

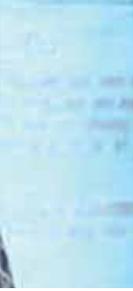
A close-up photograph of a middle-aged man with a serious expression, wearing a blue and white patterned short-sleeved shirt. He is holding a small glass vial containing a yellowish liquid in his right hand and a syringe in his left hand, carefully drawing the liquid into the syringe. The background shows a wooden structure, possibly a stall or a building under construction.

PEOPLE IN NEED

PIN'S EXECUTIVE REPORTS SERIES

BUSINESS COMPETENCE SURVEY

ON PROVIDERS OF **PRIVATE VETERINARY SERVICES**
IN PURSAT AND KAMPONG CHHNANG PROVINCES, CAMBODIA

A small, partially visible image in the bottom right corner showing a document or chart with some text and a blue header.

People in Need (PIN) recognizes that while the use of high-quality data is essential for the programming of development agencies, the workload of senior staff can make it a challenge for them to read through often lengthy publications. As a result, interesting reports are produced but only few professionals read them. PIN's EXECUTIVE REPORT SERIES therefore focus on sharing PIN's best practices, research findings and practical recommendations in a brief, to the point and easy-to-read format. As a result, implementing agencies and donors can easily ensure that their programming decisions are based on reliable data and generated lessons, both contributing to the higher impact of their work. For a full list of available PIN Executive Reports, feel free to get in touch with us!

PIN's EXECUTIVE REPORT SERIES

BUSINESS COMPETENCE SURVEY ON PROVIDERS OF PRIVATE VETERINARY SERVICES

Published by **People in Need (PIN) in September 2013**
Research conducted in **Pursat & Kampong Chhnang provinces, Cambodia**
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Photo **JIRI PASZ**

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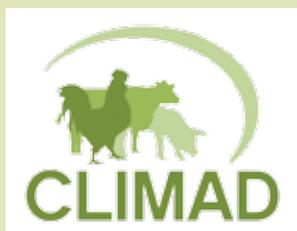


INTRODUCTION

The **Business Competence Survey**, conducted as a part of PIN's CLIMAD project, focuses on understanding the main strengths and weaknesses in the services provided by **Village Animal Health Workers (VAHWs)** & local **shops with veterinary medicines & vaccines**. In CLIMAD's target provinces alone, over 1,100 VAHWs and about one hundred shops provide local livestock farmers with veterinary services and products, representing a significant network of suppliers focusing on the needs of livestock farmers. The presented survey offers practical recommendations for designing business development services enabling these suppliers to improve the quality, accessibility and farmers' demand for essential veterinary services and products. In doing so, the CLIMAD project aims to **utilize the largely untapped potential of the private veterinary sector for improving the livelihoods of livestock farmers** and reducing rural poverty.

The presented data was collected in July 2013 by a team consisting of PIN's Market Development Coordinator, Senior Veterinarian and two Veterinary Field Officers. The study involved 63 VAHWs and 26 veterinary shops from 4 districts of Kampong Chhnang and Pursat provinces. Structured questionnaires (discussed with OAHPs and pre-tested through extensive piloting) and focus group discussions were used to collect qualitative and quantitative data. While this report focuses on the most essential data only, PIN's CLIMAD team can upon request provide further information.

CLIMAD PROJECT IN BRIEF



Community Livestock Market Development (CLIMAD) project engages the private sector, civil society organizations and relevant authorities in reducing the poverty of 30,000 livestock smallholders living in 205 villages of Pursat and Kampong Chhnang provinces.

CLIMAD's team is working to enable local veterinarians, veterinary companies & local shops to improve the quality, accessibility and demand for private, community-based veterinary and marketing services. As a result, farmers are able to boost their incomes from livestock production while service providers increase their profits, generating **lasting win-win solutions for addressing livestock smallholders' needs**.

CLIMAD is implemented by a Czech NGO People in Need (PIN) with the financial support of the European Union and the Czech Development Agency. PIN works with and supports the capacities of its key national partners – AARR, EPDO, PNKA, SORF and TDSP – and actively cooperates with the Provincial Offices of Animal Health and Production (OAHP). With a duration of 3.5 years, total budget of 1.4 million USD and a team of 34 staff, CLIMAD belongs among the largest livestock market development projects in Cambodia. **CLIMAD's team welcomes cooperation** with other results-driven agencies.



SHOPS WITH VETERINARY MEDICINES AND VACCINES



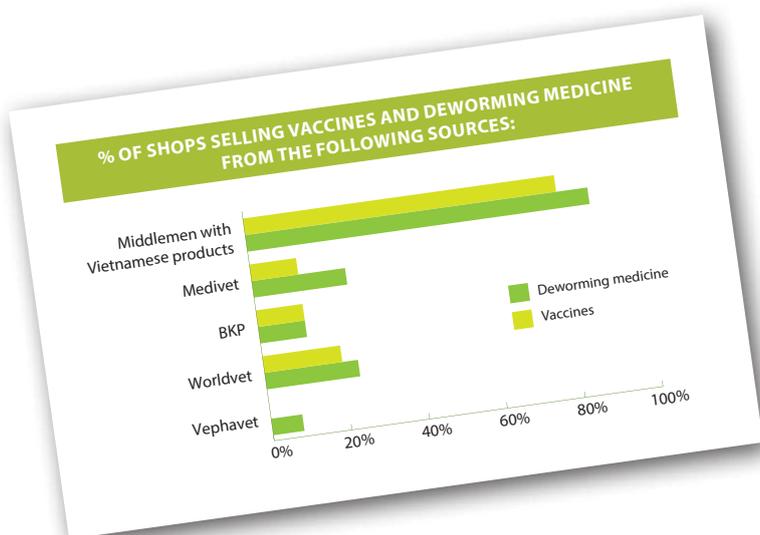
In CLIMAD's target provinces alone, veterinary shops supply over one thousand vets and tens of thousands of livestock farmers with medicines and vaccines essential for protecting animals' health and improving farmers' livelihoods. Their commercial interest is very similar to the aims of many livestock development interventions – to ensure that more farmers use (their) veterinary products and services. Thanks to the shops' abilities to assist a large number of farmers without relying on external, short-term funding, **shop sellers are among the best partners for creating lasting services for addressing livestock farmers' needs.** The following data provides us with an essential understanding of their businesses and practical possibilities for increasing their benefits to poor livestock farmers especially.

WHO IS SELLING WHAT?

The assessed shops were largely small enterprises located at provincial, district and commune markets. 54% of shops have one seller only while 35% employ an additional 1-2 staff (often the shop owner's spouse). Since selling veterinary medicines and vaccines brings limited profits only, shops largely focus on selling fodder, equipment for raising animals and other agricultural inputs.

WHO SUPPLIES THE MARKET?

Provincial shops purchase their drugs from two main sources: established Cambodian veterinary companies (such as Medivet, BKP, Worldvet, Vephavet) and informal middlemen supplying products from different Vietnamese companies. As the chart indicates, **informal middlemen clearly dominate the supply market**. The main reason for why informal middlemen's products are so strongly preferred is shop and **customer demand for cheap vaccines and medicines** (as opposed to more expensive and better quality products from France and other countries).

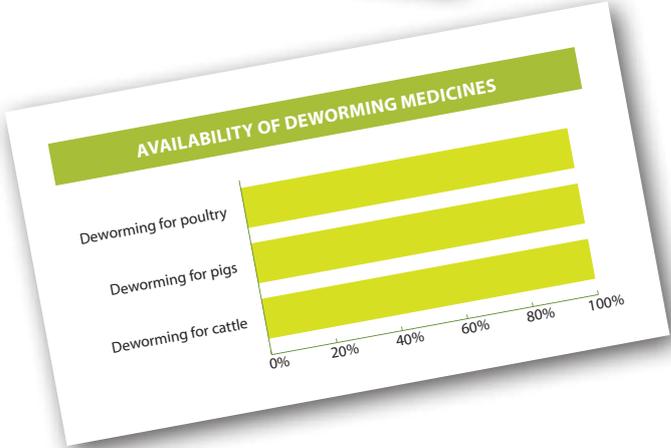
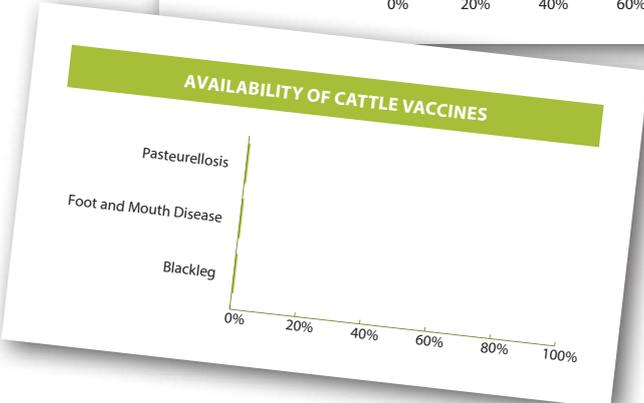
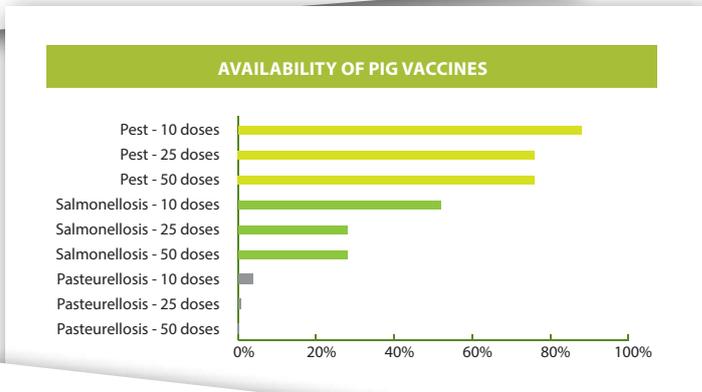
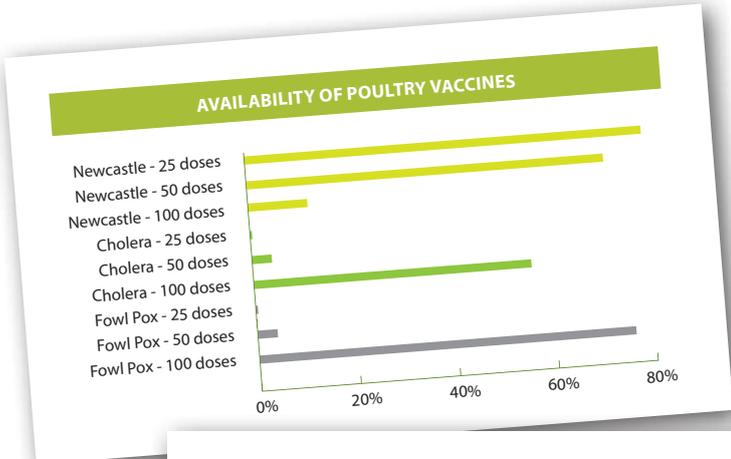


An interesting finding is the **production focus of Cambodian veterinary companies** – while Medivet and Vephavet produce mainly large volume vaccines intended for commercial farms, BKP and worldvet supply also small volume, low cost vaccines affordable to smallholder livelihoods farmers. Middlemen supplying products from Vietnam offer a large diversity of cheap, small volume vaccines; however, due the uncertainty concerning their sources and quality of production, their effectiveness cannot be guaranteed.

ARE VETERINARY MEDICINES AND VACCINES AVAILABLE?

Easy access to veterinary drugs is among the key preconditions for increasing the numbers of farmers using veterinary services and products. Furthermore, since poor farmers raise only small numbers of animals, special attention needs to be paid to the availability of smaller volume products.

In the CLIMAD target areas, the following percentage of interviewed shops sold specified vaccines and deworming medicine in the following doses:



The presented data have the following important **implications for farmer abilities to access the required vaccines and medicines:**

- The only poultry vaccine which is sold at the majority of shops and in small doses is Newcastle. Other vaccines are either not widely available or only in large doses.
- Vaccines for pigs in small doses are more widely available, however, in a limited number of shops only.
- Perhaps the most surprising finding was a **complete lack of vaccines for cattle** due to shop and farmers' total reliance on Government vaccination campaigns. Since the majority of farmers' cattle receive subsidized vaccination once per year only (as opposed to the need to vaccinate once in six months), the complete lack of vaccines means that farmers cannot fully protect their cattle.
- A positive finding has been **full availability of deworming medicines** at all shops and in both larger and smaller quantities.

WHAT SERVICES SHOPS PROVIDE TO THEIR CLIENTS?

Veterinary shops offer much more than just vaccines, medicines and other products to farmers. Sellers are motivated to increase the number of their customers (and their profits) and therefore provide a number of complementary services focusing on increasing farmers' demand for shops' products.

ADVISING CLIENTS

92% of interviewed shops owners claimed to always provide advice when a farmer purchases a product. Their advice focuses primarily on correct selection, storage and application of the product. While this is a very positive trend, a high number of shops requested training on technical and advisory skills, indicating their interest to provide advice in even better quality.

SUPPORT FOR MAJOR CUSTOMERS

In addition to advising clients, 46% shops provide major customers (vets, larger farmers) with discounts on sold products, 15% provide a commission fee to vets for selling larger quantities of shop products and 38% provide their clients with materials promoting and informing about relevant veterinary products.

A large number of shops attract their customers (especially pig farmers) by providing loans for purchasing more expensive inputs (fodder, vaccines) which are paid off once the pigs are sold. Although this service helps to increase shops' sales, some sellers have negative experiences with farmers not repaying their loans and so perceive providing loans among the main risks to their business.

Despite only one shop actively supports local vets in improving their promotion skills, 69% of sellers believe that training VAHWs in their promotion skills would help them to reach more farmers and increase their profits.

TECHNICAL ASPECTS OF SELLERS' SERVICES

While increasing farmers' demand for using veterinary medicines and vaccines is crucial for improving their livestock production, equally important is to ensure that these products are sold by competent suppliers and in a required quality.

SELLERS' QUALIFICATION

The highest levels of professional qualification which interviewed veterinary shop sellers have reached was: **39% held a university degree in veterinary science**, 20% attended a training course from the Department of Animal Health & Production (DAHP) and 32% attended a short-term course provided by provincial authorities, NGOs or veterinary companies. 9% of assisting staff had a university degree in veterinary medicine, 36% attended a short-term course and 55% had no official qualification. The majority of sellers raise their own animals, indicating a good level of required practical skills.

ENSURING SAFE STORAGE

Vaccines were kept in cool conditions in 100% of the assessed shops.

Following the basic principles for the safe storage of veterinary vaccines and medicines is essential for ensuring their effectiveness and farmers' trust in their benefits. 100% of assessed shops kept their vaccines at the required cool temperatures – 75% were stored in a fridge and 25% in a cool box with ice. 90% of shops had vaccines & medicines properly separated from other products. Due to the reluctant attitudes of some shops owners, it wasn't possible to assess the percentage of sold products which had expired.



PRODUCTS' LABELING

Dispensing labels written in a local language and containing essential information are crucial for ensuring that veterinary medicines and vaccines are used correctly and products deliver intended benefits. In CLIMAD's target areas alone:

- None of the **vaccines** sold had prescriptions written in Khmer. Few Cambodian suppliers provided shop sellers with booklets informing on product's use. The only information which customers receive is therefore verbal advice provided by the sellers.
- Equally lacking are labels on **medicines** supplied by Cambodian middlemen from different Vietnamese producers. The only suppliers of veterinary medicines providing appropriate labelling are a few Phnom Penh-based companies, especially Medivet and Greenvet.

SHOPS' COOPERATION WITH VETERINARY COMPANIES

Since veterinary shops are the main buyers of medicines and vaccines, supply companies have an interest in ensuring that shops sell maximum of their products. The following text outlines how companies support shops in increasing their sales and how such cooperation can benefit local livestock farmers.

EMBEDDED BUSINESS SERVICES IN PRACTICE

Distribution of promotional materials, discounts on purchased drugs and provision of technical advice are three main types of support provided by veterinary companies as a complementary service to selling their products. In CLIMAD's target areas, BKP and Medivet companies received most positive feedback from shop sellers, especially thanks to good communication, quick supplies and availability of technical advice. Both companies have staff (up to one per province) responsible for supplying companies' products and supporting sellers in increasing their sales.

DO COMPANIES MEET SHOP NEEDS?

Developing promotion and communication skills for reaching more customers is sellers' main priority.

The single most requested support from the veterinary companies is to assist sellers in developing their promotion and communication skills. Further main priorities are translating product prescriptions to Khmer, providing training on new drugs and on treatment of new diseases. Veterinary companies partially respond to these demands, however, since their staffs need to cover a large number of shops, the extent of provided complementary support is both in terms of diversity and frequency fairly limited. Despite this, companies have fairly high motivation to expand their businesses and well-tailored, practical and results-delivering assistance for developing their embedded business services can significantly increase the impact of their work on farmers' livelihoods.

WHAT BUSINESS DEVELOPMENT SERVICES DO SHOPS NEED?

The following text offers practical recommendations for providing embedded business services to veterinary shops, enabling them to offer better services to the clients and in doing so improve their livestock production. While providing such services should primarily be the role of veterinary companies supplying these shops, their limited capacity means that external support is required. **Development agencies, consulting companies and Government institutions therefore have an excellent opportunity to partner with the private sector** and jointly develop lasting solutions for improving livestock farmers' livelihoods.

Among the main recommendations for veterinary companies and supporting institutions are:

PROMOTION & MARKETING:

- train and coach sellers on practical **promotion and marketing** of veterinary products, especially those which are affordable to poorer farmers
- support shops in **expanding their network of 'sales agents'** (mainly VAHWs) and in developing their sales skills
- provide shops with more **attractive materials** promoting especially small-volume, less expensive vaccines and medicines and encourage them to use them extensively
- provide **discounts** for shops selling larger quantities of companies' products
- organize **radio-based promotion** of their key products
- encourage sellers to create and use **contact lists for VAHWs** enabling them to reach VAHWs in a short space of time

IMPROVED SUPPLY:

- support shops in accessing (and promoting) a **larger diversity of veterinary medicines and vaccines**, especially those suitable for smallholders
- increase shops' demand for purchasing products with **labels in Khmer** including information on correct use
- support shops in promoting and selling **better quality veterinary drugs** from trusted suppliers

TECHNICAL COMPETENCIES:

- train sellers on **use of (new) drugs** and treatment of (new) diseases
- train and coach sellers on **providing technical advice** to their customers
- in the case of a major **disease outbreak**, advise sellers on what preventative and treatment measures they can recommend to their clients
- train sellers on **stock management** and safe disposal of expired products



VILLAGE ANIMAL HEALTH WORKERS

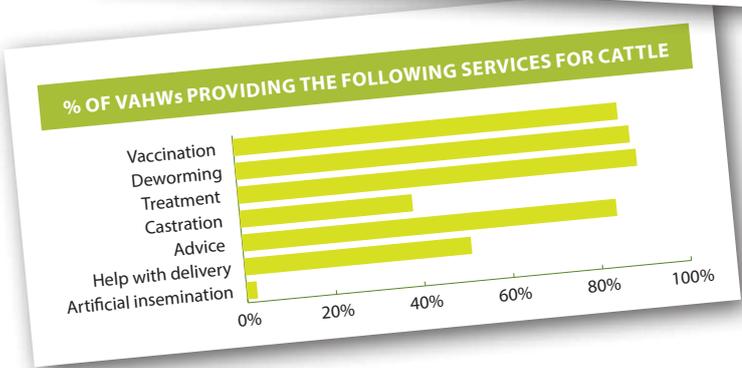
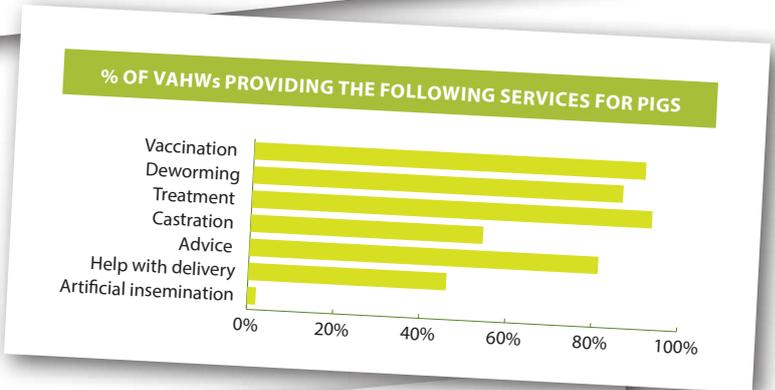
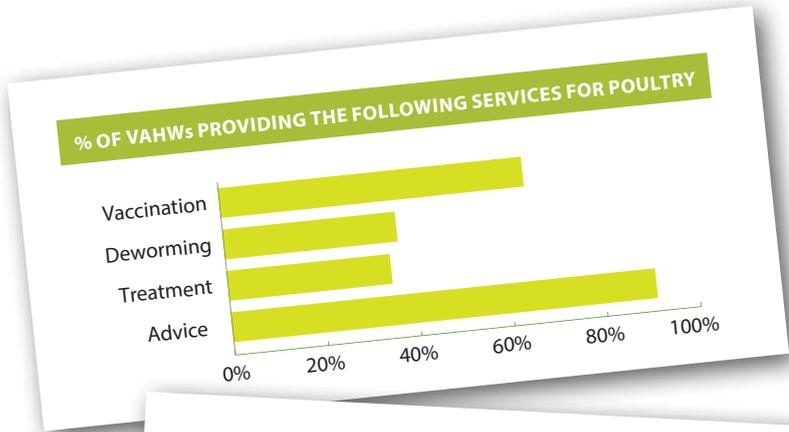


In CLIMAD's target provinces alone, the Offices of Animal Health and Production register 1,117 Village Animal Health Workers (VAHWs) assisting thousands of farmers each week. Considering that 80% of poultry, 43% of pigs & 14% of cattle in VAHWs' areas are never vaccinated and a large number of livestock farmers don't use qualified veterinary services, **the potential for expanding VAHWs' work and assisting even more farmers is very large.** The following data provides us with an essential understanding of how this excellent opportunity can be transformed into delivering lasting solutions for addressing livestock farmers' needs.

INSIGHTS INTO VAHWs' SERVICES

The number of farmers assisted by one VAHW varies from 3 to 100 per month with an **average of 20 farmers per month**. An average VAHW spends over 40 hours per month providing services. 44% of VAHWs provide their services in four or more villages while 25% of VAHWs work in their own village only.

The three charts below provide an **overview of the services which VAHWs provide**:



Among the main **reasons stated for why many VAHWs don't provide their services for poultry** is the supposed limited interest of farmers (96%), a fairly widespread perception that poultry is cheap and services therefore aren't that important (23%), low income generated from providing services to poultry (17%) and a limited trust of some VAHWs in vaccine effectiveness.

Providing advice is considered by VAHWs as an important part of their business and 91% of VAHWs believe that **vets who provide more advice to farmers can generate higher profits**. Vets' advices focus most on animal treatment and vaccination, animal raising techniques and fodder.



THE ECONOMICS OF VAHW SERVICES

The following insight into the economics of VAHWs' businesses helps us to understand the role which veterinary service provision plays in VAHWs' livelihoods and the costs which livestock farmers need to expend to access the services they need.

WHAT INCOME DO VETS MAKE?

VAHWs earn an average of **42 USD per month** by providing veterinary services, with a minimum of 7.5 USD and a maximum of 150 USD. The most profitable service is treatment of cattle and pigs. As the best way for increasing their income, VAHWs stated the importance of increasing farmers' awareness of effective animal raising practices leading to their higher demand for vets' services.

AVERAGE PRICES OF VAHWs' SERVICES

vaccination of 1 poultry	250 Riel	\$ 0.06
deworming of 1 poultry	600 Riel	\$ 0.15
vaccination of 1 pig	2800 Riel	\$ 0.70
deworming of 1 pig	3100 Riel	\$ 0.80
castration of 1 pig	2500 Riel	\$ 0.60
vaccination of 1 cattle	1200 Riel	\$ 0.30
deworming of 1 cattle	6600 Riel	\$ 1.70
castration of 1 cattle	13800 Riel	\$ 3.50

PRICING OF VAHWs' SERVICES

The price of VAHWs' services is a crucial factor influencing their accessibility and sustainability – while high costs discourage poorer farmers from using veterinary services, low income gives to VAHWs only few reasons for assisting more farmers and improving the quality of their work. The stated prices are influenced, amongst others, by the following:

- Number of treated animals – especially in the case of poultry, for VAHWs it isn't profitable to treat a small number of animals as the income generated hardly outweighs the invested money and time. In practice, this means that thousands of smallholders cannot use qualified veterinary services for their poultry. **For VAHWs it is economically attractive to vaccinate poultry if at least 50 animals need to be vaccinated** and the poultry is gathered in an enclosure to make vaccinations faster. Since the majority of poor households don't own that many poultry, encouraging joint vaccinations of several households' (e.g. neighbours) animals can easily ensure that VAHWs find assisting poorer farmers with fewer animals worth the effort.
- Government's subsidies – thanks to the Government-paid costs of vaccines, cattle vaccinations are for livestock farmers one of the least expensive veterinary services.

IS PROVIDING SERVICES VETS' MAIN LIVELIHOOD?

For 64% of VAHWs, providing veterinary services isn't their most significant source of income. Growing rice provides larger profits to 82% and raising their own animals to 63% of vets. In practice, this means that VAHWs can commit to providing veterinary services for a limited part of their working time only.



VAHWs' COMPETENCIES

VAHWs' competencies are the major factor influencing the quality and demand for local veterinary services. The vast majority of capacity building support provided to Cambodian vets has focused on their technical competencies, with limited attention given to VAHWs' communication and other essential skills. PIN's survey has therefore paid particular attention to vets' non-technical competencies.

VAHWs' TECHNICAL SKILLS

98% of interviewed VAHWs stated that they don't have sufficient technical competencies.

Despite all certified VAHWs having participated in a series of trainings provided by OAHPs, NGOs and others, 98% of interviewed VAHWs stated that they don't have sufficient technical knowledge & skills. Three of the most frequently stated learning priorities were: recognition of diseases (81%), provision of appropriate treatment (81%) and poultry and pig vaccination, incl. vaccine selection and application (73%). Clearly the most preferred learning method is on-the-job coaching followed up by classroom-based and field-based training. VAHWs specifically requested to **provide a very minimum of theory only and focus as much as possible on practicing required skills.**

VAHWs' TRAINING AND ADVISORY SKILLS

Better advice provided by VAHWs ranks among the top priorities for vets and farmers.

The fact that acquiring competencies required for organizing and providing training and advice to farmers was VAHWs' second biggest learning priority (76%) clearly signifies a strong demand for sharing essential know-how. In PIN's survey on farmers' usage, attitudes and image of veterinary services and vaccinations (June 2013), livestock farmers proposed receiving more and better advice as their main suggestion for improving local veterinary services. The combination of a strong demand for more know-how and VAHWs' high motivation for responding to it represents an excellent opportunity. Addressing it through practical trainings and on-the-job coaching can contribute to achieving major and lasting improvements in farmers' animal raising practices.

VAHWs' ABILITY TO MAINTAIN THE COOL CHAIN

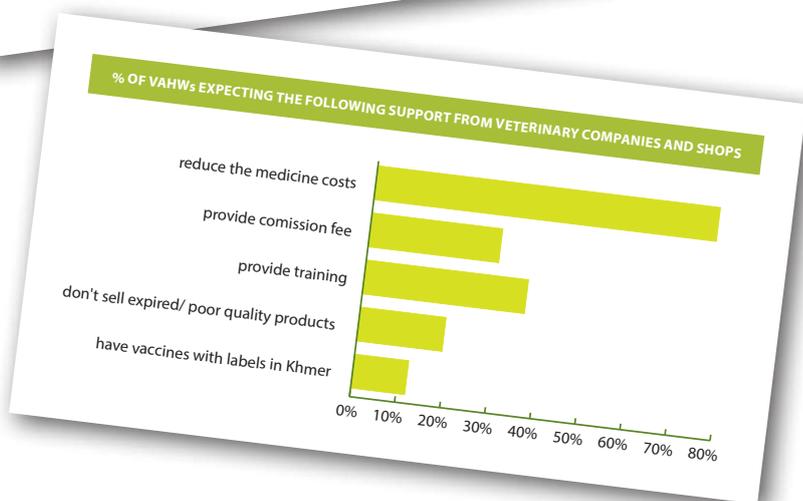
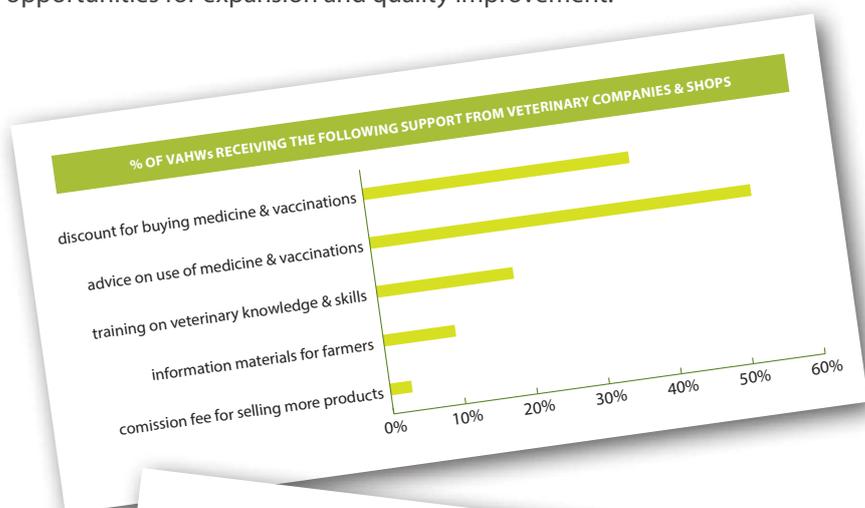
88% VAHWs claim to always maintain cool chain for live vaccines.

VAHWs' ability and commitment to ensure that live vaccines are kept within the temperature range recommended by their producers is a crucial quality aspect of VAHWs' services. 88% of VAHWs claim to always be able to maintain the cool chain while 12% admit not following this practice at all times. To keep vaccines cool, 98% VAHWs use portable cool boxes and 2% use a plastic bag with ice. When purchasing vaccines, the vast majority of sellers automatically provide ice. In VAHWs' opinion, **keeping vaccines cool is mainly a matter of discipline and can be ensured at all times.** Despite this, VAHWs prefer to purchase the vaccines shortly before its application and mostly don't keep the vaccines at home.



VAHWs' COOPERATION WITH VETERINARY SHOPS AND COMPANIES

Since VAHWs are among the main buyers of medicines and vaccines, veterinary shops and companies provide them with support as specified in the chart. As the second chart indicates, this assistance largely matches with VAHWs' expectations from the companies; however, its extent is relatively limited and has a number of opportunities for expansion and quality improvement.





UPSCALING VAHWs' SERVICES

For interventions focusing on increasing farmers' demand for using veterinary services it is essential to understand whether local VAHWs have the time and interest to respond to this demand and to assist more farmers. Furthermore, **increasing farmers' demand should primarily be driven by local VAHWs** and it is therefore their ideas for reaching more clients which need to be well understood and supported.

CAN VAHWs ASSIST MORE FARMERS?

Two main preconditions for expanding VAHWs' services to reach more farmers are VAHWs' interest and availability of required time. 97% of interviewed VAHWs were interested in providing their services to more farmers, indicating a high motivation to expand their businesses. Despite the fact that VAHWs are engaged in several other income generating activities, 84% of them claimed to have enough free time, and estimate being **able to help up to on average 16 more farmers each week**. While this estimation may for some VAHWs be too optimistic, it clearly indicates VAHWs' motivation and time availability to assist more farmers.

VETS' SUGGESTIONS FOR REACHING MORE CLIENTS

VAHWs have a large number of ideas on how they could increase farmers' demand for their services. Listed according to VAHWs' priorities, the main suggestions were:

- **providing clear advice** on effective animal raising methods and coming on time when requested
- **increasing the quality** of especially treatment-related services
- **providing discounts and loans** to farmers for more expensive services
- **improving promotion** of VAHWs' services

WHAT BUSINESS DEVELOPMENT SERVICES DO VAHWs NEED?

Similar to any other profession, VAHWs need to have an opportunity to refresh their know-how and to have access to information on new products and diseases. Currently, VAHWs depend mostly on trainings paid for by external donors whose sustainability is limited. Veterinary shops and companies whose commercial success depends considerably on the extent and quality of VAHWs' services are in a much better position to work on increasing VAHWs' capacities and in doing so also their profits.

Among the main **recommendations for veterinary companies and shops** are:

PROMOTION & MARKETING:

- train & coach VAHWs on developing their practical **sales skills**
- provide VAHWs with **attractive materials** promoting their services and small-volume, less expensive vaccines and medicines
- encourage more shops to provide commission **fees** for VAHWs selling large quantities of their products
- support VAHWs to **cooperate with smaller groups of farmers** on collective provision of services (i.e. to more animals at more affordable prices)

IMPROVED SUPPLY:

- provide VAHWs with information on where they can **access especially small-volume medicines and vaccines** which are more suitable for assisting smallholder farmers
- provide advice on selecting affordable and **better quality drugs** from trusted suppliers

TECHNICAL COMPETENCIES:

- train and coach VAHWs on **how to provide simple training and advice** to local livestock farmers
- train VAHWs in **improving their technical knowledge and skills**, especially on disease recognition and provision of required treatment
- provide VAHWs with the phone numbers of shop **sellers** and encourage them to contact sellers if they need technical advice
- in the case of a major **disease outbreak**, advise VAHWs on what preventative and treatment measures they can recommend to their clients

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People in Need (PIN) is a Czech non-governmental organization providing relief and development assistance in developing countries while working to defend democratic freedoms. PIN has worked in Cambodia since 2008, supporting the implementation of the Royal Government of Cambodia's development priorities in 3 sectors: market development for improved livelihoods and environmental protection; maternal and child health with a special focus on nutrition and newborns; and disaster preparedness and response. PIN closely cooperates with 8 local partner NGOs, relevant Government departments and Alliance2015 partners. In 2013, PIN's team in Cambodia consisted of 20 national and 4 expatriate staff.

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