

Investment Opportunity

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Rice Value Chain

Investment Brief



**Prepared by
AgriEn**

Submit Your Expression of Interest!

We invite interested partners, technology suppliers, and off-takers to submit an expression of interest to be linked with these exciting opportunities. Join us in transforming the dairy value chain in Zambia and realize significant impact and returns!

Please submit your expression of interest to :

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You can also visit our website at www.agriennetwork.com for more information

Investment & Partnership Opportunity: Rice Value Chain

Unlock the Potential of the Rice Sector!

Locations: Isoka and Mungwi

Target reach: 2334+ farmers

We invite expressions of interest from potential partners, technology suppliers, and off-takers to collaborate in strengthening and expanding Zambia's rice value chain. We're specifically targeting rice producers in **Isoka (Bwacha) and Isoka (Luswepo)** as impact locations.

Our assessment reveals a robust, fragmented market poised for significant growth, promising enhanced productivity, farmer profitability, and substantial investor returns. This investment is expected to directly impact more than **2,334 rice farmers (1,316 in Luswepo/Isoka and 1,018 in Bwacha/Mungwi)** who are specifically engaged in rice productio'n. This initiative is part of a broader program aiming to support **4,750 farmers** across various value chains in these regions.

Rice Value Chain Overview

Zambia's demand for rice is surging due to evolving dietary preferences and population growth, creating a powerful pull for local production. Rice is a staple with high market demand across multiple regions, including Bwacha's flood plains where traditional rice farming thrives. Key buyers (off-takers) and processors include Good Nature, Mungwi Technical Secondary School, Chibusa Homebased Care, Rice Tech Limited, and COMACO. In October 2024, production was estimated at **1,399,800 kgs of rice from 2,333** participants, averaging 600 Kgs per household highlighting a productive and dedicated farming community with potential to grow. Past aggregation efforts yielded 108,508 kg of rice, valued at K1,844,964 (\$73,787), benefiting 1,329 farmers.

While Mungwi's rice yield averages 1.6 tonnes per hectare, below the optimal 3 tonnes due to rainfall variability, lack of appropriate technologies and limited access to quality input, the growth potential remains high. In Isoka, cultivation spans 105 hectares, yielding 9,675 kg (92.14 kg/ha productivity). Over 700 rice farmers in Isoka that primarily cultivate in upland varieties such as Nerica 1 and Nerica 44 supply to processors such as NIZA Rice Mills. The lack of high-grade polishing machinery in Isoka and Mungwi represents a clear value-addition gap.

Annual production was estimated at 1,399,800Kgs in 2024.

Current Landscape: Bridging the Gaps for Profitability

The rice value chain in Isoka and Mungwi is fragmented, presenting key investment opportunities by addressing the following challenges:

- **Seed Availability Crisis (Input Gap):** Limited access to quality certified rice seeds and essential inputs suppliers especially the preferred (Nerica 1, Nerica 44, Kilombero, Supa MG). Existing seed multiplication programs (e.g., Misamfu Research under ZARI) fall short, requiring significant scaling and commercialisation .
- **Rain-Fed Vulnerability (Technology Gap):** Heavy reliance on unpredictable rainfall causes inconsistent production and low yields due to insufficient irrigation and lack of mechanization, impacting women's participation.
- **Limited Extension & Knowledge Management Gap:** Farmers lack access to vital agricultural information, best practices, and new technologies, hindering productivity and adoption of innovative methods.
- **Unorganized Markets (Market Linkage Gap):** Informal markets and "briefcase buyers" (from Tanzania) dominate, leading to low farmer bargaining power, unclear pricing, and reliance on few buyers.
- **Paddy Price Discount & Processing Bottlenecks (Value Addition Gap):** Underutilized processing facilities (e.g., Niza, Rice Tech, Mwandile Enterprise) force farmers to sell low-value paddy due to limited access to milling. Beyond the primary product, current rice milling operations generate significant volumes of rice husks, which often pose a challenge for efficient waste management and environmental sustainability. Effective solutions for husk utilization are crucial for optimizing processing efficiency and minimizing environmental footprint
- **Insufficient Access to Finance (Finance Gap):** Farmers and small-scale processors lack affordable credit for inputs, equipment, and scaling, hindering growth and resilience.
- **Logistical & Digital Infrastructure Gaps:** Poor rural roads and high transport costs limit market access, increase spoilage, and raise transaction costs. Digital solutions are hampered by limited smartphone access and unreliable internet, especially for last-mile farmers. Gender and social inclusion barriers exist due to limited access to technology and finance, despite women's significant production participation.

BE THE SOLUTION

We invite partners to invest in critical areas that will yield exponential returns and reshape the rice landscape in Isoka, Bwacha and beyond :

1) Invest in the provision Input access solutions such as:

- Supply of enhanced certified rice seed and seedlings e.g. Nerica 1, Nerica 44, Kilombero, Supa MG or through introduction of more efficient and resilient varieties
- Commercialising and scaling seed multiplication programme e.g. under Misamfu Research Centre, ZARI) for consistent supply of preferred varieties.
- Supply of improved crop protection and disease management technologies
- Opportunity for: Input Suppliers to provide quality seeds (including direct supply to farmers), fertilizers, and crop protection, boosting productivity.

2) Technology & Mechanization Solutions:

- Invest in modern, climate-resilient irrigation systems to ensure consistent production.
- Invest in appropriate mechanization (harvest technologies like sickles for women, mobile threshers, small-scale dryers) to enhance productivity and reduce losses.
- Opportunity for: Agricultural Technology Providers and Agri-Tech & Mechanization Solution Providers to supply efficient equipment for higher yields and operational efficiency.

3) Knowledge Management & Extension Services:

- Invest in funding initiatives for enhanced extension services (farmer field schools, demonstration plots) leveraging government providers

4) Post-Harvest Infrastructure & Value Addition Hubs:

- Invest in modern bulking/aggregation centers to minimize post-harvest losses.
- Invest in new rice processing facilities (modern mills) in strategic locations like Isoka, enabling transition from paddy to higher-value processed rice.
- By-Product Valorization: Invest in technologies and processes to efficiently capture and utilize valuable milling by-products such as rice bran, a highly sought-after ingredient for the animal feed industry.

5) Market Linkages, Transportation & Digital Solutions:

- Invest in organized markets, price stability strategies, and branding for Zambian rice.
- Create aggregation centers linked to commodity trading platforms for real-time information and fair pricing.
- Invest in improving rural transportation and efficient warehousing near production areas.
- Invest in digital platforms for market information and financial transactions, addressing smartphone access challenges.

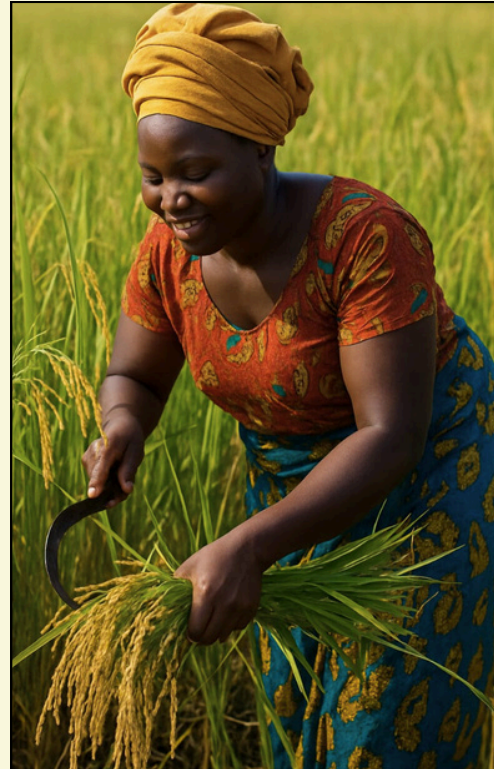
6) Accessible Agri-Finance Solutions:

- Invest in scaling affordable financial products (loans, credit, insurance) tailored for rice farmers and agri-enterprises.

Technology in Rice Production: The Case for women Farmers in Isoka

Women in Isoka remain less productive in rice farming due to reliance on outdated farming technologies. Many use knives instead of sickles for harvesting, which increases drudgery and time spent in the fields, competing with household chores.

The above situation limits yields, reduces market competitiveness, and widens the gap with men who access better technologies. Basic affordable, labor-saving tools such as sickles and small-scale threshers are key to unlocking women's potential and driving inclusive growth in the rice sector. They further lack knowledge on waste to wealth technologies such as rice husks into other products that can benefit them at household level e.g. rice husks into briquettes as cooking fuel or as soil health solution to improve their gardens



Why Partner with us?

If you are an investor focused on profitability and growth, Agrien offers a compelling, de-risked opportunity in Zambia's booming agricultural sector.

- **High-Growth Market:** Tap into Zambia's expanding agricultural sector with significant potential for profitability and scalable expansion driven by increasing demand and a supportive policy environment.
- **De-Risked Investment:** Benefit from our deep community engagement, robust needs assessments, and validated data, ensuring a secure and well-informed investment.
- **Direct Producer Access:** Gain immediate access to 2334 engaged farmers and organized Commercial Producer Groups, streamlining your supply chain.
- **Strategic Market Facilitation:** Leverage our expertise in fostering strong B2B linkages for efficient market entry and robust value chain integration.
- **Sustainable Impact Alignment:** Directly contribute to rural development, food security, women's empowerment, and climate resilience, enhancing your ESG profile and long-term brand value.
- **Influence & Innovation:** Drive the adoption of modern agricultural practices and technologies, improving efficiency and yield for greater returns.