

# Sourcing from Cambodia

## PALM SUGAR

### Product & Supplier Brochure



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# Cambodia at a Glance

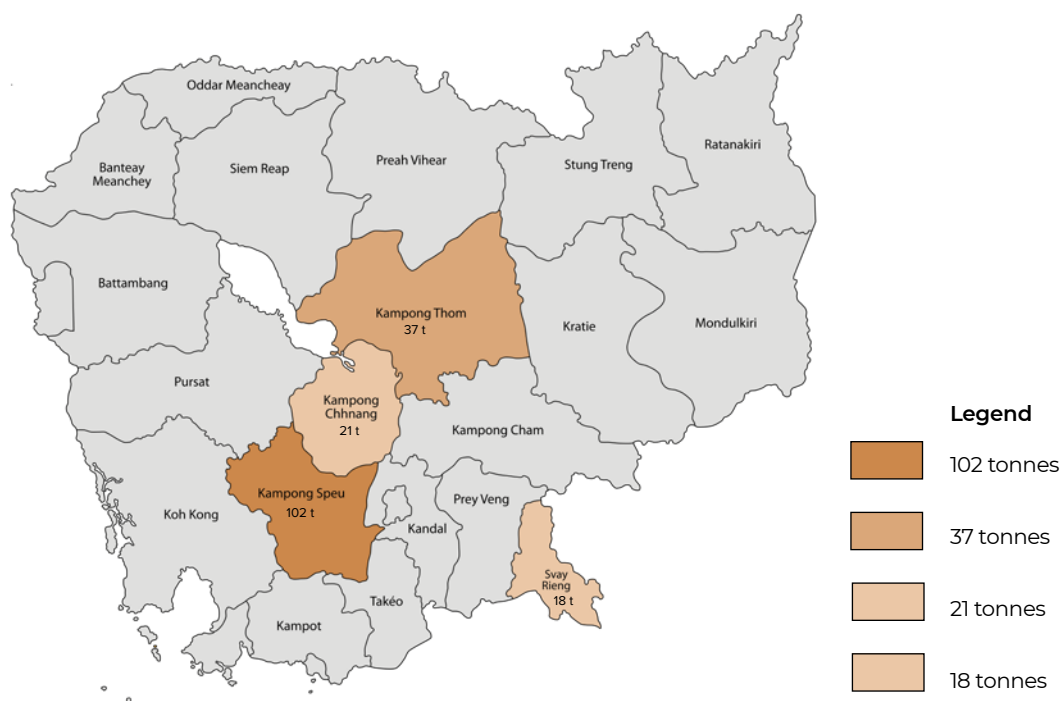
Cambodia has enjoyed over two decades of economic and urban development, averaging an annual rate of Gross Domestic Product (GDP) growth of 7% from 2010 to 2019. Growth is explained by favourable internal and external conditions.

The country has a young, growing population and an increasing middle class, which will fuel future consumption and investment. The Royal Government has embraced free market principles and sees the opening of the country to foreign investment as a priority. For example, selected investment projects – called Qualified Investment Projects (QIPs) – are offered several benefits, including tax holidays.

Cambodia also benefits from its strategic location, at the crossroads between major trading partners. The recent signing of free trade agreements (FTAs) is expected to connect Cambodia's economy to international markets. Examples of such agreements include the China-Cambodia FTA and the Regional Comprehensive Economic Partnership. Volumes of international trade have been increasing, in part thanks to ballooning garment and footwear exports to major international suppliers. Exports rose by 17% between 2018 and 2019, from 12.7 to 14.8 USD billion. Imports also increased by 17%, from 17.4 USD billion in 2018 to 20.3 USD billion in 2019.

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**Palm Sugar Production (tonnes), 2013 - 2015**



# Cambodia Factsheet

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**Currency**

Riel (KHR): 1USD  $\approx$  4,100 KHR. Dollarised economy between 82 to 84%

**GDP**

27.08 USD billion (2019)

**GDP growth rate**

7.1% (2019)

**GDP per capita**

1,643 USD (2019)

**Official language**

Khmer, English widely used

**Capital city**

Phnom Penh

**Major cities**

Siem Reap, Sihanoukville, Battambang

**Government type**

Constitutional Monarchy

**Head of State**

His Majesty King Norodom Sihamoni

**Population**

16.49 million (2019), annual growth 1.4 %, <25 years old: 47%

**Economy**

Garments, Tourism, Construction, Agriculture

**Climate**

Wet season: May to October

Dry season: November to April, average temperature: 27°C

**Major religion**

Buddhism (95%)



Source: Freepik





Source: 123rf

# Palm Sugar

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Cambodian palm sugar is made from the sap of the palm sugar tree flower, the *Borassus flabellifer*. It is not to be confused with its distant cousin, the palm oil tree – the *Elaeis guineensis* – which is popular in other South East Asian countries like Indonesia or Malaysia.

Its most famous variant, “Skor Thnot Kampong Speu” or Kampong Speu palm sugar in the local language, is an internationally-renowned, organic product. It was officially granted the status of Geographical Indication (GI) status in 2010 by the Cambodian government, followed by a similar recognition from the EU in 2019. The certification indicates that the sugar can only originate from Kampong Speu and Kandal provinces. With Kampong Speu being the largest producer (estimated in 2015 at 102 tonnes), it is followed by Kampong Thom (37 tonnes), Kampong Chhnang (21 tonnes) and Svay Rieng (18 tonnes).

The palm from which sugar is extracted is more than a plant, it is a national

symbol of Khmer culture. There are more than 3 million estimated palm trees in Cambodia. The tree plays an integral part in the lives of many Cambodians, providing a source of income for rural folk. Its usefulness is not limited to being a food source. The wood is used for construction, to heat homes, cooking and making tools. Its branches are used to build fences. The leaves can be squeezed into fresh juice. Buying palm sugar means tapping deep into traditional Cambodian culture and livelihood.

Palm sugar is usually produced during the dry season, from December till May, when palm trees produce the sap. Farmers climb to the top of trees, cut into the stem and tie a bamboo container, which will collect the oozing sap overnight. The next day, the sap is collected and taken to large pans, where it is cooked until it becomes thicker. It is then kneaded with wooden sticks until it is solid. Then, it is made into bricks or little cakes, or granulated and sold as powder.



The production phases are summarised below, taken from a 2019 study.

Usually, the paste is consumed domestically, while the powder is exported. The actors of the value chain are distributed between the villages, provincial markets, and retail markets in the big cities.

Palm sugar has a light brown colour and possesses a rich aroma. Unlike other more common sugars (including white and brown sugar), it does not need to be refined, meaning it retains its original minerals and other nutritional elements. Its glycaemic index (value of 30) is lower than white or brown sugar. It does not contain glucose nor gluten. It is a greatly versatile product that can be used to enhance the taste of cakes, desserts, coffees, yogurt and drinks. These characteristics alone make palm sugar an ideal product for health-conscious customers in Europe, who are looking for alternative, more natural sweeteners. Similarly, to other niche Cambodian

agricultural products, producers of palm sugar mainly operate on a small scale, often as subsistence farmers. They have limited capital investment and are not capable of producing the product year-round, due to a lack of storing and processing facilities, and the use of traditional production methods (such as conventional cooking stoves that use firewood). It is estimated that around 20,000 families produce palm sugar. To help coordinate sale prices (estimated in 2016 to be 1.5 USD per kg of conventional palm sugar and 2.7 USD per kg of organic palm sugar) and production amounts, cooperatives and sector associations have been set up. The most important of these is the Kampong Speu Palm Sugar Association (KSPSPA), which represents producers of the flagship, organic variant of the palm sugar. The KSPSPA was last reported to have 280 farmers and around 10 member companies in 2020. From an initial research, most of the producing companies (selected case studies below) double as social projects aimed at promoting fair trade and improving



the condition of local farmers. This social aspect of production complements palm sugar's health benefits to make it an attractive product for European audiences. Some companies, like Confirel, have seen larger investments in facilities and are therefore able to process palm sugar before they export it.

As it is a new commodity, statistics on total production of palm sugar in Cambodia are unclear, but it was estimated at around 14,000 tonnes in paste form in 2019, which can produce approximately 9,100 tonnes of sugar powder. As for exports, data is available by consulting the HS code 1702.90, "sugars not elsewhere specified". Unfortunately, there is no specific code for palm sugar. Under these numbers, we speculate that palm sugar has become an established export commodity, being sold to several Asian and European countries. The total value of exports went up from virtually zero in 2014 to 332,000 USD (107 tonnes) in 2020, a big amount for a relatively

small sector. In recent years, exports to European countries have also picked up, with this region becoming the largest importer of the product. In 2020, 3 of the top 4 export destinations were European countries, with Spain claiming the top spot (97,000 USD; 34 tonnes), followed by Korea (88,000 USD; 21 tonnes), France (42,000 USD; 24 tonnes) and Italy (37,000 USD; 15 tonnes).

Certifications for palm sugar are similar to those for other Cambodian agricultural products, such as pepper. Exporting companies often work with similar batches of products. For Kampong Speu palm sugar, the most important ones are the GI seals provided by the Cambodian government and the EU, ECOCERT France, and COrAA (Cambodian Organic Agriculture Association), which promotes organic agriculture.









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## Company Profiles

**The following section features selected palm sugar companies.**

### **Legend for Certifications**

**O** Organic

**PGI** Protected Geographical Indication

**HACCP** Hazard Analysis and Critical Control Point

**FFL** Fair For Life

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Source: 123rf





## HESED AGRICULTURE TRADING CO., LTD.

As a social enterprise and provisional member of the World Fair Trade Organization, Hesed conducts inclusive business by producing, processing, trading, and exporting agricultural products such as palm sugar, additive-free dried fruit snacks, cashew nuts, eggs, and antibiotic-free meats.

Following their mission to develop sustainable business practices and to empower local communities, Hesed is serving the Cambodian market and exports to several countries, with the USA and Korea standing out as primary trading nations.

Hesed has received several awards including for its inclusive business and sustainability among others.



## MAIN PRODUCTS

### Palmyra Palm Sugar

Natural sugar concentrate from flower sap of the Palmyra Palmtree, a Cambodian national tree.

100% natural. Low GI (Glycemic Index). Nutrient-rich.

- 🌿 Yearly production: 60 tons
- 🏆 **Fair Trade Certificate, Low GI Certification (AUS), HACCP/ GMP**

### Dried Mango

Fresh and fragrant flavor of aged mango 100% additive-free hesed dried mango.

- 🌿 Yearly production: 45 tons

### Cashew Nut

Roasted cashew nuts purchased from social minority groups. A Cambodian speciality.

- 🌿 Yearly production: 3 tons

## CONTACT

<https://www.hesedcambodia.com/> | +855.17.86.82.73 | [sales@hesedcambodia.com](mailto:sales@hesedcambodia.com)

No. 288, St. 10m, Phum Bayab, Khan Sen Sok, Phnom Penh, Cambodia





## CONFIREL

Founded in 2001, Confirel is a company selling organic traditional Khmer products, including Kampot pepper and Kampong Speu palm sugar. The vision of the founder, Dr. Hay Ly Eang, was to empower the conditions of rural farmers who sell these products in the provinces.

Driven by a commitment to deliver the best quality of products, Confirel palm sugar was nominated in 2005 “Palme d’Or” at the Natexpo Salon. The company has been recognised by the Asian Development Bank and World Bank as a model for sustainable rural development. All products are certified GIs and organic, according to European (ECOCERT), Japanese (ECOCERT JAS) and American (USDA Organic) standards. Some of the products are also halal.



## MAIN PRODUCTS

### Thnot Palm Sugar

Gained from the sap of the palm tree, palm sugar has a distinctive sweet flavor with caramel undertones.

- 🌿 Yearly production 300 tons.
- 🌿 **Organic, PGI, HACCP, Halal, FFL**

### Kampot Pepper

Known as one of the best peppers in the world, Kampot Pepper is grown in the south of Cambodia.

- 🌿 Yearly production 40 tons.
- 🌿 **Organic, PGI, HACCP, Halal**

### Mango Puree

Fresh frozen mango puree made out of 100% natural mango fruit cleared from the fiber.

- 🌿 Yearly production 70 tons.
- 🌿 **Organic (on demand), PGI, HACCP, Halal**

## CONTACT

<https://www.confirel.com/en> | +855.23.890.093 | [export@confirel.com](mailto:export@confirel.com)

No. 138 Bis, Prey Chisak, Chom Chao, Por Sen Chey, Phnom Penh, Cambodia









## FARMLINK

Farmlink is a social project, established by European expatriates living in Kampot in 2006. Their goal is to promote the development of local agricultural value chains and maintain ancient production techniques, by linking local farmers to international markets. Their business project consists in the production and sales of typical Cambodian agricultural products, including Kampong Speu palm sugar. They are marketed under the brand KADODE, which means “gift from earth” in Khmer, the local language. The sugar is collected and processed using natural, traditional methods.

Farmlink is in partnership with over 120 local farmers and employs around 40 workers. Farmlink has its products certified as ECOCERT.

## FARMLINK

### MAIN PRODUCTS

#### Palm Sugar

100% natural palm sugar gained employing traditional processing methods.



#### Kampot Pepper

Premium grade, handsorted black, red, and white Kampot pepper.



## CONTACT

<https://www.farmlink-cambodia.com/> | +855.33.690.2354 | [contact@farmlink-cambodia.com](mailto:contact@farmlink-cambodia.com)

Tvi khangchoeung, Sangkat Andong Khmer, Krong Kampot, Kampot Province, Cambodia



Source: 123rf



# Company Contacts

Contact details of additional palm sugar companies.

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## Starling Farm

<http://www.starling-farm.com/>

+855 69 338 555

No. 19, Ly Yoat Lay Street 172, Phnom Penh,  
Cambodia

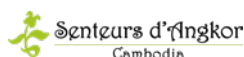


## Khmer Psyche

<http://www.kmpsych.com/>

+855 77 398 939

No.34N, 45BT, Boeung Tompun, Phnom Penh  
Cambodia



## Senteurs d'Angkor

<https://senteursdangkor.com/>

+855 23 992 512

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Cambodia



## Damune

<https://damune.com/en/palm-sugar-cambodia/>

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Provença 257, Entlo C, Barcelona  
Spain



### **Signatures of Asia**

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# Other Contacts

## SECTOR STAKEHOLDERS

**Cambodian Federation of Employers and Business Associations**

<https://www.camfeba.com/>

**Cambodia Chamber of Commerce**

<https://www.ccc.org.kh/>

**Cambodia Development Resource Institute**

<https://cdri.org.kh/>

**Cambodia Partnership for Sustainable Agriculture**

<https://cpsa-growasia.org/en/>

**European Chamber of Commerce in Cambodia (EuroCham)**

<https://www.eurocham-cambodia.org/>

**Group for the Environment, Renewable Energy and Solidarity (GERES)**

<https://www.geres.eu/en/>

**GRET – Professionals for Fair Development**

<https://www.gret.org/countries/south-east-asia/cambodia/?lang=en>

**Kampong Speu Palm Sugar Promotion Association**

<https://www.facebook.com/Kampong-Speu-Palm-Sugar-Promotion-Association-KSPA-204741633268449/about/>

**Kampong Speu Palm Tree Agricultural Cooperative (Kampatraco)**

[kampatraco@gmail.com](mailto:kampatraco@gmail.com)

**Cambodian Ministry of Agriculture Forestry and Fisheries, Department of Agro-Industry**

<https://web.maff.gov.kh/?lang=en>

**Cambodian Ministry of Commerce**

<http://www.moc.gov.kh/en-us/>



Source: Rawpixel



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