

Nepal's first women-owned rice mill—a business model developed by women for women

The mill purchases paddy mostly from female-headed holdings, and makes, markets, and distributes non-steam rice.

○ **SANGAM PRASAIN**
CHITWAN, NOV 30

In 2011-12, female-headed households in Nepal, where an adult female was the sole or main income earner and decision-maker, were just 19 percent.

According to the latest agriculture census, female-headed holdings nearly doubled to 32.4 percent in 10 years. This means 1.33 million women head households in Nepal. Lured by foreign employment, men are no longer seen on fields. Farming and looking after the household has fallen on women's

Falling farm yield fuels food insecurity as most youths are going away.

shoulders in many places.

In Nepal, a cause of food insecurity is falling food production, as youths, particularly males, are unwilling to engage in agricultural activities because of low income. As a result, the country is undergoing rapid

changes in farm practices, particularly the increasing trend of feminisation of agriculture.

"Men mostly led the farm sector, which was believed to be their domain. But things have changed," said Purnamaya Adhikari Timilsina, manager of the Small Farmer Agriculture Cooperatives at Kathar, Khairhahi municipality-10.

"Due to massive male migration, women have broadened and deepened their involvement in agricultural

work but only in some areas."

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As males desert villages, women take the lead in agri entrepreneurship

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"Now, in our village, many women have become entrepreneurs because of easy and hassle-free finance availability."

"We started a cooperative in 2004 with 47 members. Initially, we extended loans of Rs100,000 to Rs500,000 to our members—who are only women. Many have opened beauty parlours. We have invested in building agriculture stores, provided training to make sweaters and clothes, and invested in other business activities," said Timilsina.

"Now, we provide loans of up to Rs1.5 million to women."

Her cooperative members have grown to 1,835 in the past two decades.

The Post met with a few women entrepreneurs on the plains in southern Chitwan, where women are leading an extraordinary transformation.

Among many projects women undertake, one is the rice mill, the first of its kind in Nepal, owned and operated by women.

"We decided to scale up our operation. And hence, the rice mill was conceptualised," said Timilsina.

On March 30 last year, the mill started operation with an investment of Rs50 million, of which Rs20 million was lent by Sana Kisan Bikas Laghubitta Bittiya Sanstha, formerly known as Sana Kisan Bikas Bank, a wholesale lending microfinance institution. This is just an example of how access to financial resources can help women be entrepreneurs.

The mill was operated for a reason.

"In the absence of men, we took over agriculture. Selling paddy was indeed difficult for us. We had to go to the market, travelling a long distance and we did not get a fair price," said Kamala Bhandari, one of the members of the cooperative.

Bhandari, who owns one bigha (6,772 sq. metres), earns Rs150,000 selling paddy from two different harvests—spring and summer.

"We sell our paddy to the mill. The mill gives us Rs100 extra per quintal to the minimum support price announced by the government. Farmers do not have to travel long distances to sell paddy. The mill has become a boon to all."

Until two years ago, paddy farmers had plenty of complaints.

Due to the porous border between Nepal and India, the market was flooded with cheap imported rice, leaving farmers without buyers and jeopardising the local rice sector.

When men went abroad, the market was flooded with imported rice, and women were increasingly facing diffi-



PHOTO: COURTESY OF ADB

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culties due to labour-intensive farming practices and, in many cases, abandoning their agricultural lands. As a result, there was a reduction in food production.

In a remarkable response to the crisis, the women's group entered the venture in Chitwan. The mill purchased paddy in the village and made non-steam rice, saving the local rice chain from collapse.

Their collective mission has been to promote locally sourced, fresh and nutritious rice, effectively revitalising and safeguarding the local rice industry. Before the mill was established, Bhandari didn't receive a fair price. "Now, the rate is assured. This year, the mill fixed Rs42 per kg for the common paddy."

The mill's importance is that the women's market is assured. The Prime Minister Agriculture Modernisation project provides technical know-how to grow crops, including paddy.

Timilsina claims that the economic condition of many women is improving. "Nearly 75 percent of our members are from the indigenous community, and 5 percent are Dalits. They work hard all day long. We are happy that we can speak up for women's rights."

"Our members have come to a stage where they can do business. They can make their own money. They can help their families, educate their children, and send them abroad."

Anisha Chaudhary, an accountant at the mill, said business has been growing. "This year, we have purchased paddy worth Rs8.4 million. We give Rs100 per quintal more than the market price."

This year, the price of 'masino' paddy has been fixed at Rs42 per kg while the Sabitri variety can be bought at Rs36 per kg.

"However, due to the lack of manpower to load and unload [sacks], we are having some difficulties with the purchase," said Chaudhary.

"We don't have a contract with farmers, but we collect data in advance for our requirement in a season."

According to Chaudhary, women farmers witnessed a few changes after opening the mill. First, the market and price were assured. Second, farmers wouldn't have to sell their crops on credit; third, they wouldn't have to travel a long distance to sell their crops.

The mill produces 100 sacks (25 kg and 30 kg) of rice daily. The price of 'masino' rice has been fixed at Rs90

per kg and 'mota' at Rs65 per kg to Rs75 per kg.

"This year, we aim to buy paddy worth Rs40 million."

Chaudhary said that in urban areas, people prefer to eat long and fine-grain rice. "We supply the rice to hills and mountain regions, mostly in Nawalparasi, Dhading, and Makwanpur. Due to the low prices, we could not meet last year's demand."

In 2019, the Asian Development Bank approved a \$50 million loan to promote rural entrepreneurship in Nepal. The government distributes the ADB loan to small farmers through the Sana Kisan Bikas Laghubitta Bittiyasansha Ltd. According to the ADB, the project supports about 500 small farmers (at least 30 percent of them women) with loans of up to Rs5 million.

"We're particularly proud of the project's strong focus on gender equity. A key aspect of the project is empowering enterprises led by women and marginalised groups through access to finance, technical training, and leadership roles, allowing them to contribute to rural economic transformation," said Arnauld Cauchois, country director of Asian Development Bank.

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Success stories: Microcredit loans are transforming rural entrepreneurship

With more returnee migrants taking up agribusiness, the average size of farm loans has risen from Rs1.5 million to Rs5 million.

○ SANGAM PRASAIN
CHITWAN/POKHARA, NOV 24

An old and traditional mud house stands in Lahachowk at 1,730 metres above sea level, in Kaski, on the northern rim of Pokhara. The house is surrounded by a dozen plastic tunnels spread over 100 ropani (5.09 hectares), filled with tomatoes and leafy vegetables.

Farm owner Bhoj Bahadur Tamang, 33, is seen wearing a Tamang dress and gumboots. He has a shawl on his back, where he carries a sickle and Namlo, ply-split porters' headbands for carrying heavy loads.

He is one of the budding farm entrepreneurs. But behind his success, there is a long story of struggle.

Tamang, from a socially and economically marginalised ethnic group, worked in a hotel in Pokhara after finishing school. "From childhood,



Bhoj Bahadur Tamang tends to vegetables in Kaski.

I dreamed of doing it on my own. Then I decided to open a restaurant," he said.

"I took a loan of Rs300,000 from my friends and

family and opened a restaurant in Pokhara."

"But I was not comfortable with the business. I decided to go abroad."

He then flew to Kuwait in 2014. "I worked there for 10 months. It was not easy, as I had to toil day and night. I thought if I spent the same time in Nepal, I could earn more," he said. He returned to Nepal and started tunnel farming in Lwang-Ghale village.

Plastic tunnels are small greenhouse-like structures that cover the plants. They are similar to greenhouses, where plants are cultivated under semi-controlled conditions to protect them from excess sunlight. These tunnels are erected with bamboo and covered with clear plastic.

Tamang started with ten tunnels. "But I didn't get support from my relatives or my neighbours," said Tamang. "My neighbours started to scold me. They told me if I worked here and earned money, no one would go abroad."

The 2015 earthquake caused some potential migrants to cancel their migration plans. In the aftermath, the number of labour migrants from Nepal who went to foreign employment destinations decreased sharply.

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Microcredit loans producing new breed of agripreneurs

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The reason was attributed to the resettlement and financial needs of their homes. Many prospective workers decided to stay and take care of their families.

However, the migrant workers' exodus began soon, with no jobs at home, mainly due to political instability and thriving corruption. Last fiscal year, nearly a million Nepalis, including students, left the country to try their luck abroad.

Only a few people like Tamang decided to stay put and do something. "One day, my neighbours left their buffaloes loose in my tunnel and destroyed everything. I filed a complaint and was compensated, but that particular event made me more determined," said Tamang.

He changed his farm location and built 23 tunnels. Tamang's fortunes changed when he was shortlisted for the Israeli government's "Learn and Earn" lottery scheme.

"The 11 months of training changed my life. I learned about plants, agriculture systems, technology and how to become an entrepreneur."

In 2018, he went to Israel and returned after 11 months.

He has leased 104 ropani [5.29 hectares] of land and is doing integrated farming—producing grass for goat rearing in 60 percent of the farm while the remaining 40 percent is set aside for vegetables.

His farm is entirely organic.

Tamang has an insect trap net and a proper irrigation system, but most importantly, he produces off-season vegetables, which doubles the value of his products. He currently owns 58 goats after selling 50 this year.

Tamang sells 3,000 kg of vegetables daily; 1,000 kg of this is leafy.

Tamang has taken a Rs3.2 million loan from Sana Kisan Bikas Laghubitta Bittiyasanthha, a micro-credit organisation formerly known as Sana Kisan Bikas Bank, and invested Rs12 million in the past four years.

His annual sales hover around Rs5 million, of which his net profit is Rs1.8 million.

In Majhthana, a remote hill station of Kaski, we met Chandra Kanta Ghimire, another returnee migrant who owns 10 Murrah buffaloes. These water buffaloes originate in Haryana and Punjab of India and are mainly kept for milk production.

The 51-year-old farmer has recently bought a washing machine. "Life is too easy with machines," he said. "If



PHOTO: CREDIT OF ASIAN DEVELOPMENT BANK

In 2019, the Asian Development Bank approved a \$50 million loan to promote rural entrepreneurship in Nepal.

there is technology, we can double and triple income on the farm."

Life was not easy for Ghimire decades ago. "I went to Saudi Arabia paying Rs350,000," he said.

"I worked in Saudi for six years and used to earn 500 riyals, which was around Rs 15,000, a month. "That was too little as 250 riyals used to be spent on food and house rent."

After his return in 2006, he brought two buffaloes and started selling milk. "The income was also not enough to eke out a living for a family of five," he said, adding that he decided to take out a loan seven years ago to expand his farming. He took Rs200,000 loan, also from Sana Kisan Bikas Laghubitta Bittiyasanthha Ltd. His appetite for loans grew.

Eleven months ago, he took another Rs2.3 million loan from Sana Kisan and added more buffaloes. "I spent Rs600,000 to erect a shed and have decided to add two buffaloes this year."

Ghimire said that a Murrah buffalo costs Rs170,000. "I milk 50 litres a day, making a monthly income of Rs147,000 by selling it at Rs115 per kg." Ghimire dreams of buying a car from the income in the next four to five years.

In a far-flung Kharkatta village of Madi, Chitwan, the Post also caught up with Ganga Bahadur Adhikari, who has turned goat farming into a thriving business. He has six children—five daughters and a son.

He recently sold goats worth Rs800,000 to Madi Municipality. "Normally, I make Rs1 million from goat sales annually, including the manure," said Adhikari. He previously reared buffaloes using traditional methods, but decided to switch to goat rearing a few years ago.

"The key to my success is the training I got from the veterinary doctors," he said. Initially, he took out a loan of Rs500,000 to rear goats and decided to scale up his business by taking another loan of Rs2.5 million from Sana Kisan Bikas Laghubitta Bittiyasanthha Ltd.

He has Khari and Boer crossbred goats. "The crossbreed has a bigger body weight and faster growth. This breed grows 35 kg in a year," he said.

Adhikari, who owns three bigha [2.03 hectares] of land, produces Napier grasses on ten kattha [0.34 hectares]. He has also insured his goats. The premium he pays per goat is Rs20, which is 20 percent, and

the government insures the remaining 80 percent.

"If you do it commercially, there is a good return." His goat-rearing model has a spillover effect, as many of his neighbours have started following him. "Meat demand is rising due to the burgeoning income of people, and I see good prospects."

According to the Ministry of Agriculture and Livestock Development, the country used to import up to 600,000 goats annually, and now this figure has been slashed by 97 percent, thanks to commercial goat rearing. Nav Raj Simkhada, deputy chief executive officer of Sana Kisan Bikas Laghubitta Bittiyasanthha, highlighted the organisation's standout achievement—a 100 percent loan recovery rate.

"We don't just give loans, we also help farmers prepare business plans, which is one of the biggest difficulties farmers face."

"Besides, we interact with youth by organising exposure visits to successful projects and motivate them to embrace commercial farming and entrepreneurship," he said, adding that Sana Kisan provides loans to cooperatives, which then lend to farm-

ers.

"We also bring PUM Netherlands senior experts, a volunteer organisation committed to the sustainable development of Small and Medium-sized Enterprises in developing countries, to offer practical knowledge and expertise within the most important sectors of the economy."

He said that with growing commercial farming and youth engagement, the capacity of farmers to use loans has increased.

"We used to extend Rs700,000 until the fiscal year 2015-16, a maximum individual limit, which grew to Rs1.5 million. Farmers' capacity has grown, and most of the farmers associated with us are seeking Rs5 million to scale up their operations."

Sana Kisan Bikas Laghubitta Bittiyasanthha has extended loans totalling Rs35 billion through cooperatives. Currently, it has Rs130 billion in savings and farmers' shares.

In 2019, the Asian Development Bank approved a \$50 million loan to promote rural entrepreneurship in Nepal. The government distributes the ADB loan to small farmers through the Sana Kisan Bikas Laghubitta Bittiyasanthha Ltd. According to the ADB, the project supports about 500 small farmers (at least 30 percent being women) with loans of up to Rs5 million. The project aims to improve the livelihoods and increase the incomes of small farmers.

"We have invested Rs4.5 billion," said Simkhada. He said Sana Kisan can now lend up to Rs5 million to individuals and Rs20 million to institutional borrowers. "Initially, our target was to lend Rs5 million to 500 farmers. The number has increased to 2,000."

Agri-tech entrepreneurs have emerged as key players in addressing the agricultural sector's challenges.

Neelina Nakarmi, an economics analyst at the ADB in Nepal, said farmers are revolutionising farming practices, increasing productivity, and promoting sustainable agriculture through innovative technology. The examples provided are just a glimpse of the inspiring stories of successful entrepreneurs who positively impact the country's food system.

"After commercial farming, our next project will focus on the value chain—all the steps involved in bringing food from the farm to the plate, from growing food to storing and processing it," said Nakarmi. "This initiative will encourage more and more farmers to be entrepreneurs."