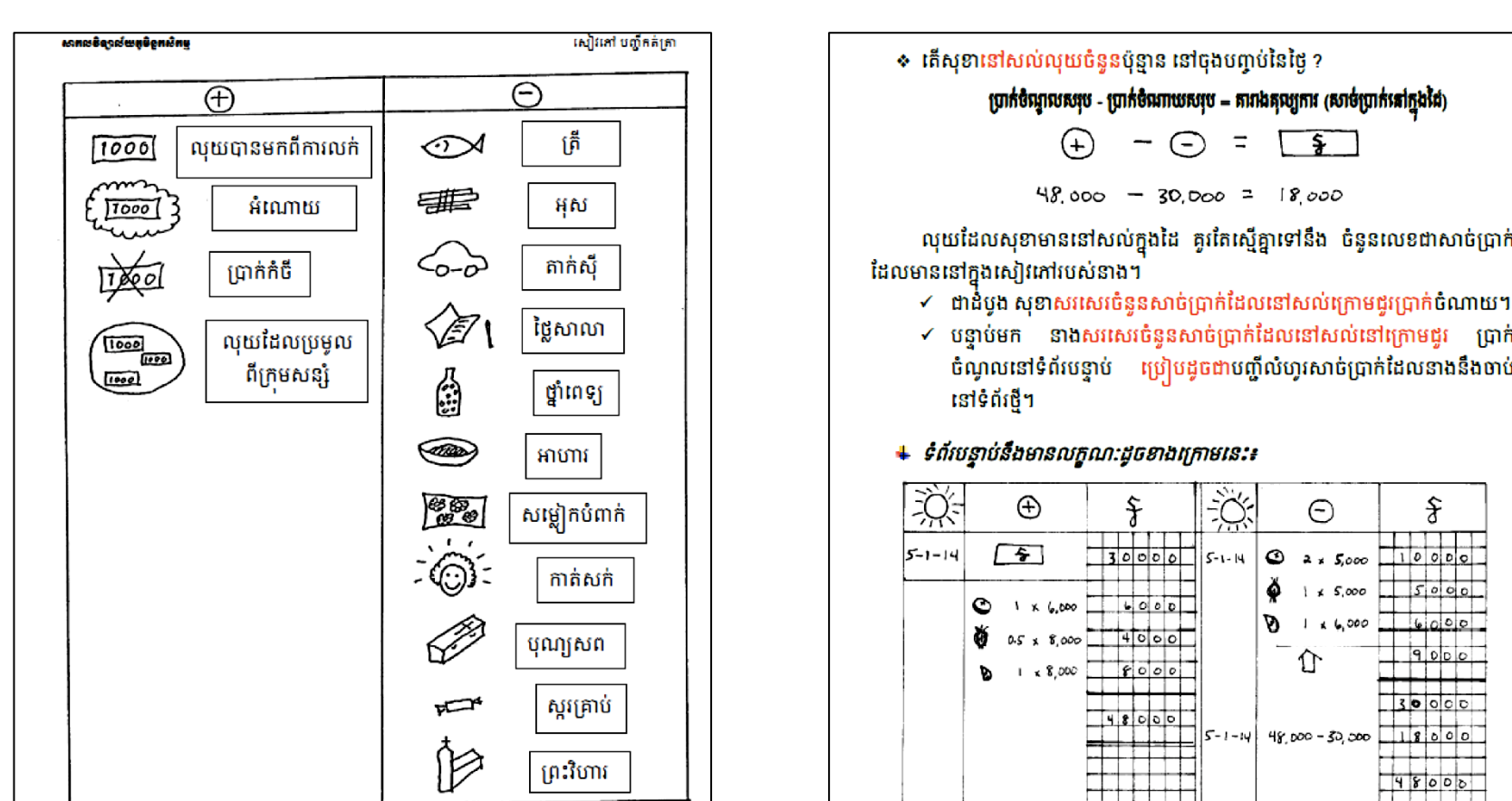


Farmers and high value vegetable marketers attend a field visit to see the nets and learn from the farmer about his experience. Marketers gave feedback and advice for crops, varieties and product quality that consumers demand.

## Next Activities

### Bookkeeping training for literate and illiterate farmers

Practical guide for field facilitators was created and 11 lessons will be taught to each savings group.



### Improved net house for high value vegetables

Based on feedback from farmers the new net house will cover 2 rows which will allow for weeding and pest control with minimal opening of the net.

Based on feedback from marketers, high value crops including cherry tomatoes, carrots, heading cabbage and other vegetables will be tested inside the net house to reach high quality and niche markets.

