

# One Million Farmers Served

2019 ANNUAL REPORT



A One Acre Fund farmer group prepares land for planting, Rwanda

# OPENING LETTER

**Greetings from One Acre Fund.** I had originally written this letter to celebrate an important milestone: directly serving one million farmers each year. However, in the era of Covid-19, serving one million farmers takes on new urgency.

Agriculture is more essential than ever. We simply cannot afford to compound a health crisis with a food crisis. Most of the nations we serve in East Africa rely on food produced by smallholder farmers. One Acre Fund farmers alone grow enough food to feed 15 million people. Our mission has never been clearer: we must help farmers grow enough food to feed their families and feed their communities.

For rural farm families, Covid-19 is a dual crisis: a threat to both their health and livelihoods. Many rural areas lack basic hand-washing supplies that can slow the virus' spread. To earn a living, farmers depend on free movement to access supplies and markets for their goods. The impact of the disease on a vulnerable population could be immense.

But serving one million farmers is also a reason for hope. We've rapidly adapted our operations to keep farmers safe and well-supported throughout this crisis. We accelerated input distribution to get crucial supplies in farmers' hands before lockdowns. We're rapidly digitizing our trainings and repayments. We're distributing 2.5 million kilograms of soap. Our 6,500 field staff are actively promoting health best practices in rural areas.

Through this report, we want to take a moment to reflect on the success of 2019 and celebrate the accomplishment of serving one million families that you've helped us to achieve. But please also know, we don't see this as an end achievement of itself. Instead, it's a foundation from which to build; while this crisis is daunting, it's also challenging us to dream even bigger. We will flex and adapt in every way imaginable, in order to keep our countries' food engines--farmers--in business. Our work matters, and at a time like this it matters more than ever.

Together in service,

**ANDREW YOUN**

*Executive Director, One Acre Fund*

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Senior Partner/  
Executive Director/Co-founder  
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Laurent Thomas and his maize field, Tanzania

## 2019 HIGHLIGHTS

*We experienced strong organization-wide growth in 2019. Amid the growth, we continued to focus on improving our clients' wellbeing and resilience.*



### Served 1 Million Farmers

One million farm families benefited from our direct service model, encompassing nearly 6 million individuals. More than half of our clients were women.



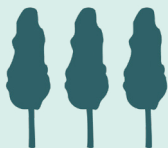
### 5 Key Resilience Measures

We targeted greater resilience among all our clients through five key approaches: improved soil fertility, optimized seed choice, crop diversification, crop insurance, and tree planting.



### 2.4 Million Farmer Interventions

Our partnership programs, such as agroforestry and seed production, delivered a total of 2.4 million interventions in addition to our direct service model.



### Distributed 13 Tree Species

We helped farmers access and plant more than 10 million tree seedlings while continuously investing in key R&D efforts to test high-value, environmentally suitable tree varieties.



### Processed 800 Metric Tons of Seed

In its first year of operation, our seed facility increased the national supply of hybrid seed in Rwanda by 20%.



### Integrated Use of Tablets Across Two Countries

With tablets, our 2,000+ field staff across Malawi and Kenya strengthened accuracy and efficiency in farmer enrollment, marketing, and data-tracking.

## SCALE AND SUSTAINABILITY

In 2019, One Acre Fund served one million smallholder farmers across six African countries. With the help of our market bundle - improved inputs on credit, training, delivery and post-harvest support - our program generated an average 44% increase in profits on supported land.

Yet amid these positive developments, the region grappled with another year of erratic rainfall and volatile crop prices. These factors led to lower impact for many of our farmer clients, and continue to be a challenge for smallholders across sub-Saharan Africa. It also makes it starkly evident that growth in numbers and increase in yields, on their own, are not enough.

As we mark the gains of the past year, we are emphasizing farmer resilience. Through a variety of methods, we aim to equip smallholders with tools and practices to fight hunger, build secure livelihoods, and safeguard their natural resources for the future.



# 1,004,700

Total Farmers Served

# 73%

Financial Sustainability

# 97%

Farmer Repayment

### KENYA

 408,000

#### Growth and Efficiency

We have doubled in size since 2016 while paying particular attention to keeping cost per farmer low.

#### Two New Regions

We expanded our program to Central and Rift Valley, key agricultural areas of the country.

### RWANDA

 383,000

#### Above-target Growth

We served more than our goal of 300,000 farmers while strengthening impact and cost-efficiency.

#### 20% of Farmers

We reached nearly a fifth of the country's farming population.

### BURUNDI

 104,500

#### 97% Re-enrollment

We are seeing strong re-enrollment numbers in Burundi and repayment rates of close to 100%.

#### Reduced Hunger

Preliminary data show a 22% reduction in the number of One Acre Fund families reporting hunger.

### TANZANIA

 56,000

#### Continued Expansion

We have grown almost forty-fold from a pilot of 1,500 farmers in 2012.

#### Product Diversification

We started trialing 12 different vegetable crops while supporting farmers with new tree varieties.

### MALAWI

 25,400

#### Tripled Since 2016

Our Malawi operation has tripled in size in the last three years.

#### 100,000+ Trees Planted

Farmers planted 100,000+ trees distributed by One Acre Fund.

### UGANDA

 8,000

#### Increased Operational Efficiency

Each field officer served 137 farmers which marked a 30%+ increase from the previous year and a crucial step towards increasing sustainability.

#### Diverse Product Bundles

Trialed custom blends to ensure farmers' fields get the nutrients needed for strong harvests.

### ZAMBIA (pilot)

 19,300

#### 66% Year-on-year Growth

Our Zambian clientele grew by two thirds between 2018 and 2019 as farmers expressed a need for reliable input access and delivery.

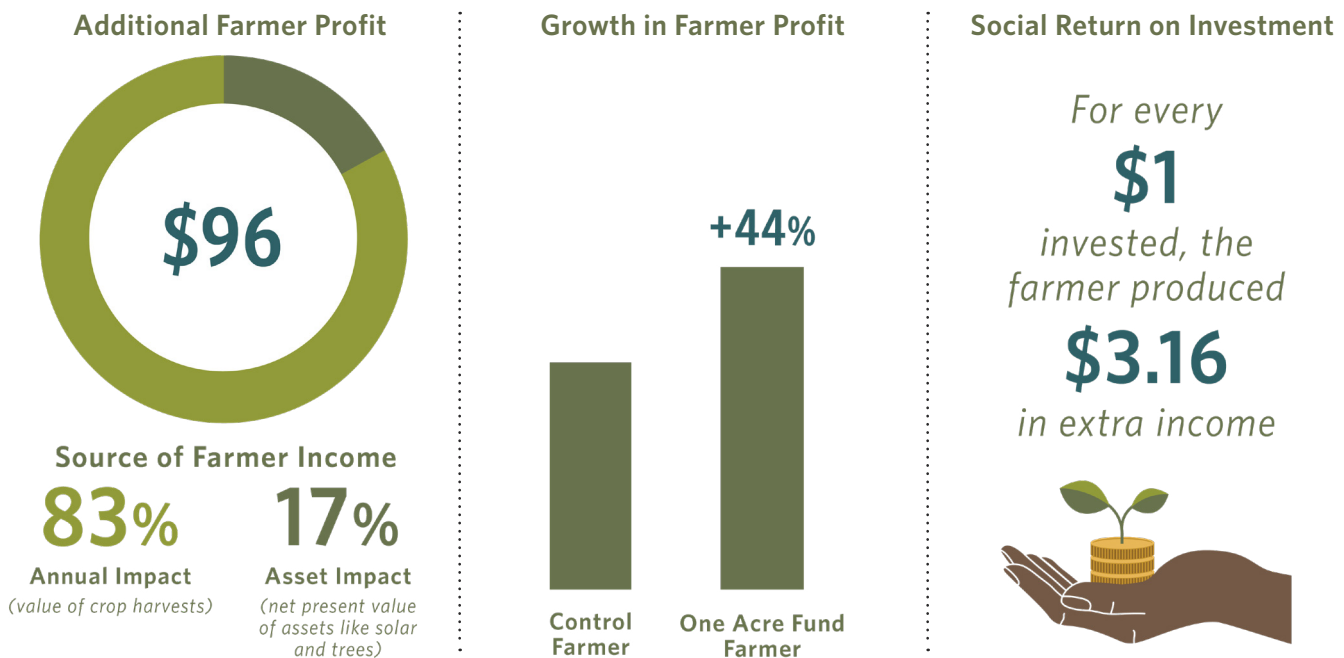
#### Diversified Offerings

Nearly 40% of new clients opted for newly introduced inputs for soya and groundnuts.

## IMPACT

**As an organization, we aim to help our clients achieve big harvests, healthy families, and rich soils.**

In 2019, One Acre Fund clients continued to grow more food for their families, which translated into reduced hunger and increased profit. While farmers in many One Acre Fund country operations faced highly erratic rains and lower than typical yields, their access to improved seeds, fertilizer and training meant that their harvests were more plentiful than non-participating farmers. This translated into a 44% improvement in profit on average across all areas we work.



### BIG HARVESTS

This year, One Acre Fund clients improved their harvests compared to non-participating farmers ranging from a 20% improvement in harvests in Tanzania to a doubling of harvests in Uganda. These harvest improvements vary according to weather patterns and soil conditions, but on average One Acre Fund farmers in all countries saw significant harvest improvements, even amid erratic rainfall patterns.

Harvest improvements translated into an average of \$79 in increased agricultural profit, with an additional \$16 in asset profit from add-on products like trees and solar lights. The average One Acre Fund farmer gained a total of \$96 in additional profit, a 44% boost compared to non-participating farmers.<sup>1</sup> This represents a 6% improvement upon last year's profit impact. In 2019, crop selling prices rebounded compared to anomalously low prices in 2018, which helped farmers achieve stronger profits. However, poorly timed rains meant that overall harvests were still relatively low in many areas

<sup>1</sup>We control for differences between One Acre Fund farmers and non-participants by matching them on characteristics like, education, gender, and wealth.

we work. One Acre Fund farmers had a profitable year, but we want to do better and aim higher.

One Acre Fund is committed to helping farmers remain profitable over the long term as they navigate the challenges of climate change and unpredictable crop price volatility. To do this we are adding multiple crops (including cereals, legumes, and vegetables) and new income sources (like poultry and trees) to our package in all countries. We are also offering index-based crop insurance in all countries, which helps ameliorate the financial pressures that clients face during difficult seasons.

### HEALTHY FAMILIES

One Acre Fund firmly believes that those who are in the business of growing food should never go hungry. A reduction in hunger and improvement in nutrition are key prongs of our impact strategy, and One Acre Fund farmers are 25% less likely to report going to sleep hungry due to lack of food in all of our countries of operation, which have a hunger season.<sup>2</sup>

However, reducing hunger is not enough. Many One Acre Fund farm families do not get adequate nutrition, which stymies growth and development and makes children more susceptible to illness. Therefore we have rolled out nutrition programs in each county of operation in which we use marketing and training to encourage farmers to grow and eat nutritious crops. In Kenya, 39% of farmers purchased seed to grow leafy green vegetables, and in Rwanda we have seen a modest but statistically significant improvement in overall dietary diversity.

### RICH SOILS

In addition to big harvests and healthy families, we're also investing in the long-term sustainability of our clients' farms. This means ensuring that the foundation of their prosperity - the soil - remains fertile and healthy for generations to come. To accomplish this we are focused on increasing crop diversity, tailoring planting recommendations to each local context, promoting compost use, and encouraging the addition of acidity-reducing lime to soils. We've also expanded our agroforestry programs, which help sequester carbon in the soil, prevent erosion, and increase nutrient levels in the soil. In 2019 we supported more than 900,000 smallholder farmers to plant more than 10 million trees.

### 3-Year Rolling Average

**\$115**

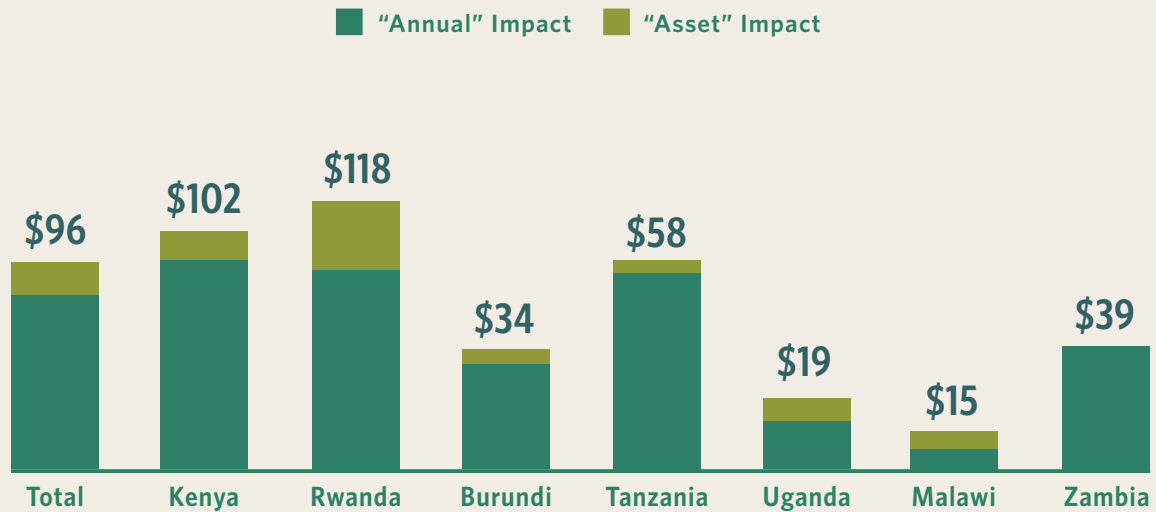
Additional Farmer Profit

**48%**

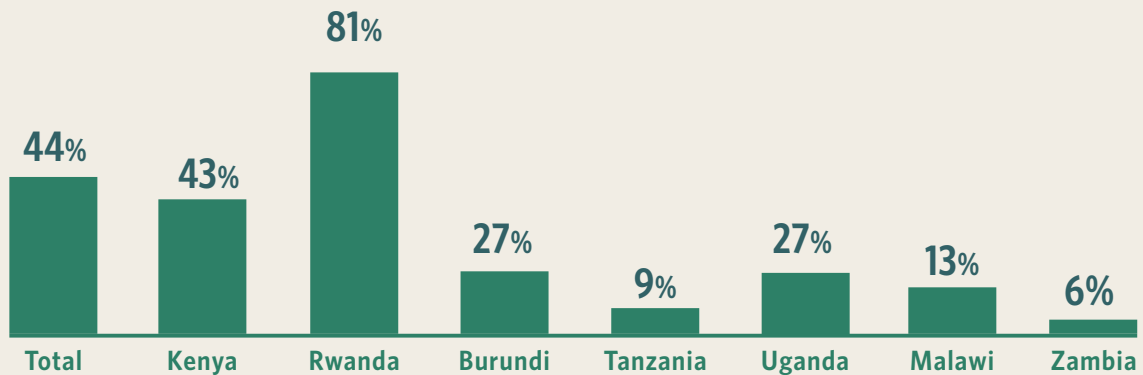
Growth in Farmer Profit on Supported Activities

<sup>2</sup> Hunger impact compares newly enrolled farmers with those who have already experienced a season with One Acre Fund. We only include statistically significant results ( $p < .05$ ) and average impact over multiple years of data collection.

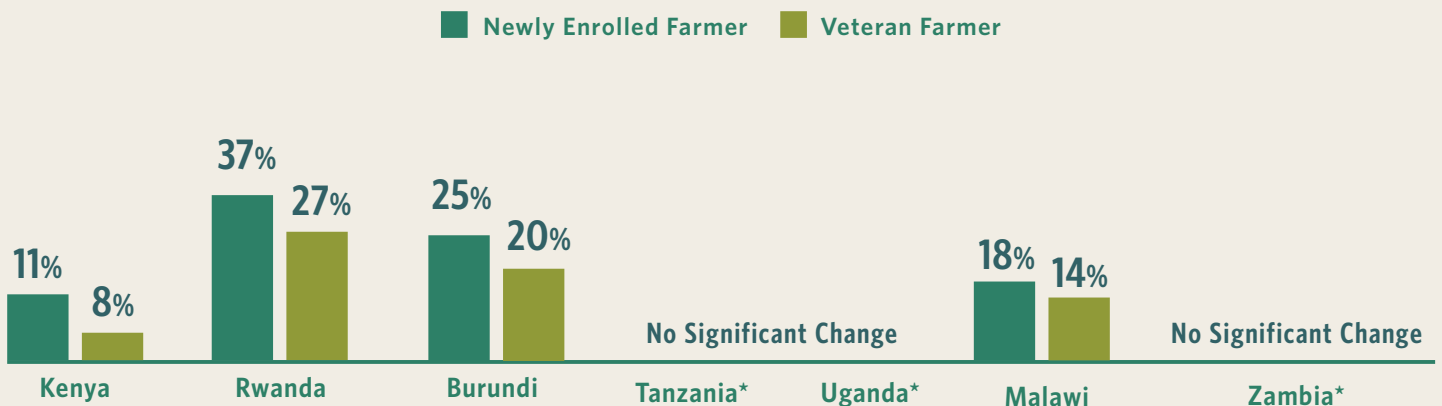
## Additional Farmer Profit



## Growth in Farmer Profit



## Farmers Reporting Hunger



\* Percentage of farmers who reported hunger from not having enough food. Poorly timed rains across our network depressed harvests in 2019; leading to below average hunger impacts for One Acre Fund in most countries.





Members of the Kanyao group  
with their field officer Cyrus  
Onundu, Kenya

## MEET THE MILLIONTH FARMER GROUP

As the setting sun glints off his neighbor's tin rooftop behind him, 40-year-old farmer James Gekana looks over his homestead—a three-room house and a 3/4 acre farm in Nyang'eni, Kenya. He is pensive but hopeful. "I want this home to be different," James says. "I want it to change completely. I want to have healthier cows, a better house, my children to study better—to live so that they won't look back and say that they lacked a lamp to read at night."

Just down the road, another farmer, 35-year-old Susan Kavesa, shares similar dreams. "There are things we need to achieve in life," she says. "Some of us want to get iron sheets to build houses, some of us want to buy cows. We want to do more things."

Both are new members of the Kanyao Group, one of a handful of farmer groups whose enrollment pushed One Acre Fund over the million farmer threshold. The group has 10 members, some new clients and some who have farmed with One Acre Fund for years, improving their farms and their standard of living year by year.

Josca Nyang'au, a member who has been farming with One Acre Fund since 2011, now owns livestock, farms bananas, owns trees and a flourishing field of maize and peanuts. In the two-story chicken coop nestled in the tall grass of her yard, she keeps 20 chickens—something that offers her a level of financial security she said she had never known before. "Before I did not have chickens," Josca says. "When I get unexpectedly sick, I can sell a chicken and go to the hospital. I am no longer stressed, thanks to One Acre Fund."

The Kanyao Group is one of roughly 115,000 farmer groups who have joined One Acre Fund this season with dreams of living life a different way. Along with one million farmers across six countries, they see a path of incremental investments over time that will lead to a generational shift for their children. "One million people, we have truly progressed because of One Acre Fund and the service they offer to farmers," Susan says. "As long as it's here, we shall flourish and our country will develop."





Mwaiwathu group practices planting techniques with their field officer, Malawi

## SMART SCALING

In 2005, One Acre Fund founder and Executive Director Andrew Youn met a farmer named Christine in western Kenya. Christine, a mother of four, had recently lost a child to hunger. Despite hours of manual labor each day, Christine’s farm—like many in her village—did not yield enough food to feed her family year-round. But Andrew also met a farmer named Betty, who was harvesting four times as much food, and had a surplus to sell for school fees, health, and other expenditures. Betty was doing just three things differently: planting higher quality seed; using a tiny amount of fertilizer; and equally spacing her seeds.

One Acre Fund launched the next year, delivering what has now become our “core bundle” of offerings to support 38 smallholder farmers to become more like Betty. Fourteen years later, we’re serving one million farmers annually. We have learned many lessons on smart scaling along the way.

### *Lesson 1: Test and Fail at Small Scale*

In 2008, we believed we had a brilliant new product in Kenya: passion fruit. On paper, it was a high-demand crop with export potential. But in the field, the pitfalls of introducing an unfamiliar crop became quickly apparent: adoption levels were low, and we struggled to get the fruit to market in time at exportable quality. It was a complete bust.

This experience taught us a vital lesson—test and fail at a small scale. Now, we test new product offerings for farmers through a **phased process**, starting small before rolling it out to all our clients. For example, we piloted tree planting in 2011 with just a handful of farmers the first year, using their feedback to develop a simple planting approach (**tree kits**). Nine years later, One Acre Fund clients have planted over 40 million trees.

## ***Lesson 2: Adopt a Numerator and Denominator Mindset***

When we first set our 2020 goal to serve one million farmers, we reverse engineered that goal into drivers: how many new countries we'd need to enter; the proportion of each country's territory we'd need to serve; and a target household penetration in those territories. We designed every aspect of our model to support rapid scale, from codifying standard operating procedures to modeling the criteria that predict success in new territories.

In more recent years, we realized that our 'numerator thinking' (our reach) was incomplete. We needed to confront 'the denominator'—the market of 50 million African farm families who could benefit from our model—to make a meaningful dent in the problem. This '**denominator mindset**' drove us to explore **new partnership opportunities** with governments and the private sector, which served more than 1 million additional farm families in 2019.

## ***Lesson 3: Stay Client-centric***

No decision has been more consequential to our scale than situating our headquarters in the rural locations where our farmers live, enabling our entire team to interact with farmers on a regular basis. To further instill this value of client-centricity, we encourage our staff to regularly Go to Gemba.

Gemba is a Japanese term, loosely meaning "the place where the work is done." All of our teams spend time in the field, interacting with farmers and gathering constant data on our service delivery. Over the years, we have found that there is no substitute for learning through observation, and many of those observations have been key to reaching our current scale by driving us to offer services our customers truly value.

## CONCLUSION

Thank you for continuing to support our work at One Acre Fund, and more importantly, Sub-Saharan Africa's farmers. It's important to emphasize that our success is not our own. It is that of every farmer who takes a leap of faith with us, working hard through every planting season to improve their harvests and build a more prosperous future for their families.

Looking ahead, we have an ambitious new goal to achieve: 10 million farmers by 2030. And once again, we do not have a perfect roadmap on how to get there. We know the journey will be challenging, but we take inspiration from farmers like the Kanyao Group. Farmers like James, Susan, and Josca sit at the nexus of our planet's greatest challenges—feeding a growing population, creating sustainable livelihoods, and living within our environmental means. Farmers will determine our shared future, so as always, we appreciate your help in putting Farmers First.