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Insights into our partnerships within Uganda's rice sector

St Richards Group of Companies: Revolutionizing Rice Milling Services in Eastern Uganda



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St Richards Group of Companies (St Richards) is an agribusiness enterprise that processes rice in Eastern Uganda's Tororo District. The company's origins lie in the sourcing of a range of crops - rice, maize, cotton, cassava, groundnuts and simsim (sesame) - from different parts of the country, but in recent years proprietor, Richard Ochari, has worked to capitalize on the commercial potential he identified in the rice sector.

After embarking on rice farming himself, Richard identified that he could add value to his rice with a milling machine. In 1998 he purchased his first diesel-powered single-stage rice mill and has been in the milling business ever since.

With a mill on-site, Richard expected to boost the quality of the rice he produced and purchased from other farmers, but he instead found himself unable to purchase enough quality paddy from farmers. The low quantities and poor quality of the rice paddy he could source was partly a result of the distance between his company and the farmers.

The issue of quantity was also hampered by the company's own infrastructure. At the time St Richards had a 3,600 m<sup>2</sup> drying yard which meant only 20 metric tons (mt) of paddy could be dried at any one time, limiting the volume that could be processed at the mill. In addition, the single-stage mill could not process large quantities of paddy, and it produced a lot of broken and dirty rice, making it less desirable in the market. Farmers were receiving only 55 kg of unbroken rice grains from 100 kg of paddy milled. This rice was sold at UGX 1,700-1,900 per kilogram. As a result, the mill had a low farmer retention rate and a limited market for the rice processed through the single-stage mill.

In 2018, the International Fertilizer Development Center's (IFDC) Resilient and Efficient Agribusiness Chains (REACH)-Uganda Project, funded by the Embassy of the Kingdom of Netherlands in Uganda, began working with St Richards as part of the project's goal of supporting a self-sufficient rice sector in Uganda. The opportunity for a more self-sufficient rice sector is evident in the nation's demand for rice, which is estimated at 340,000 mt per year, while production sits at only 200,000 mt, an annual deficit of about 140,000 mt. A strengthened rice sector would allow for this demand to be met by locally produced rice rather than imports.

REACH-Uganda aims to enhance the productivity of rice farmers and link them to businesses such as St Richards that require a consistent supply of quality rice to process. This will support farmers to diversify and increase their incomes, while also strengthening the rice sector more widely, boosting local economies, creating jobs and supporting household food security.

To achieve this aim, REACH-Uganda is working with St Richards to support farmers to improve the quality and quantity of rice produced. Farmers and village agents were trained in Good Agronomic Practices, such as using quality seed, crop management and proper harvest and postharvest handling to ensure the increased production of quality rice. Village agents then trained and/or supported farmers in post-harvest handling techniques to improve the quality of delivered paddy and play a key role in sourcing paddy for processing at St Richards.

With the support of the partnership with REACH-Uganda, St Richards purchased a multi-stage milling machine in order to produce greater quantities of cleaner rice with less breakage. REACH-Uganda also provided three moisture meters to measure moisture content in paddy, and St Richards increased their drying yard size to 5,600 m<sup>2</sup>, allowing it to dry up to 31 mt of paddy. These investments benefited both farmers and the company as more rice of a greater quality could be processed and sold.



Local farmers supplying rice paddy to St Richards now receive 65-70 kg of unbroken grains per 100 kg of paddy from the multi-stage mill, an improvement of 10-15 kg. Customers are willing to pay more for the rice as it is free from stones and debris with minimal breakage. Farmers now earn about UGX 2,300-2,500 per kilogram for lowland rice. They are also selling broken rice and bran as feed to animal owners, providing an extra stream of income.

"At first, farmers were still opting to use the single-stage mill, even though we charged UGX 100 per kg for both mills, because they did not know the advantages of the multi-stage mill. They thought that rice would get lost in the machine. REACH-Uganda helped us communicate the benefits of the new multi-stage mill by getting us onto radio talk shows. We shared the advantages of multi-stage rice milling with listeners and now it is more active than the single-stage mill and farmers have even enjoy greater returns," said St Richards Managing Partner, Hellen Nawanga.

Hellen also explained that, as St Richards served more than 3,000 farmers per year, the new multi-stage mill had increased not only the quantity and quality of rice processed, but the efficiency of the processing operations at the mill.



## Female Empowerment

St Richards works to empower women and youth, particularly widows, single mothers, and orphaned youth, by teaching them rice milling skills and providing them with avenues to earn money and support themselves. Employing women is beneficial to St Richards as they have a proven high retention rate, quickly pick up the machinery operation skills, and are often already working in post-harvest handling and drying within the rice value chain. The company has 13 full-time employees, nine of whom are women. During peak season, St Richards hires 20 casual laborers, all female and youth, to work in the drying yard and operate the mill.

St Richards also uses female and youth village agents who are paid a commission of 2-5% depending on the quality of paddy sourced from farmers for processing. The village agents receive transport subsidies, which cuts the costs and time for farmers to transport rice to the mill. Village agents have also been trained in the importance of joint household decision-making and the benefit of supporting women in agribusiness. These agents engage with local leaders, encouraging them to involve men, women, and youth in agribusiness in order to improve productivity and therefore livelihoods in the communities. All of these activities are supporting a shift from traditional perspectives that women are unable to undertake business activities.

Fifty-two-year-old Norah Auma works with St Richards as a multi-stage mill operator and a village agent. She explained how her employment has benefited her.

Agricultural engineer, Joseph Okoth, from Tororo District noted that St Richards had made great strides in ensuring employment for women and youth in the community.

"In addition to ensuring that employment is offered to women and youth, St Richards has improved the standards of rice milling in the area as well as the standards for government planning in the region because of innovations like the drying yard and moisture meters," he added.



Because of my employment at St Richards I am able to provide food and school fees for my seven grandchildren and, despite being a widow, my standard of living has improved.

## Norah Auma,

Multi-stage mill operator and a village agent, St Richards, Uganda

## **Future Plans**

In addition to building a permanent structure to house the multi-stage mill, St Richards plans to purchase trucks to support transportation of both paddy and milled rice to and from their mill, along with a color sorter to sort rice for uniform processing. They are also working on the branding and advertising of their rice and establishing the company as both a retail and wholesale supplier all over Uganda.



We plan to be the number one supplier of the best rice in Uganda, and we are extremely grateful to REACH-Uganda for their support and investment in our company.

Hellen Nawanga, St Richards Managing Partner, Uganda