



# CEDEP II-Cassava

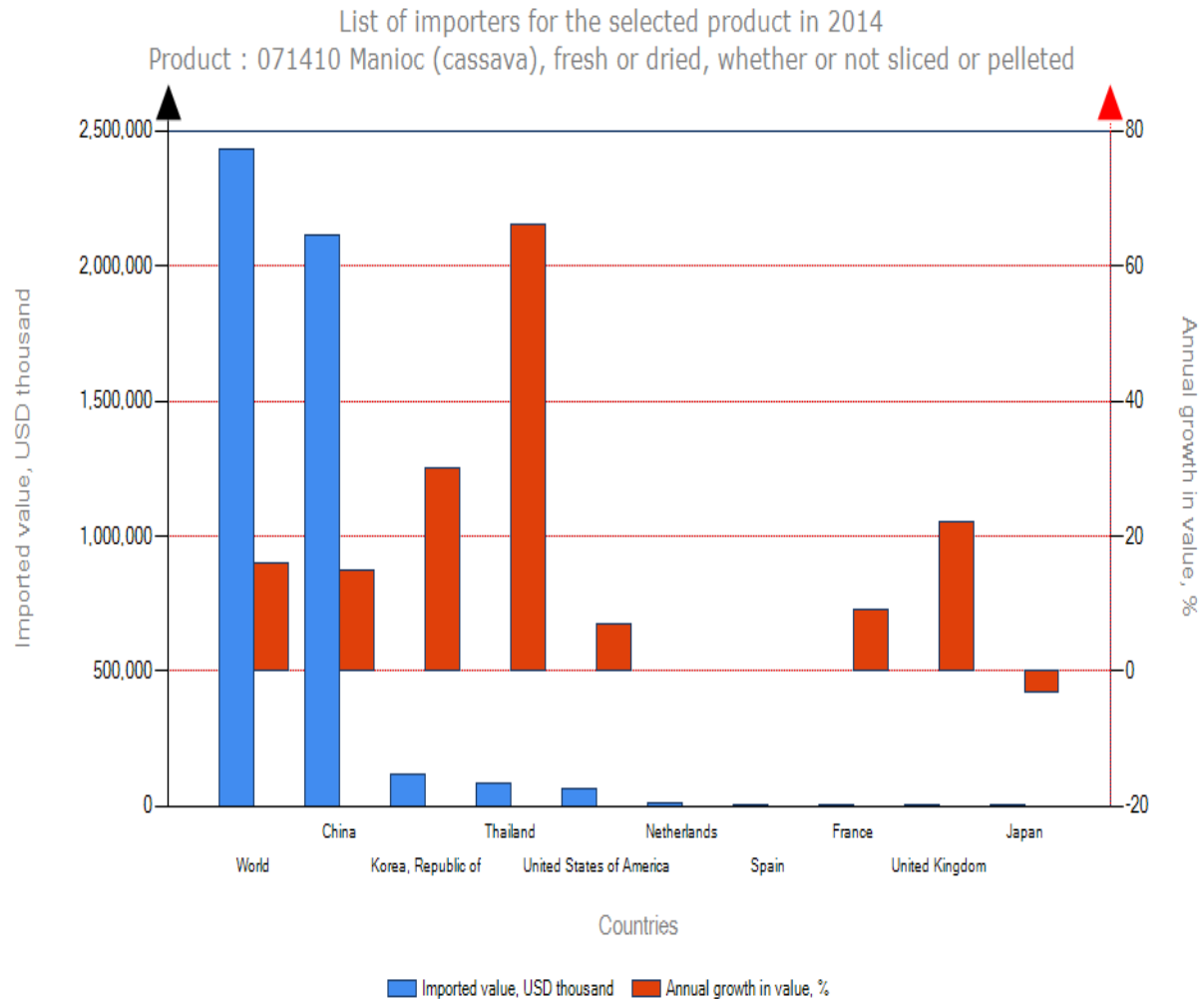
10 August 2015

Ministry of Commerce

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# 1) Cassava world market



Exporter	Export of Cassava chip to China (Ton)	
	2013	2014
Thailand	5,754,597	6,778,401
Vietnam	552,178	1,662,516
<i>Cambodia</i>	<i>71,250</i>	<i>101,273</i>

# Trend of Cassava market

## **China is still the biggest cassava importer in the world:**

- Import of cassava chips for ethanol production (ethanol fuel)
- Import of cassava starch for modified starch (paper & textile)
  - Fast development of downstream products: food, drink, and beer

## **The demand of cassava in China will keep increase for the next 5- 10 years:**

- Ethanol market and ethanol fuel are increasing, so it leads to the demand of cassava for processing inputs
- Import of cassava starch into China- because of the environmental impacts, the government cut down the starch processing mills from 50 to 10
- **Other influential factors:**
  - Policy of the limit corn deep processing- food security and inefficient corn starch technology
  - Rising cost of labor in China
  - Cost of raw materials (85% of production cost)- it needs to lower the input costs (cassava or sweet potato)
  - The release of corn from the storage (25MT per year) can affect the import of cassava into China
  - High sand silica (damage the processing machine)

# The current dynamic in the cassava trade

- Thailand will maintain its world export champion title by increasing its export up to 8MT (dry chip)
- Vietnam will not export cassava much to China through the imposing of 5% tax on cassava export per ton. The policy is already effective since June 2015
- China also looks for different sources of cassava supply, i.e. Nigeria

## **Who will get the share given up by Vietnam:**

- Thailand realizes this opportunity and is preparing itself to get this additional share.
- Cambodia is ready to get this share and takes this opportunity for its own direct export

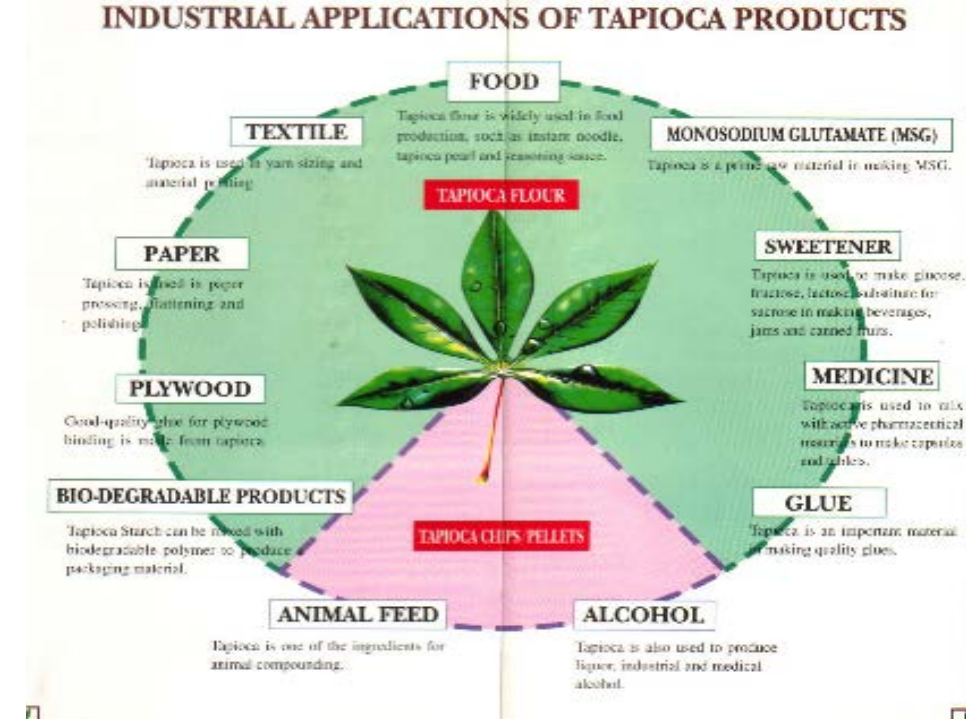
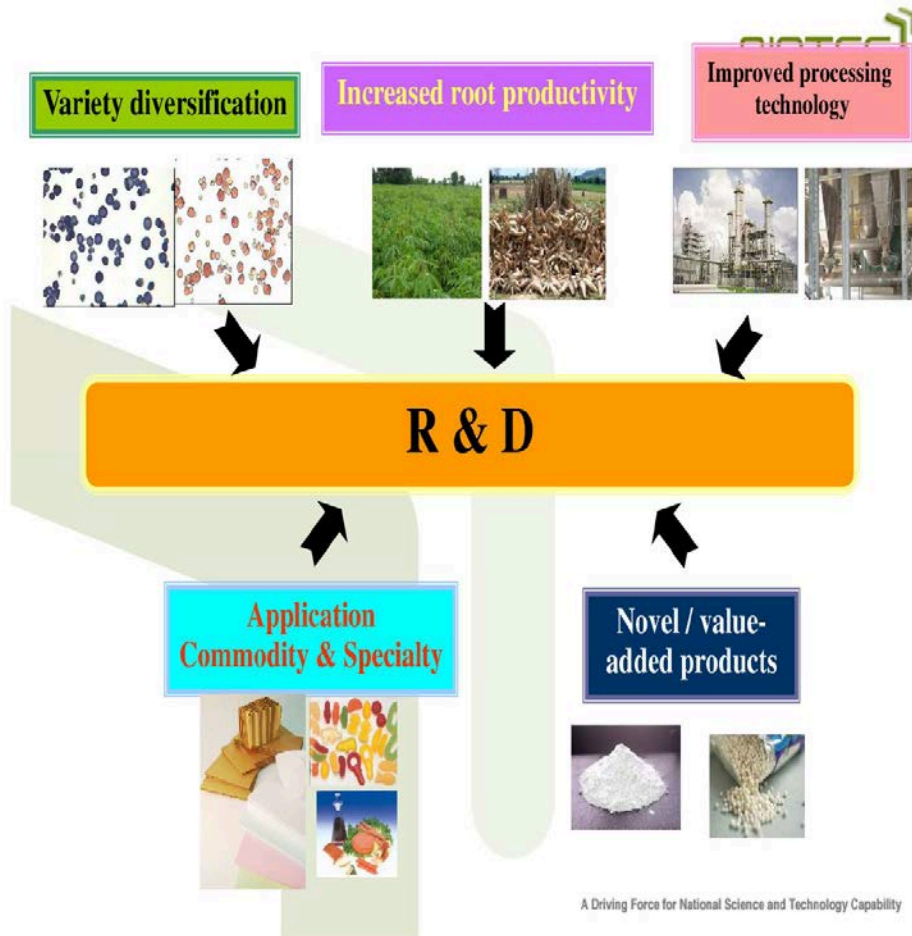
# ASEAN Tapioca Production in 2015



Quantity : Million Tons



## 2) Lessons learned from Thailand



### Clear Policy (cassava as cash & industrial crop)

- Diversify markets (Think tapioca, think Thailand)
- All year round planting/harvesting
- Value added thru local consumption & processing
- Lower production cost/increase yield



# 3).Overview of the CEDEP II- Cassava

## Objective

- To promote the export of cassava from Cambodia to international markets

## Interventions

- To structure the cassava sector and make its needs better understood
- To build capacity of exporters and processors to export cassava

## Key outcomes:

- Positive development of the sector supports Cambodia's efforts to meet its MDGs through ***improved income of farmers***
- The competitiveness of Cambodian cassava increases resulting in ***opening of new markets*** and ***improved pricing of its exports***

# Update of the project progress ( 2015)

- Eight local cassava associations were established in the project target areas. Now, they are registering with MoC/Mol.
- A trip was organized for the association leaders and exporters to attend the World Tapioca Conference 2015 in Thailand
- Reprocessing to recruit a new international consultant to carry out the value chain study
- Business network among three project beneficiaries is initiated to promote direct export. It is on-going
- Facilitated knowledge sharing on contract farming, i.e. to SNEC
- Internal office activities:
  - Finalize the ToR of Field Coordinator
  - Finalize the ToR of Association Strategic Development
  - Finalize the ToR of Manual on export procedure and trade facilitation (cassava)

# Other activities

No.	Date Conducted	Title/ Topics	Location/ Venue	Total	
				M	F
1	11/06/2015	Project Management Training	UNDP	7	3
2	22/06/2015	World Tapioca Conference 2015	Thailand	1	3

The Project has cooperated with the DICO to write stories related to project activities published in Trade Swap Newsletter Jan-June 2015, Issue 4, Vol. 4 including :

- 1) Cassava exporters and processors extol the Ministry of Commerce in forming association;
- 2) Cassava processors and exporters from seven provinces share experiences and concerns with the Ministry of Commerce in Phnom Penh; and
- 3) Cambodian exporters and processors from Cambodia Cassava Association attend the world tapioca conference 2015, Pattaya, Thailand

**Thank you!!!**