

ANALYSIS OF RICE MARKET POTENTIAL IN PHNOM PENH, CAMBODIA

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Abstract. Phnom Penh is Cambodia's capital and biggest city, making it an important market for rice, the country's main food. To understand the market possibilities for rice in Phnom Penh, there is a need to look at what customers want, how the market works, who the competitors are, and where there are chances to grow and innovate. This study paper looks at the potential of the rice market in Phnom Penh, Cambodia. This study will propose ways to enhance rice output policies in Cambodia. The research shows that the rice market in Phnom Penh has a lot of room to grow in the future. The high demand, steady supply, opportunities for exporting, new ideas, and government support make this business important for the city's economic growth. To reach its full potential, the rice sector must continue to adapt to new challenges and use innovative and sustainable approaches. The future of the rice market in Phnom Penh looks promising and will bring significant economic benefits to the city. Cambodia has a strong foundation for rice farming because of its fertile land, experienced farmers, and growing research and development activities. Cambodia is good at selling products to other countries, especially close ones. It's important to enhance product quality, meet international standards, and make the supply line more efficient. The industry is facing big challenges like climate change, changing prices, competition from other countries growing rice, and the need for improved facilities and market access. To enhance Cambodia's rice markets as well as improving productivity, it is needed to make it easier to access markets, increase rice production and increase support from policies. This will help provide enough food, improve life in rural areas, and grow the economy.

Keywords: analysis, demand, rice market, rice potential, supply

Abstrak. Phnom Penh adalah ibu kota dan kota terbesar di Kamboja, sehingga menjadikannya pasar yang penting untuk beras, makanan utama negara tersebut. Untuk memahami kemungkinan pasar beras di Phnom Penh, ada kebutuhan untuk melihat apa yang diinginkan konsumen, bagaimana cara kerja pasar, siapa saja kompetitornya, dan di mana saja peluang untuk berkembang dan berinovasi. Makalah studi ini membahas potensi pasar beras di Phnom Penh, Kamboja. Penelitian ini akan mengusulkan cara-cara untuk meningkatkan kebijakan produksi beras di Kamboja. Hasil penelitian menunjukkan bahwa pasar beras di Phnom Penh memiliki banyak ruang untuk berkembang di masa depan. Tingginya permintaan, pasokan yang stabil, peluang untuk mengekspor, ide-ide baru, dan dukungan pemerintah membuat bisnis ini penting bagi pertumbuhan ekonomi kota. Untuk mencapai potensi penuhnya, sektor beras harus terus beradaptasi dengan tantangan-tantangan baru dan menggunakan pendekatan yang inovatif dan berkelanjutan. Masa depan pasar beras di Phnom Penh terlihat menjanjikan dan akan membawa manfaat ekonomi yang signifikan bagi kota ini. Kamboja memiliki fondasi yang kuat untuk pertanian beras karena tanahnya yang subur, petani yang berpengalaman, dan kegiatan penelitian dan pengembangan yang terus berkembang. Kamboja pandai menjual produk ke negara lain, terutama negara tetangga. Penting untuk meningkatkan kualitas produk, memenuhi standar internasional, dan membuat jalur pasokan menjadi lebih efisien. Industri ini menghadapi tantangan besar seperti perubahan iklim, perubahan harga, persaingan dari negara lain yang menanam beras, dan

kebutuhan untuk meningkatkan fasilitas dan akses pasar. Untuk meningkatkan pasar beras Kamboja serta meningkatkan produktivitas, diperlukan kemudahan untuk mengakses pasar, meningkatkan produksi beras, dan meningkatkan dukungan kebijakan. Hal ini akan membantu menyediakan makanan yang cukup, meningkatkan kehidupan di daerah pedesaan, dan menumbuhkan ekonomi.

Kata Kunci: analisis, permintaan, pasar beras, potensi beras, pasokan

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INTRODUCTION

Phnom Penh, where it is essential to job creation and food security, the rice industry is the dominant sector of the Cambodian economy. Government initiatives to enhance farming methods and boost competitiveness in the international market have helped Cambodia's rice economy. Traditional subsistence farming has transformed into a more market-oriented strategy due to the commercialization of rice cultivation, which has increased the income and rice productivity of local farmers (Cramb et al., 2020). Nonetheless, there are challenges to be faced. Weak infrastructure, price instability, and sensitivity to climatic factors are all crucial challenges which pose a threat to the development and sustainability of the industry (Rath et al., 2022).

A growing desire for premium rice is seen in Phnom Penh consumer behavior, which is influenced by opinions about flavor, safety, and nutritional content. Grain appearance, aroma, and price are among the particular qualities that customers value most, according to research (Bairagi et al., 2019). Consumer preferences are also moving toward premium and organic rice products as a result of increased urbanization and disposable money (Kouy et al., 2016). Producers now have the chance to promote specialized goods that suit consumer tastes thanks to this change. However, value-added processing is currently not widely used by producers, which restricts competitiveness and profit margins (Samon & Tansuchat, 2016).

According to market trends, customers are becoming more interested in sustainable farming methods and are prepared to spend more for organic rice. Growing health consciousness and environmental concerns are driving local customers to embrace organic farming as part of the rice production system (Kea et al., 2016). Notwithstanding the market's potential for expansion, the shift presents difficulties, such as the requirement

for funding for consumer education and certification procedures, as well as access to organic ingredients (Poulton et al., 2015).

From the standpoint of exporting, Cambodia's rice sector has been becoming more well-known abroad. Exports of the nation's rice, mostly jasmine rice, have grown steadily, especially in ASEAN and other regional markets (Thath, 2016). The government has been working with agricultural institutions and non-governmental groups to improve quality and develop better marketing strategies in an effort to increase competitiveness (Yu, B., & Diao, 2011; Kea et al., 2020). However, there are still difficulties in bringing production into compliance with global standards and resolving logistical and inefficiency-related problems with the rice supply chain (Chhom et al., 2023).

Furthermore, price instability and shifting market needs pose serious dangers to Cambodian rice producers. The industry is especially susceptible to external shocks as a result of inadequate risk management measures (Rath et al., 2022). Given these obstacles, increasing farmers' access to data about customer preferences and market trends can enable them to make well-informed decisions about production. To build a more resilient rice industry, government initiatives to stabilize prices and improve supply chain effectiveness are essential (Sokcheng et al., 2017). A complex interaction of market trends, consumer behavior, and economic factors affects the rice sector in Phnom Penh, Cambodia, posing both opportunities and problems for expansion. The future course of the sector can be greatly impacted by the growing demand for sustainable and high-quality rice, as well as by government assistance and creative production techniques. To fully realize the potential of Cambodia's rice industry, however, it will be essential to overcome innate issues with market access, infrastructure, and risk management.

This research paper aims to analyze the rice market potential in Phnom Penh, Cambodia. Based on this analysis, some solutions will be proposed to enhance the rice production policy in Cambodia.

RESEARCH METHOD

The article analyzing rice market potential in Phnom Penh, Cambodia, using a mixed-methods research approach. The data was collected through structured surveys of rice vendors from 14 marketplaces and consumers from 7 districts in Phnom Penh, focusing on rice market situation, rice product potentials and their perceptions of the local rice

market and analyzed in a qualitative approach. This approach allowed for a more comprehensive understanding of the market dynamics.

The study thoroughly gathered and examined pertinent materials from official websites, scientific publications, government reports, and more academic sources for secondary data. This secondary data aids in substantiating and contextualizing the examination of rice market potential.

The study highlights the potential of rice demand and supply, intending to improve rice production policy in Cambodia.

RESULTS AND DISCUSSION

The situation of rice trade in Phnom Penh

The rice market in Phnom Penh, the economic hub of Cambodia, exhibits significant potential. This analysis will examine the principal factors affecting the rice trade in the region (Kea et al., 2020).

- *Growing market demand:* Due to rapid population growth and economic development, Phnom Penh is experiencing an increase in demand for rice. The expansion of the hotel and restaurant sector, as well as rising household incomes, have contributed to the increase in demand. In addition, the shift toward high-quality food consumption has increased the demand for specialty and high-quality rice.
- *Stable supply:* Phnom Penh benefits from a strong supply of rice from major rice-producing regions around the country. Improved transportation infrastructure and distribution networks have made rice supplies to the city efficient and reliable. In addition, the implementation of modern agricultural techniques has helped increase rice yields and ensure a stable supply.
- *Growing export opportunities:* Phnom Penh's strategic location has made the city a hub for rice exports. Recent trade deals with several countries and increasing global demand for Cambodian rice have created new chances for producers in the city. Better quality standards and packing have made Cambodian rice more competitive in the global market.
- *Innovation and processing:* The rice processing sector in Phnom Penh is growing, with the creation of new products such as rice-based cakes and

beverages. These innovations not only increase value-added but also open up new markets. Research and development in the sector is leading to improvements in quality and productivity.

- *Government support:* The Royal Government of Cambodia has demonstrated a strong commitment to assisting the rice industry. The sector's growth has been greatly aided by supportive policies like infrastructure investment, farmer training, and agricultural loans. Additionally, initiatives to export Cambodian rice internationally have aided in the growth of local producers' markets.
- *Challenges and opportunities:* The rice market in Phnom Penh still confronts several obstacles in spite of its immense potential. Two of the biggest worries are competition from other rice-exporting nations and climate change. But these difficulties also present chances for creativity and efficiency gains. Modern technologies and a shift toward sustainable farming methods can assist solve these problems and improve the sector's standing.

The rice market in Phnom Penh has a lot of promise for growth in the future. The high demand, steady supply, chances to export, new ideas, and help from the government make this industry important for the city's economic growth. However, to achieve its full potential, the sector must continue to adapt to evolving challenges and adopt innovative and sustainable approaches. The future of the Phnom Penh rice market therefore looks optimistic, promising significant economic benefits for the city. This is consistent with the analysis of Kea et al., 2020.

Rice consumption in Phnom Penh

Phnom Penh, the heart of Cambodia's economy and culture, is showing enormous and interesting potential in the field of rice consumption. This comprehensive review will take a closer look at the diverse aspects of rice consumption in the city, considering current trends and future opportunities. As a starting point, we must acknowledge and emphasize that rice remains the core and mainstay of the Phnom Penh population's diet. However, what is intriguing and draws great attention is the rapid and significant change in the way people choose to purchase and consume rice. With the rapid increase in income and a deeper awareness of health, we are seeing an interesting shift toward the consumption of higher-quality, organic rice. This interesting trend not only reflects a

change in consumer preferences but also presents a huge opportunity for farmers and processors to increase and expand the value of their products (Frederic et al., 2017). Furthermore, the rapid growth of the food service sector in Phnom Penh has created an intriguing new dimension of rice consumption. Many restaurants and hotels are finding new, creative, and attractive ways to incorporate rice into their menus. This interesting trend not only increases demand but also promotes and publicizes the important role of rice in Cambodian culinary culture for an international audience. This is a wonderful and interesting opportunity to use rice as an effective tool for cultural diplomacy and tourism promotion (Hom, 2024). Another intriguing and attention-grabbing point is the rapid growth of the rice processing industry in Phnom Penh. From the production of high-quality cakes and rice-based beverages to the development of innovative beauty and health products, the sector is showing remarkable and commendable innovation. This intriguing trend not only increases and expands the added value of rice but also creates many job opportunities and drives stronger economic growth. It also shows the enormous potential of rice consumption beyond traditional foods, which can open up new avenues for high-potential markets and attractive export opportunities. This is consistent with the analysis and discussion of Ek et al., 2020; Kong et al., 2020.

However, in Thailand, rice can be potentially processed into a variety of food products with a wide ranges of value addition. Typically, the main uses of rice products that Thai people consume at every meals are cooked polished rice (30–50 Baht/kg) or cooked unpolished rice (70–130 Baht/kg) with a recent trend on more preferable consumption of unpolished rice, particularly pigmented rice due to consumers' health conscious and health benefits of the pigmented rice. The other common rice-based products are flours (30–160 Baht/ kg), noodles (20–30 Baht/kg), alcoholic drinks (70 500 Baht/L), snacks (100–220 Baht/kg), baked foods (200–300 Baht/kg), desserts (150–200 Baht/kg), beverages (200–300 Baht/L) and other foods such as rice bran oil (60–500 Baht/L), vinegar (250–300 Baht/L), cider (300–350 Baht/L), and coconut cream alternative (150/200 Baht/L). It should be mentioned that, there are hundreds of delicious Thai snacks (both savoury and sweet) and desserts made from rice available in different regions all over the country (Singanusong & Mingyai, 2019).

The role of rice in the industrial sector in Phnom Penh is also evolving rapidly. Active and extensive research on the use of rice in the production of bioenergy and bioplastics is

an intriguing development with high potential. Although the field is in its early stages, it shows enormous potential to transform rice into an important and valuable industrial resource. This interesting development can not only increase and expand the economic value of rice but also contribute significantly to broader efforts to achieve environmental sustainability (World Bank, 2018). Finally, we cannot overlook or forget the important role of rice in the rapidly growing health and well-being sector in Phnom Penh. The development of high-quality nutritional supplements and health care products based on rice is opening up a market with high potential and numerous job opportunities. This interest not only increases and expands the economic value of rice but also contributes significantly to improving the health and well-being of the population. We must address several challenges appropriately and in a timely manner to fully realize the potential of the rice market in Phnom Penh. These challenges may include ensuring a stable and sustainable supply of high-quality rice.

Rice marketing system

The rice selling system in Phnom Penh is complicated and includes many parts, such as producers, distributors, retailers, and consumers. The growing influence of big businesses and middlemen in the system is one crucial development. They are essential in bridging the gap between rural farmers and metropolitan customers. But there are drawbacks as well, since farmers may become more dependent on middlemen. This aligns with the findings of the ADB report (ADB, 2014).

The growing use of digital technology is another intriguing feature of the rice marketing system in Phnom Penh. Mobile applications and online platforms are changing the way sellers and buyers communicate. This development has improved the efficiency of the marketing system by reducing transaction costs and increasing transparency. This is consistent with the CAVAC report (CAVAC, 2019).

The increasing awareness of food quality and safety among consumers in Phnom Penh has had a significant impact on the rice marketing system. The higher demand for high-quality and organic rice has created new opportunities for farmers and processors, requiring additional investment in quality assurance and traceability systems. This is consistent with the analysis and discussion of Ek et al., 2020; Kong et al., 2020.

Another important thing to examine is the government's influence on the configuration of the rice selling system. Support programs for the rice sector,

encompassing financial assistance for farmers and tax incentives for exporters, have reinforced the marketing system. Nonetheless, there remains potential for enhancement, particularly in guaranteeing equitable competition and safeguarding the interests of smallholder farmers (Leng, 2004; Sum & Khiev, 2015). The growth of export markets has significantly influenced the rice marketing system in Phnom Penh. Recent trade accords with multiple nations have created new prospects for exporters. Nonetheless, it necessitates additional enhancements in quality standards, packaging, and logistics to satisfy the requirements of foreign markets. The rice marketing system in Phnom Penh exhibits significant potential for future expansion. The integration of digital technologies, heightened consumer awareness, and governmental assistance is facilitating beneficial transformation. The Phnom Penh rice marketing system has the potential to serve as a model of efficiency, creativity, and sustainability, hence fostering economic growth and enhancing food security in Cambodia, as indicated by the ADB report (ADB, 2014).

Solutions to enhance the rice marketing system in Cambodia

a. Rice production factors

Phnom Penh, the principal economic and cultural center of Cambodia, significantly influences the formulation and implementation of policies that promote rice production. Multiple factors influence the advancement of effective and sustainable rice cultivation in the region (Ministry of Commerce, 2021).

- *Investment in infrastructure and transportation:* Significant investment in enhancing general transportation infrastructure, including roads and irrigation systems, has facilitated efficient and cost-effective delivery of rice from rural regions to markets in Phnom Penh. It has facilitated transportation and distribution, enhancing the competitiveness of Cambodian rice in both domestic and foreign markets. This result aligns with Serey's conclusions (Serey, 2014).

- *Financial support:* Phnom Penh serves as a significant financial hub, hosting numerous financial institutions that extend financing to farmers to enhance rice production. The availability of low-interest agricultural finance and credit guarantees has enabled small-scale rice producers and dealers to secure funding for investments in new technology and enhance productivity.

- *Technology and training:* Farmers have been able to increase their production productivity thanks to the spread of contemporary agricultural technologies through

schools and training courses. The implementation of effective irrigation methods and the proper application of chemical fertilizers have contributed to a decrease in the harm done to natural resources and a substantial increase in rice production.

- *Research and development:* The agricultural industry has access to fresh information and techniques thanks to research and development, which is carried out in collaboration with numerous research organizations. Farmers have been able to increase their production and guarantee a supply of high-quality rice for the market thanks to research on new rice varieties that are high-yielding and resistant to climate change.

- *Water resource management:* In order to conserve and secure water for rice irrigation, it is vital to manage water resources. The improvement of the irrigation system and the implementation of efficient water-use techniques have contributed to the stabilization of rice output and a reduction in reliance on rainfall.

- *Promoting processing and value addition:* The promotion of rice mills and other processing enterprises in Phnom Penh has enhanced the value-added of rice products. The development of high-quality, in-demand items in both domestic and international markets has bolstered the sector's economic stability.

- *Community support and agricultural cooperatives:* The formation of communities and agricultural cooperatives has enabled the exchange of knowledge and resources among farmers. These communities have played a key role in negotiating better prices and distributing produce to urban markets. Various factors have contributed to the policy of promoting rice production in Phnom Penh and have received strong support from all public and private sectors for future development.

b. Management factors

Cambodia's important economic and cultural factors have a significant impact on promoting and managing rice production in the country. Effective management of the city's rice market is crucial for bolstering the agricultural sector and boosting the national economy. The following points are in accordance with the recommendations of the USAID study (USAID, 2022), which interpreted, explained, analyzed, and provided recommendations on food security and agriculture in agriculturally dependent regions.

- *Production capacity management:* Production capacity management is a key factor in ensuring high and efficient productivity. The implementation of modern agricultural technologies and methods has helped farmers increase yields and add value to their

products. Training farmers in new techniques and the efficient use of natural resources has clearly helped increase production capacity.

- *Water resource management:* In Phnom Penh, which has a rich Mekong River system, water resource management is important in boosting rice production. The management of the irrigation system and water usage for irrigation has decreased reliance on weather conditions and secured consistent rice production.

- *Distribution and marketing management:* The establishment of effective control over the distribution and marketing system of rice has facilitated the transportation and distribution of products from production areas to the capital market. The establishment of an efficient distribution system and the coordination of price negotiations have enabled farmers to sell their products at competitive prices, thereby enhancing fair market participation.

- *Financial management:* Rice producers and traders have found success through effective financial management. Credit and other financial assistance have enabled farmers to invest in new technology and equipment, increasing output. Proper financial management also contributes to farmers' financial stability by protecting them from market risks and weather circumstances.

- *Quality management and standards:* To increase rice markets in Phnom Penh, it's important to manage quality and make sure products meet both national and foreign standards, especially in a competitive market. Setting up standards and quality control methods has made sure that products are of high quality, appealing to both local and international buyers.

- *Government-Private relations management:* The collaboration between the government and the private sector has facilitated the formulation and execution of policies that can enhance rice production. The accord between the two parties has enabled the exchange of information and support crucial for farmers and agricultural communities to develop effective rice production.

These management methods have made the rice market in Phnom Penh more efficient, improving farmers' lives and bringing hope and economic benefits to sellers and businesses involved in rice supply. The partnership between government agencies and private companies, along with technology growth and good control of natural resources,

has helped Cambodia become a leader in the rice market, leading to its positive development.

c. Supporting and incentive factors

Effective support and incentives in the capital are key to strengthening and promoting Cambodia's agricultural sector. The main factors that contribute to supporting and encouraging the rice market in Phnom Penh are as follows:

As Phnom Penh is the country's main financial center, the Royal Government has implemented a number of financial support policies. This includes offering low-interest loans for farmers, bank guarantees, and tax breaks for rice exporters in Phnom Penh. These policies have made it easier for farms and small businesses to get money for technology and to grow their operations. A special fund for rice growth has been set up to give more money for new projects and better infrastructure in the industry.

We have strongly encouraged and supported the development of agricultural technology and training for farmers. Training and extension programs based in Phnom Penh have helped disseminate knowledge of modern agricultural techniques to farming communities across the country. The provision of free training and workshops has helped improve the skills and knowledge of farmers. In addition, the establishment of a modern agricultural technology training center in Phnom Penh has provided farmers with opportunities to receive practical and up-to-date training.

The Royal Government of Cambodia has strongly encouraged and supported the establishment of farming communities and cooperatives in Phnom Penh. The headquarters of most of these organizations are located in Phnom Penh, which facilitates coordination and advocacy. These communities play a key role in negotiating better prices, purchasing inputs collectively, and sharing knowledge among members. Providing legal assistance and administrative support to these communities has helped strengthen their capacity to support their members. In addition, the establishment of a farming community forum in Phnom Penh has provided opportunities for different communities to share experiences and solve problems together.

The Royal Government of Cambodia has implemented tax incentive policies for rice-exporting companies based in Phnom Penh. This has helped these companies lower their tax costs and boost profits, allowing them to spend more in technology and grow their production. Tax breaks for importing new farming machines have helped grow the

agriculture industry. Also, special tax benefits for companies investing in research and development in the rice industry have helped encourage new ideas and better product quality. These include insurance for crops, programs that guarantee prices, and other financial tools that help safeguard farmers from unpredictable weather and market changes. Offering insurance subsidies has helped farmers join these schemes. Also, a rice price adjustment fund in Phnom Penh has helped protect farmers from sudden changes in market prices. Funding for universities and study centers in Phnom Penh has helped improve research on different types of rice, better farming methods, and enhancing rice quality. Businesses and study organizations are working together more often. These are good things for the rice market.

d. Domestic and foreign market factors

- Domestic market factors

Domestic Demand: Phnom Penh is the largest city in Cambodia, so there is a strong need for rice there. More people and a growing economy have led to an increase in rice usage. Better living conditions and new eating habits have changed the demand for different kinds of rice.

Processing and Value Addition: Phnom Penh has many rice farms and rice processing businesses. Improved processing and value-added features have led to better quality rice goods that satisfy various market demands.

Distribution System: Phnom Penh has a modern way to distribute goods, with shops and different stores. These methods have made it easier to deliver rice to customers and have boosted the value of rice products.

Pricing: Rice prices in the Phnom Penh market strongly affect rice prices in the rest of the country. Keeping rice prices stable is key to increasing output and ensuring food security.

- Foreign market factors

Export: Phnom Penh serves as a major hub for the exportation of rice from Cambodia. Increasing export capacity through improved infrastructure and export procedures in Phnom Penh has helped boost rice production.

International trade relations: Phnom Penh is home to many embassies and foreign trade offices. These relations have helped create new market opportunities for Cambodian rice and strengthened trade agreements with importing countries.

International competition: The foreign rice market is highly competitive. Enhancing the quality and efficiency of Cambodian rice is essential for boosting its competitiveness in the global market.

Brand recognition: Efforts to promote the Cambodian rice brand on the international stage have helped increase the price and demand for Cambodian rice.

International price volatility: Changes in rice prices on the international market have a significant impact on rice production in Cambodia. Monitoring and responding to these fluctuations is an important part of the policy for promoting rice production.

Domestic and foreign market factors, as mentioned above, have a significant impact on the policy to promote rice production in Cambodia. Phnom Penh, as the economic and commercial center of the country, has a key role in managing and responding to these factors. Understanding and responding effectively to these market factors is key to the sustainable development of the rice sector in Cambodia (Chhorn, 2023).

d. Private sector partnership factors

The variables that contribute to the policy to boost rice production, especially the partnership between the private sector and the rice market in Phnom Penh, are essential for the development of the sector. Phnom Penh, which is the primary economic and commercial center of Cambodia, has been an active participant in encouraging collaboration between the government and the private sector.

This partnership has made a substantial contribution through cooperative investments in important infrastructure, including modern warehouses, processing centers, and transportation systems. In addition, research and development collaboration between state institutions and private companies in Phnom Penh has promoted the development of new rice varieties, modern agricultural techniques, and improved rice quality. Technology transfer from the private sector to farmers through training and dissemination programs has also contributed significantly to increasing the productivity and quality of Cambodian rice products. On the other hand, this partnership has also helped promote human resource development in the rice sector by training farmers, providing technical skills to workers, and developing management capacity for sector leaders. The participation of the private sector in determining policies and regulations related to the rice sector has also ensured that these policies respond to the actual needs of the sector. All these factors are similar to the study by Balasubramanian (Balasubramanian, 2018).

In general, public-private partnerships in Phnom Penh have played a significant role in improving rice production in Cambodia. They have improved the productivity, quality, and competitiveness of the rice sector in the worldwide market.

CONCLUSION AND RECOMMENDATION

The study of the rice market in Phnom Penh, Cambodia shows that it is a lively area with good opportunities for growth, but it also faces ongoing challenges. The country has made great strides in producing and exporting rice, thanks to government support and private businesses. However, important issues need to be resolved to keep the rice industry strong and competitive in the future. More people are living in cities, more tourists are visiting, and consumers want better quality and organic rice. These factors are causing a big increase in the demand for rice in the country. Cambodia has a solid base for rice farming due to its rich soil, skilled farmers, and increasing research and development efforts. The country has shown a strong ability to sell products to other countries, especially in nearby areas. It's still very important to improve product quality, meet foreign standards, and make the supply chain more efficient. The industry is dealing with major problems, such as climate change, fluctuating prices, competition from other countries that grow rice, and the need for better facilities and access to markets.

To realize the potential of the rice market in Phnom Penh and contribute to the common development of the Cambodian agricultural economy, especially for rice product markets, the following recommendations are crucial:

- Invest in research and development by prioritizing studies on climate-resilient varieties, enhanced farming techniques, and innovative processing technologies.
- Enhance agricultural extension services. Facilitate access for farmers to contemporary agricultural practices, encompassing appropriate fertilizer application, pest control strategies, and water resource management techniques.
- Enhance infrastructure by investing in rural areas, focusing on roads, irrigation systems, and cold storage facilities to improve market access and minimize post-harvest losses.
- Enhance market access: Equip farmers with timely and precise information regarding market prices, consumer preferences, and export opportunities.

- Encourage investment in rice processing industries to enhance product value and create new market opportunities.
- Enhance export competitiveness: Elevate product quality, refine packaging and branding, and investigate new export markets.
- Strengthen policy support: Safeguard farmers against price volatility by implementing mechanisms like price support programs and insurance schemes.
- Enhance public-private partnerships: Promote collaboration among government entities, the private sector, and agricultural producers to tackle challenges and capitalize on opportunities.
- Promote sustainable agricultural practices by encouraging the adoption of environmentally friendly and socially responsible methods, including organic farming and integrated pest management.

By addressing these critical concerns and implementing appropriate policy measures, Cambodia can fully realize the potential of its rice sector, ensuring food security, enhancing rural livelihoods, and driving economic growth.

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