Brown sugar production from sugarcane

Nepal
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Organization type: nonprofit/ngo/citizen sector
Project Stage: Idea
Budget: $50,000 - $100,000
Website: http://sanopaila.org.np/

Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

Sugarcane was the main cash crop of Parsa District. Now rice is the main crop grown here that requires a lot of water and the profit margin is not as high as sugarcane. With the establishment sugarcane processing plant, farmers will start growing sugarcane that will enhance their standard of living.

About Project

Problem: What problem is this project trying to address?

This project will provide an opportunity to grow a cash crop that has higher margins compared to rice. Sugarcane will also substitute illegal crops like opium and marijuana that was widely grown in Parsa District. Sugarcane is a zero waste crop as all the waste that comes out from sugarcane processing is used again. Sugarcane does not require a lot of water that will also solve the issue of water as monsoon has been unpredictable for few years.

Solution: What is the proposed solution? Please be specific!

Establishing a sugarcane processing plant that will produce brown sugar will encourage the farmers to grown sugarcane that will give the farmers higher margins from every hectar of land compared to rice. Besides, the processing plant will be owned by the farmers who will get higher return from their products. Higher income means they will not be forced to grow illegal crops like marijuana and opium. Sugarcane will also reduce the demand for water as it will replace rice production and will reduce the pressure on ground water. Sugar produced from this project will substitute the imports of sugar. Besides, this project will also provide employment to local youths. The profits of the sugar will be invested in health and sanitation projects.

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

Once farmers switch to sugarcane, they will require less water that reduce the dependency on monsoon rain and ground water. Rice require water till it has been harvested while sugarcane requires water twice every year. Besides, rice needs to planted every year while once sugarcane is planted, it will be harvest three times in three years, thus reducing the input costs. Similarly, the farmers will get higher margins from every hectar of sugarcane compared to rice. If rice is grown in one kattha (nepali measurement of land) then the output is worth 2400 Nrs. When sugarcane is grown then the output is worth 16000 NRs. Higher return from sugarcane will help substitute the illegal crops.

Sustainability

Marketplace: Who else is addressing the problem outlined here? How does the proposed project differ from these approaches?

About You

Organization: Sano Paila (A Little Step)
Your Solution

**Founding Story:** Share a story about the “Aha!” moment that led you to get started and/or to see the potential for this to succeed.

When I think of implementing this project, I see that there will be development without development budget from the government or aid agencies. Sano Paila research team found out that there is huge demand for sugar in Nepal and Nepal does produce to meet its own sugar demand. This project will incorporate farmers with small landholdings as the shareholders of this processing plant. They will grow sugarcane, process the crop into sugar and market them. Hence, they are the sole beneficiaries of the profit that will be enhance their income and uplift their quality of living. The profit will used to provide loans to its stakeholder to diversify their income. I want this project get fair trade certified and export fair trade certified sugar.

**Select Sector(s):** To which of Unilever’s categories of sustainability does your solution apply?

Sanitation and Hygiene, Water, Greenhouse Gases, Sustainable Agriculture, Smallholder Farmers.

Measurable Impact

**Audience:** Who have you identified as your customers/recipients and why? How will you get your solution to them or engage them in your initiative?

Our recipients will be ex-marijuana and opium farmers along with farmers of small landholdings who struggling to find better livelihood. The will grow the sugarcane and will own the sugarcane processing plant as shareholders.

The sugar will be sold in Nepali market and once we get the organic free trade certification, we will export it to developed nations as there is a demand for sulfur free brown sugar health reasons.

**Impact:** What is the impact of the work to date and expected impact in the future?

So far, Sano Paila along with Nepal Police has convinced the farmers not grow the illegal crops like marijuna and opium. Parsa District was famous for these crops and was turning into little Afghanistan. The sugar processing plant in this district will hit the nail on the spot.

The total cost of this project is NRs. 2643000 and the annual rate of return is 33.5%.

Growth, Finance & Leadership

**Scaling the Solution:** How do you intend to scale your activities over the next two years (e.g., reach new markets, diversify solutions, etc.)? What will make this possible?

For the first two years, the processed sugar will be sold in the local market and once we get the organic fair trade certification, it will export its product to developed nations for competitive price. Similarly, the waste materials are also be put to use. The skin after crushing the sugarcane is used as a source of energy and will be used to fuel the kitchen that will reduce the dependence on firewood that comes illegally from Parsa Wildlife Reserve. Similarly, the other waste that comes out after processing the sugar is used as a manure and will substitute the chemical fertilizers.

The 30 percent of the profits will be loaned out to the stakeholder farmers to diversify their income in other productive agricultural sectors.

**Financial Sustainability:** What is your business model to ensure financial sustainability?

Once the processing plant is in place, the expected return from the investment is 33.5 percent. Besides, the farmers themselves along with Sano Paila are the owners hence, there will be efficient check and balance of the funds that will ensure maintaining sustainability.

**Experience:** Please provide examples of any previous entrepreneurial initiatives you have pioneered.

Sano Paila has been operating Home based Industry since 2007. It has involved hundreds of women of birugnj in candle production and is planning to expand its activities into spice processing as well.

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