



Agricultural Cooperatives in Cambodia's National Home-grown School Feeding Programme

Executive Summary

Background

Since its inception in 1999, Cambodia's school feeding programme has evolved significantly, with recent transformation toward a Home-Grown School Feeding Programme (HGSFP) that sources commodities locally from suppliers, including Agriculture Cooperatives (smallholder farmers). By establishing direct market linkages for local farmers, the programme seeks to stimulate agricultural sector growth by incentivizing increased production and market participation. This approach is critical given that agriculture accounts for roughly 30 percent of GDP and provides employment to over 4.5 million people—60 percent of whom live in rural areas and 52.2 percent are women (ADB,2021).

Agricultural Cooperatives (ACs) have emerged as key suppliers, with 24 cooperatives selected

through competitive bidding to supply commodities to schools for the 2024/25 school year.

This brief presents findings from a mixed-methods study conducted between July and August 2025 assessing the role and impact of ACs in the HGSFP supply chain, examining quality of produce, efficiency, farmer livelihoods, and sustainability.

The analysis addresses critical questions about whether AC engagement (1) improves supply chain performance for school feeding, (2) effectively integrates smallholder farmers into formal supply chains, and (3) supports sustainable agricultural development.

Main Messages

Quality and Continuity: ACs Deliver Fresher Produce but Face Seasonal Challenges

ACs demonstrate superior post-harvest practices and deliver fresher vegetables compared to individual suppliers. Schools consistently reported that commodities supplied by ACs were fresher and had longer shelf life. However, from May 2025 onward, delivery fulfilment rates for some vegetables declined during the lean season as prices for key food commodities increased, while school contracts maintained fixed prices. This highlights the challenges ACs face in setting bid prices that fail to account for seasonal fluctuations.

Despite these challenges, ACs have proven to be highly reliable suppliers of fresh vegetables to schools. However, difficulties persist in supplying animal-sourced foods, as majority are

sourced from local markets due to limited in-house production by ACs

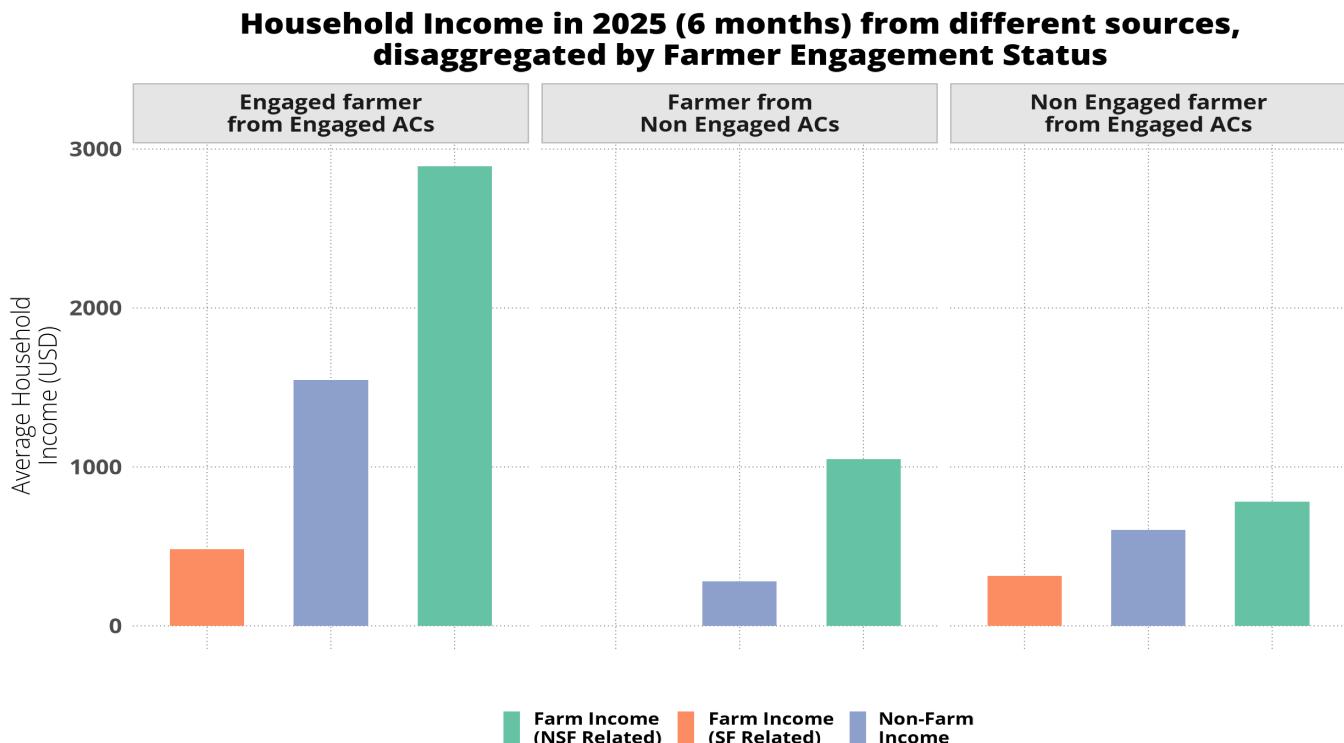
Economic Impact: Limited Smallholder Inclusion

Only 9% of AC members actively participate in supplying schools, with financial benefits concentrated among AC leadership.

Despite limited member participation, school feeding represents a significant market opportunity, contributing up to 40% of total profits for some ACs. Active AC members produced an average of 176 kg of vegetables per month—far exceeding the output of non-participating / non-engaged farmers.

Expanding member involvement could boost incomes, strengthen ACs, and ensure a more sustainable supply chain to schools.

Figure 1: Household Income by Farmers



Note: Farmers from Non-Engaged ACs do not have income from selling school feeding related commodities

NSF = Non-School Feeding; **SF** = School Feeding; **ACs** = Agricultural Cooperatives

Food type: ACs engaged supplied 3 commodity types

- Vegetables
- Animal protein food—fresh fish, meat, eggs, pork
- Iodized salt

Profit Distribution Within ACs

Common profit-sharing arrangements concentrate benefits among individuals directly managing school contracts. Across all sites visited during the study, leadership teams typically chairperson, vice-chairperson and treasurers managed school contracts, raising concerns about equity and potential conflict-of-interest. With only about 9 percent of AC members actively involved in supplying schools, there are limited tangible benefits to the

50-70%	Of profits go to individuals directly managing school contracts (administration, packaging & transport)
30-50%	Is shared among the entire AC membership, regardless of engagement level or direct supply

broader membership.

Cost Efficiency: ACs Provide Value for Vegetables

Engaging ACs is more cost-effective for horticulture products compared to individual suppliers. AC prices for vegetables were generally lower than other suppliers while maintaining superior quality. However, for animal sourced foods (ASF), ACs function as market intermediaries with prices comparable to individual suppliers.

The table below provides an overview of the comparative advantage of ACs to provide different commodity types, with a strong case to continue sourcing vegetables from ACs.

Figure 2: Comparative advantage by commodity type

Commodity	AC Performance	Recommendation
Vegetables	Superior quality, competitive pricing, member-produced	Commune-level procurement / aggregation is optimal
Animal Source Foods	Market intermediaries, ~75 percent fulfillment rate	Different approaches are needed; potential to pilot direct procurement with slaughterhouses
Dry Commodities (rice, salt, vegetable oil)	Limited comparative advantage	District-level (or higher) procurement necessary for economies of scale





Recommendations

Revise Procurement Framework

Reform the procurement system to include:

- **Supplier preference criteria:** Point-based system that goes beyond lowest price, to promote local sourcing and economic development criteria
- **Support ACs with structured price mechanisms:** Develop methodology and support ACs to accurately determine bidding prices
- **Quarterly menu planning sessions:** Institutionalize regular planning between schools and suppliers to ensure uninterrupted supply
- **Digital record keeping (ACs):** Implement digital tracking and invoicing systems for transparency and efficiency

Develop Standardized AC Contract Management Guidelines to promote effective profit-sharing arrangements

Create standard operating procedures for AC-level contract management including:

- Ad-hoc school contract management committees within ACs
- Mandatory inclusion of member representatives outside AC leadership
- Equitable and transparent profit-sharing arrangements and role clarity for all participants

Pilot alternative Animal Source Food (ASF) supply Strategies

Explore and evaluate aggregated procurement directly with slaughterhouses at commune or district

level to:

- Reduce intermediaries and improve cost efficiency
- Improve delivery fulfillment rates above current ~75% levels
- Provide more reliable ASF supply through entities with direct production and quality control

Secure Sustainable Financing for Supply-Side Support in the HGSFP

Collaborate with Ministry of Agriculture, Forestry and Fisheries (MAFF) to identify and secure investment explicitly focused on promoting structured procurement from farmers.

Path Forward

These actions directly support Cambodia's HGSFP sustainability goals and align with the Policy on School Feeding 2024-2035. Moving forward, **further action is needed to enhance supply-side aspects of the HGSFP**, as localized procurement will continue to play a critical role in the efficiency and sustainability of the programme. Success depends on:

- * Differentiated commodity sourcing strategies that leverage AC comparative advantages
- * Strengthened AC governance for equitable member benefit
- * Sustained financing for supply-side support
- * Continued multi-sectoral collaboration & coordination to enhance procurement efficiency



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