

# RICE BANK



Most rice banks look similar to houses.



Rice is measured in tins or baskets.



The rice is stored safely in bags to prevent rodents.

TEAR Australia supports development, relief and advocacy projects that give priority to the rights, interests, needs and capacities of the poorest and most marginalised people. These projects seek to address both the symptoms and the causes of poverty through projects that produce tangible changes. These projects are implemented in partnership with local agencies.

**World Concern** Burma is one of the local partners providing rice banks in villages.

In a remote village in the beautiful (but very cold) Kachin mountains east of Myitkyina, Ja Bung\* is the Village Rice Bank accountant. She is responsible for managing the valuable savings of her neighbours – not in cash, but in rice. In a region where food security is a major challenge, many families face an annual problem: if they run out of rice, they have to work for cash to buy rice, but then they cannot plant their next crop and their food crisis worsens. Rice banks have been introduced by World Concern Burma, one of TEAR's partners, as an effective method of allowing villagers to save rice together and borrow rice when needed. They're run by village committees that decide the rules of the bank, including who is eligible for loans, the interest rate and ways to assist the very needy who may not be able to repay loans.

In the five years that the rice bank has operated, their total profit was 363 tins of rice (one tin equals 21 kg of rice). This meant that in 2007 the village was able to pay back the initial 210 tins of rice loaned by World Concern (given to another village to start its own Rice Bank) and still have 363 tins of rice in the granary to loan out to food-insecure community members in the current season. Ja Bung pointed out that they had lost some rice to rain, chickens, mice and insects at various stages, and that without these natural disasters the profit may have been as high as 500 tins.

Ja Bung spoke of the decisions that the committee had taken regarding people in need in the community. She described how the committee would confidentially discuss and then offer to help those who were unable to repay their loans. She listed these as:

- 10 tins were given to a poor family.
- 10 tins were loaned interest-free to a family with Tuberculosis.
- 14 tins were loaned interest-free to a disabled man.
- 10 tins were given to a mother with chronic disease.
- 5 tins were given to a family whose house burned down.
- 10 tins were loaned interest-free to another family affected by sickness.
- 5,000 kyat (\$4.30) was given to a widower's family.
- One family had their 9,000 kyat (\$7.75) debt cancelled as they were unable to pay.
- Another family had their 5,000 kyat (\$4.30) debt cancelled due to illness.
- Profits from selling excess rice were used to pay 60,000 kyat (\$51.80) for connection of the pastor's house to the hydro-electric power scheme to provide light and power for community activities.

The community stated that the main benefit of the Rice Bank was that they felt that "they have safety in times of need". This means that even in a bad year, through illness or another unforeseen event, they can still be sure of having enough food without building an impossible debt for the future.

*\*Name has been changed.*

[www.usefulgifts.org](http://www.usefulgifts.org)

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**Other TEAR Australia partners providing rice banks:**

- GNIDS (Burma) • Wholistic Development Organisation (Cambodia)
- Emmanuel Hospital Association (India) • SISU (India)
- World Concern Laos.