

**Sector  
Highlight**

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**Investment Opportunities in  
Agriculture in Cambodia**

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Cambodia is blessed with some of the most fertile farmland in South East Asia, particularly in the area around the Tonle Sap, the huge lake lying in the centre of the country. This lake almost doubles in size during the rainy season, flooding and fertilising the land for miles around and **we are looking at a number of opportunities to invest in land** in this area **with the prime aim of growing rice**. Here Chan Sophal, one of Cambodia's leading Agricultural Economists and Leopard team member explains why farming in Cambodia can constitute such a uniquely attractive investment.

'Cambodia has a large amount of unproductive land awaiting investment. Millions of hectares of land are left idle due primarily to lack of capital. These lands are not ready for immediate plantations: they need to be cleared of bushes and grasses and a lot of land must be properly irrigated before it can be turned over to useful farming. As a post-conflict, poor nation however, Cambodia lacks the capital to exploit the vast potential of the land. Particularly attractive are the huge plains around the great lake of Cambodia, the Tonle Sap. This area floods to a depth of up to three metres for anything up to 4 months during the annual wet season flooding but is left idle in the dry season when the water has receded. In recent years some local entrepreneurs have seized the opportunity to tap this annual flood and to cultivate the land by constructing small reservoirs (simply by raising dikes) to store the flood water with which to irrigate the land for productive rice farming. As these flooded plains are refreshed every year by the annual flooding and siltation, the soil is highly fertile and rice yields have been very high, standing between 5 to 7 tons per hectare, an excellent yield when compared with the national average yield of 2.5 tons per ha. Annual returns have been recorded at 80 per cent or higher although these figures seem exceptional: 50% or so seems highly possible though. After several years of success however, many of these local entrepreneur farmers are eager to expand their investments further out into the plains and whilst they increasingly have the necessary farming and managerial experience, what they do not have ready access to is capital. Nor is labour an issue: anything up to 200,000 Cambodians travel to Thailand annually to work on rice farms for lack of work in Cambodia. There are good rice markets in Cambodia and overseas and Thai and Vietnamese traders come every year to buy the fresh paddy from the farm gates for processing and re-export. So the opportunities exist in Cambodia -capital and the right local partners are necessary though and we aim to provide the former and find the latter.'