

PRISM: Poverty Reduction through Irrigation and Smallholder Markets

Fighting Rural Poverty with Profit

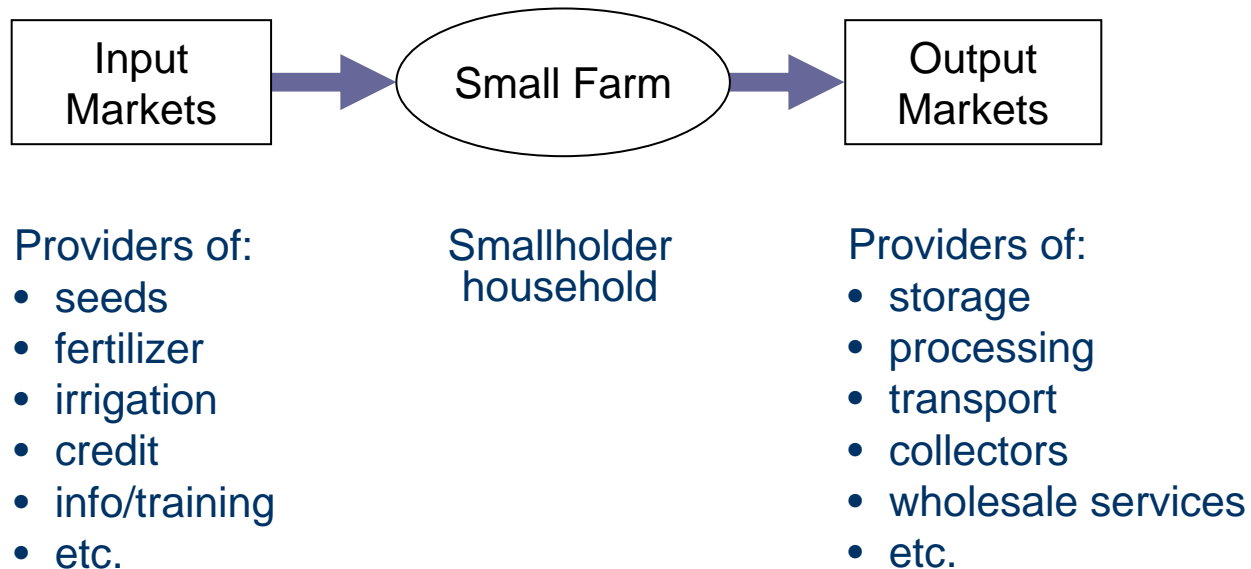


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INTERNATIONAL DEVELOPMENT ENTERPRISES

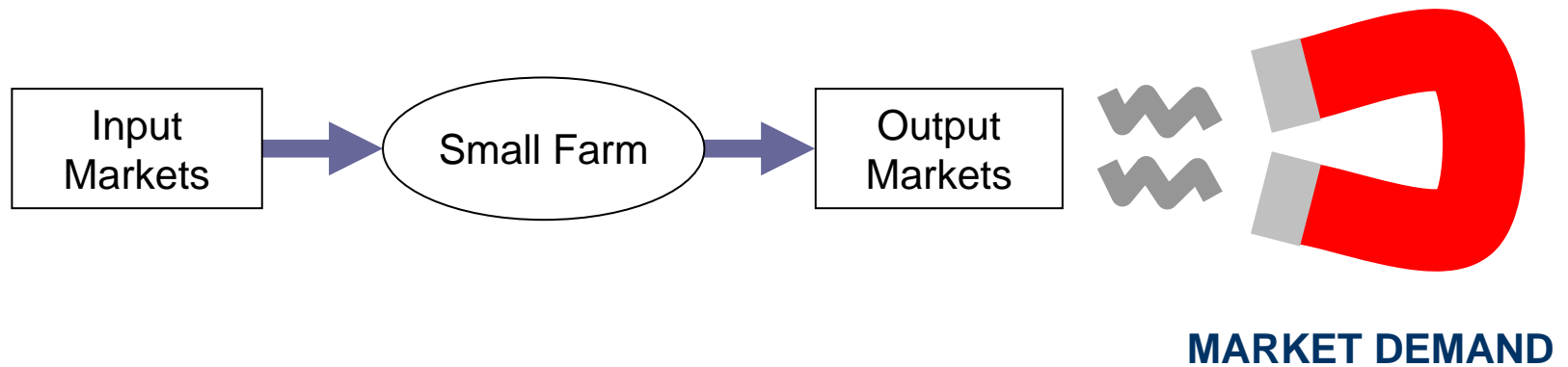
Conceptual Background

- Smallholders are micro-enterprises and they are served by other micro-enterprises in input and output markets



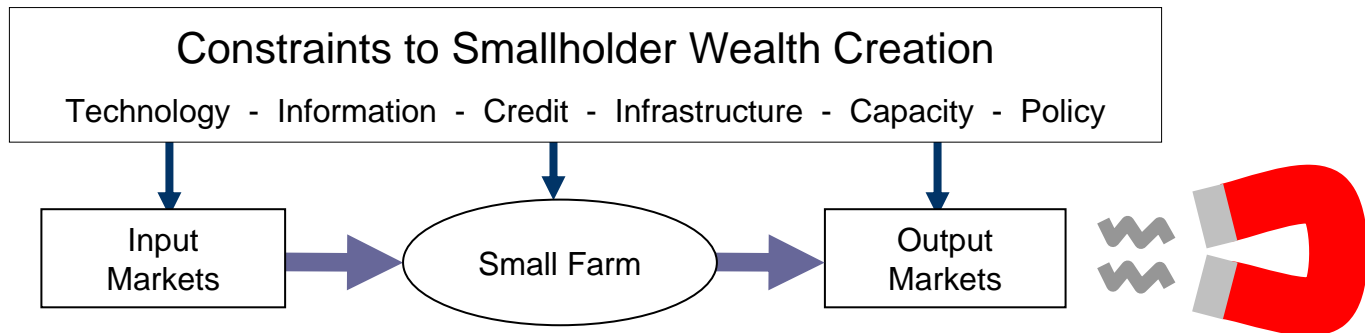
Conceptual Background

- Market demand is the driving force behind the value chains in which small farmers participate



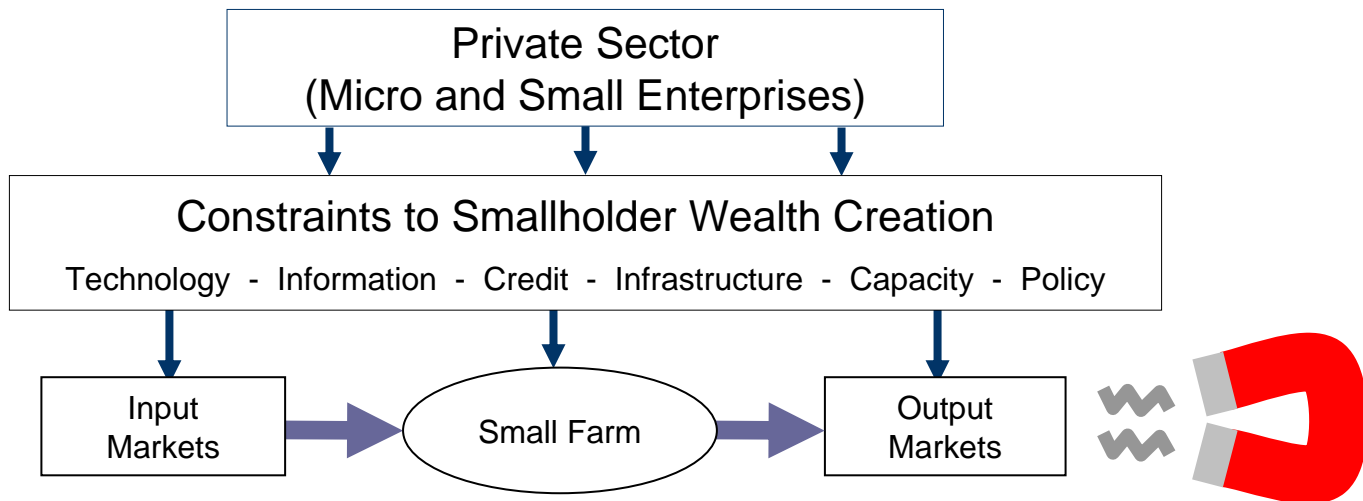
Conceptual Background

- Constraints to effective market participation occur at the farm level and in the input and output markets



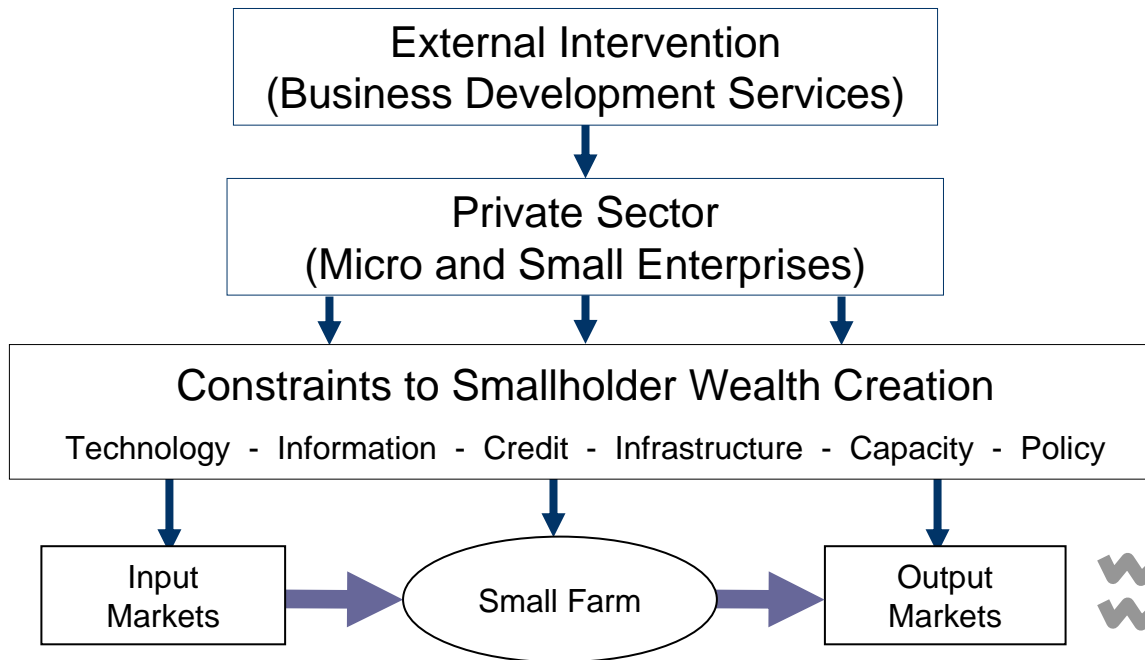
Conceptual Background

- Private enterprises can help resolve many constraints by providing affordable products and services to smallholders

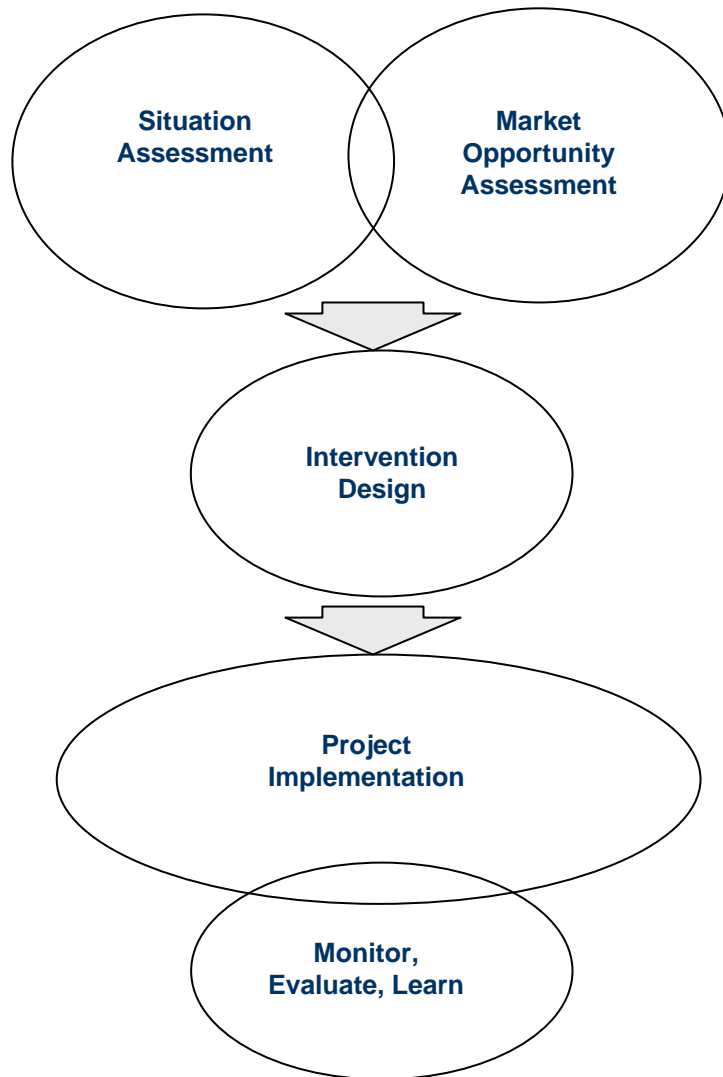


Conceptual Background

- External interventions and public investment help facilitate pro-poor market



PRISM Approach



Operating Principles

shaping each step in the PRISM process

Poverty focus

benefits reach the poorest people possible

Entrepreneurial

innovative market-based solutions

Listening & learning

Participation of smallholders and other partners

Gender/social

benefits reach disadvantaged groups

Environmental

sustainable resource management

PRISM Initiatives in Cambodia

- Past focus has been on improving input market linkages
- Several new initiatives address output market linkages



- Water control (treadle pumps, drip irrigation)
- Input supply (private extension agents)
- Market opportunity assessment
- Transport and storage
- Market information delivery

PRISM Initiatives in Cambodia

- **Market Opportunity Assessment**

- Analyzed value chains for fresh vegetables in three provinces to identify opportunities, constraints, and intervention strategies
- Opportunity in fresh vegetable production (currently, 60% of vegetables imported from Vietnam and Thailand)

Constraint	Intervention
Lack of water access and control	Low cost manual irrigation technologies
Lack of quality seeds	Training and facilitating Private Extension Agents
Lack of horticultural knowledge, weak gov't extension services	

PRISM Initiatives in Cambodia

- Treadle Pump (TP) promotion in the rural areas for small farmers
 - Distribution chain establishment and training (technical and promotion)
 - Marketing aspect (demonstration, media and materials)
 - Quality assurance (production, field, brand and guaranty)
 - 23,000 treadle pumps disseminated over 11 years
 - Smallholder Income generation from the use of TPs (average: \$75/year)

PRISM Initiatives in Cambodia

- **Private Extension Agents (micro-entrepreneurs provides quality inputs to small farmers)**
 - Provide quality farm inputs, technical advice, in-kind credit, improved market linkages
 - 25 agents trained in two-year pilot project
 - Provided service to 1,600 farmers in year 2
 - Farmers increased growing area by 16% and increased average net income by 50%

Case Study from Nepal

- USAID-funded project, *Developing BDS Markets for Small Commercial Horticulturists in Rural Areas of Nepal*
- Located in 3 terai districts (Rupandehi, Kaplivastu and Nawalparasi) and 2 hill districts (Palpa and Kaski)
- Project Period: 3 years (2001 – 2004)
- Project budget: US\$ 817,000

Case Study from Nepal

Market Opportunity

- Fresh vegetables
 - high labor requirement
 - fast turnover of investment (2 to 4 months)
 - high profitability
 - high value per unit land
 - Demand estimated to increase by 5% per year

Case Study from Nepal

Key smallholder constraints

- Water Control
- Access to reliable quality inputs
- Access to downstream markets

Case Study from Nepal

Interventions

- Build capacity of small enterprises serving smallholder horticulturalists (input providers, irrigation suppliers, traders)
- Work through existing Farmer Groups to promote increased vegetable production through improved technology and horticulture practices
- Improve linkages between smallholders and service providers (upstream and downstream) through meetings, workshops and personal contacts

Case Study from Nepal

Impacts

- 7,093 poor households invested an average of \$62 per family to obtain horticultural inputs and irrigation technologies, purchased through a network of 675 small rural businesses.
- The farmers earned average net income increases of \$322 per year in addition to increasing their family consumption of nutritious vegetables.
- The total donor investment in the program was \$817,000, equivalent to \$115 per farming family.