**By Joseph Mudingu**

When Nyagatare Augustine started working at the age of 10 after dropping out of school to join street vending in the 1980's, he could only earn enough to live by.

More than three decades later, Mr Nyagatare, has become a multi-millionaire processing and packaging between 30 to 50 tonnes of rice that is distributed to various districts every day. The firm also makes briquettes (for cooking) from rice husks that are sold to prisons and hospitals around the country.

The serial entrepreneur who has tried his hand at many businesses – from street vending on the streets of Kigali, making and selling pancakes and bread to opening a small retail business-has now found success in Kayonza –rice.

He used to vend different products, including sweets, pancakes, and bread. Later, he opened a using savings from vending.

He narrated that as hawker, he had a chance to meet different customers giving him an opportunity to understand the needs and tastes of the majority of buyers.

This inspired him to start a more stable enterprise in Gicumbi District in the 80s, selling different products including home use utensils.

"Dealing with wholesalers also positioned me as a middleman, thus sharpening my entrepreneurship skills," noted one of Kayonza District's model businessmen.

He operated the shop until 1994 when he joined the liberation struggle and after serving in military for nearly 10 years, he retired granting him an opportunity to go back into business.

"I started with only Rwf200,000," he said, adding that he wanted to expand business but lacked sufficient funds. However I was inspired by government's programme of Hanga Umurimo in 2002 to join rice growing" says Nyagatare.

He says he realized it was the only way he could make a contribution and create employment opportunities for other Rwandans.

To raise enough capital for the rice project, Nyagatare sold the shop and started with one machine and a few rice farmers. He owes his success to KCB Bank Rwanda support and the prevailing peace and security in the country brought about by the good leadership of President Paul Kagame.

**The Rice Factory**

His flagship business, the 15-year-old Kayonza Rice Mill, has a milling capacity of 50 tonnes a day and churns out about over 18,000 tonnes of rice produced in Kayonza every year.

As you enter the gates, it is a beehive of activity as workers finalise packaging rice sacks, others move back and forth to ensure that everything required for the delivery is in order.

Delivery trucks are also being loaded with rice heading to different parts of the country from the multimillion-factory.

The factory, which he estimates is valued at over Frw 300 million, works with over 2,000 farmers, mills farmers' rice at Frw 700per kilogramme, besides providing storage facilities and market space for free. He also sells farmers' rice for an extra commission.

The factory, which sits on a three-acre piece of land, employs over 1000 staff and many others indirectly through hotel and retail businesses.

"We supply all the parts of the country. We are in process of starting to export some of the rice to the region," said Augustin Nyagatare, the proprietor as he settled down for the interview.

It has, however, not been a smooth journey for the resident of Mukarange sector in Kayonza. Starting off as a street hawker 50 years ago, the founder of Kayonza Rice Production Ltd has endured many challenges and worked hard to become one of the richest men in Eastern Province.

**How he started**

**KCB Bank Rwanda comes to rescue**

At some point, Mr Nyagatare's had tried his hand at almost everything and battled with challenges ranging from dishonesty to high operating costs.

"My life in business has been so hostile, but I believe that in every adversity, there is a way out," said Mr Nyagatare.

His entry into the rice milling business happened by chance and was borne out of the failure of one of his many ventures.

Nyagatare's journey to the top began in the 2010s when he was planning to expand the project, but lacked enough funds.

This challenge was addressed by KCB Bank Rwanda, which gave a Rwf100 million loan in 2012. He used the money to import more machines from India to open a modern rice processing plant.

"The deal with KCB was that I buy from rice farmers in the community, process and pay back after sale," he said, adding that he also bought more land to expand the factory's capacity.

"It is because of KCB Bank that I was able to expand the project and employ more people," he added.

The entrepreneur also acquired another loan worth Rwf200 million for the project, and is grateful that the bank is supporting government's development programmes.

**Rice Processing to Post-production**

After the harvesting, there are some other problems troubling farmers like the poor rice quality. There are many ashes and impurities such as husks, small stones, and short stalks left during harvesting processing.

According to Engineer Ufitimana Juvenal the General manager of  Kayonza rice factory, though rice quantity has increased a lot, the quality still troubles so many farmers thus the installation of the advanced technological rice milling machine.

Fully Automated rice mill

At Kayonza rice factory, the rice mill is fully automated and includes, pre-cleaning, de-husking, paddy separating, milling, grading etc.
Rice with husks is pilled in sacks and later fed into the de-husking machine that removes the husk and bran from the rice to produce head white rice grains.

Pre-cleaning process consists of two procedures, cleaning and de-stoning. The stoning machine is the most essential equipment in a rice mill, as it separates all the impurities like dust, straw, sand, clay and heavy particles of even and un even rice.

After removing the stones and cleaning the rice, it is feed into the whitening machines.

There are two whitening machines at Kayonza rice factory that help in removing of hulls and bran’s from paddy grains to produce polished rice. White rice is the result of further milling by machines that rub the grains together under pressure. This abrasion removes the bran layers, revealing “white” or “polished” rice.

After the whitening, the rice is graded and the immature grains are separated from the complete rice

**Weighing and bagging**

The automated system is a complete line used in our rice bagging and packaging machines. This line is equipped with a net weigh scale and a sewing machine that seals the packed rice.

The rice packaging machines are programed for small- and large-scale productions after which the milled rice is ready for transport to the customer.
Rice has become a major cash and food crop in Rwanda. Nyagatare said farmers and dealers can profit from rice business by ensuring accurate cost production analysis along value chain.

**Briquettes made out of rice husks**

The factory churns out thousands of  tonnes of  briquettes made out of rice husks treated according to the scientific processes to be used by the population in households, schools, hospitals and prisons for cooking as a replacement for firewood and charcoal.

**Challenges**

Despite several blows that saw many businesses collapse, Mr Nyagatare has managed to reinvent himself each time, eventually settling on one that has worked really well for him.

But even now, he is still facing challenges. He said his biggest challenge is low and unsustainable produce supply from farmers.

“We increased our production capacity, but getting constant supply of raw materials from farmers is still a huge challenge,” he said.

“Secondly, limited knowledge on rice varieties among farmers poses a challenge in terms of quality which often affects final pricing.”

According to Nyagatare, cheap rice imports are a big threat to local production.

“However, we are working with farmers and other government institutions to increase local production and raise awareness on the importance of consuming locally-processed rice,” said Nyagatare.

He said that most of the imported rice is costs less compared to that produced locally, making it hard for local producers to compete.

The high cost of production is also affecting his business, and called on the government to give farmers and processors incentives to make the sub-sector more

profitable and sustainable.

**Achievements**

From street vending, Nyagatare is, not only a well-established rice producer, but has also invested heavily into hospitality sector.

He has built Kayonza rice factory, he owns East Land and Silent hotels in Kayonza and employs more than 1,000 workers, thanks to rice production and KCB Bank support.

He has also ventured in cattle rearing and earns millions from milk production. He also has five trucks to help him transport rice from farmers to the processing plant.

**Kayonza maize mill**

A new state of the art maize mill has been added to his collection. The maize mill has already been installed with state of the art automated machines and has already churned out over 5 tonnes of sample maize flour.

**Future plans**

Despite the achievements, Nyagatare is planning to start exporting his rice brand to regional markets.

“We have no choice but to export our products to other markets to support efforts aimed at reducing the country’s trade deficit,” he said.