



SOLVING FOR SUSTAINABILITY

2022 ANNUAL REPORT

Opening Letter

Greetings from One Acre Fund. I am happy to share our 2022 Annual Report, which takes stock of our work in growing farmer impact, building resilience, and delivering sustainable livelihood changes.

2022 was the first full year of our [Impact Challenge](#), in which we committed to generating more income and assets for farmers using roughly the same level of donor resources. We innovated to deliver more impact to more farmers more efficiently – by reducing our cost of doing business and prioritizing projects that build farmers’ resilience to financial and environmental challenges.

Cost efficiency is central to our mission and business model. Over the last few years, we have doubled down on this effort – for example, using metrics like Social Return on Investment (SROI) to guide where and how to deploy resources for the best farmer impact. As part of this push, we explored and scaled several impact channels that have the potential to become self-sustaining over time, to allow us to create and grow impact without needing external funding.

We also enable farmers to grow more food with more certainty each season, earn more money, and build resilience to financial and environmental shocks, by continuing to refine our services to better meet the needs of farmers in each market. In our efforts to ensure an environmentally sustainable farming future, we also adopted a 10-year climate strategy committed to building the resilience of smallholder farmers in the face of a changing climate.

Looking inward, we [made strides](#) in improving the daily experience in diversity, equity, and inclusion (DEI) for our staff. We revised our pay policies to make them more equitable, and extended core benefits to all staff at all levels. We created more accessible channels for staff to share feedback and report bias, in addition to existing formal legal channels. We reviewed how we define strong performance and support career growth to create a more consistent and objective experience for all staff. We took steps to ensure all teams have sufficient representation in org-wide DEI initiatives, including access to core staff support.

We exist to make farmers and their families more prosperous, and we are on track to serve more than 10 million farmers by 2030, representing 10% of all families living in “\$1 a day” extreme poverty worldwide. I am grateful for your continued support of our teams and the farmers we serve. Thank you.

Farmers First,

ANDREW YOUN

Executive Director, One Acre Fund

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YEAR-IN-REVIEW HIGHLIGHTS



4 Million Farmers

In 2022, we served more than 4 million farmers across our full-service programs and through partnerships – about 770,000 more farmers than in 2021, driven largely by strong growth in partnerships.



Impact Growth

We equipped farmers to achieve \$316 million in new profits and assets in 2022 – marking over \$1 billion in cumulative farmer impact generated since our founding in 2006.



Revenue-Generating Programs

We grew key business units, such as market access support, rural retail shops, and tree seedling sales, with the potential to break even and help subsidize our full-service program.



Progress on DEI Goals

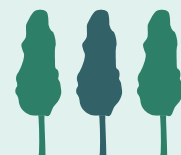
We completed a wide-ranging redesign of our pay, benefits, and performance management systems to improve equity.

We also continued to diversify our leadership teams to be more representative of the staff and farmers we serve.



Digital Transformation

We continued to expand our tech capacity and offerings, including launching a farmer-facing app in Kenya that allows our customers to enroll and order products remotely, and piloting the use of satellite imagery to provide better agronomic guidance.



Agroforestry

Tree planting continues to be an important channel for building livelihood and environmental resilience. In 2022, we equipped 2.8 million farmers to plant nearly 62 million¹ new trees, encompassing 45 species.

¹This figure refers to trees planted, the standard metric used by peer agroforestry initiatives. We estimate that about 48% will survive to maturity, representing about 30 million mature trees. Our research suggests that this result is fairly standard, with tree-planting initiatives in Africa typically achieving 40-50% survival rates, due to factors such as seedling mishandling, insufficient rainfall, and animal grazing. Even so, improving this figure is a major organizational priority given its importance to long-term farmer impact. We are actively pursuing a range of solutions, such as setting new standards for seed testing/storage and seedling transportation and trialing a more intensive tree training approach with new planting guides and regular on-farm follow-ups.

SCALE AND SUSTAINABILITY

For the past several years, we've supported farm families through weather challenges and uncertainty associated with COVID, climate change, and agricultural productivity-threatening inflation. Despite these challenges, we also succeeded in launching impact initiatives ranging from expanded agroforestry offerings to new nutritious and commercial crops. All of this has remained in the effort to build diverse pathways for smallholders to improve food security and their livelihoods.

In 2022, we shifted our focus to sustainable growth – finding ways to enable farmers to grow more food with more certainty each season, earn more money, and build resilience to financial and climate shocks. We found and continue to refine new ways to better meet the needs of farmers in each unique market.

To build financial sustainability, we prioritized several strategies to reach more farmers and achieve more impact. For example, some countries began integrating rural retail shops with the full-service program to make it easier than ever for farmers to work with us by giving them more flexibility in product selection, purchasing channels, and financing options. In our newer programs, we continue to explore innovations that can lead to higher investment returns for farmers.

We exist to make farmers and their families more prosperous. By creating efficiencies and innovating to grow resilience, we are making a meaningful difference in rural communities, delivering sustainable and meaningful livelihood changes.

1,588,000

Farmers served via full-service programs

2,465,000

Farmers reached via partnerships

4,053,000

Total farmers impacted organization-wide

72%

Financial Sustainability

96%

Farmer Repayment

Note: In this Annual Report, we are sharing two different sets of scale figures. "Farmers served via full-service programs" counts all clients enrolled in our traditional full-service program, whereas "farmers reached via partnerships" counts all additional unique farmers reached through One Acre Fund's partnerships with other actors, as explained further on page 11. In past Annual Reports we have only included the former figure; starting this year, we are including both, reflecting the fact that partnerships are an increasingly important channel for One Acre Fund's impact.

Scale by Country

Countries operating a full-service program and partnerships

RWANDA 1,966,000

via Full-Service Program via Partnerships

 764,100  1,201,900

Operational Highlights

Market Penetration

Between our full-service program and partnerships, One Acre Fund now reaches and impacts an estimated 90%+ of Rwanda's entire farming population each year.

Seed Processing

Through our partnership to boost domestic production of affordable and high-quality seed, One Acre Fund processed 2,400 metric tons (MT) of hybrid maize seed and helped release two new seed varieties for Rwandans to plant.

KENYA 1,028,500

via Full-Service Program via Partnerships

 436,500  592,000

Operational Highlights

Year-Round Delivery

Since October 2022, farmers in Kenya can now enroll and receive their inputs all year round, leveraging our new digital app and 250 rural retail shops across our areas of operation.

Commercialization

In addition to equipping farmers to plant commercial crops, in 2022 we also helped 4,400 farmers access higher market prices by exporting 2,420 MT of macadamia and avocado harvests to European buyers.

BURUNDI 212,600

via Full-Service Program via Partnerships

 189,200  23,400

Operational Highlights

Program Expansion

Our Burundi client base grew by nearly 50% in 2022 while maintaining a 98%+ loan repayment rate, with further growth planned for 2023.

Farmer Cooperatives

In 2022, we partnered with 30 local farmer cooperatives to operate a customized version of our full-service program alongside capacity-building and market access linkages.

MALAWI 418,500

via Full-Service Program via Partnerships

 95,900  322,600

Operational Highlights

Tripled Impact



In 2022, the average One Acre Fund client in Malawi achieved a "dollar impact" three times higher than in 2021, due to a combination of higher maize prices, lower costs, and strong farmer performance.

Tree Innovations

Our unique multi-pronged tree program in Malawi already reaches farmers through both our full-service program and partnerships; in 2022, we launched a new 200-farmer trial to generate carbon credits via agroforestry.

TANZANIA 137,800

via Full-Service Program via Partnerships

 78,200  59,600

Operational Highlights

Crop Diversification



We expanded our crop portfolio in 2022, offering 15 different tree species (including avocado, apple, banana, and coffee) as well as encouraging adoption of sunflowers, potatoes, and beans.

Rural Retail

We scaled our rural retail presence to 40 storefronts in 2022, our third-largest network of shops (behind Kenya and Rwanda), selling over \$5 million in farm products at affordable prices.

NIGERIA 81,100

via Full-Service Program via Partnerships

 24,100  57,000

Operational Highlights

Pilot Graduation

Following a successful 2022 season, Nigeria has officially launched as One Acre Fund's most recent full country program, as highlighted on page 6.


Emerging Tree Impact

We equipped Nigerian farmers to plant 680,000 trees in 2022, primarily the soil-improving species Albizia lebeck as well as orange, cashew, and African mahogany.

Countries operating partnerships only

ETHIOPIA 182,800

via Partnerships

 182,800


Operational Highlights

Trees at Scale

Through partnerships with hundreds of local tree nurseries, One Acre Fund equipped 164,000 Ethiopian farmers to plant 14 million trees in 2022, generating an estimated \$120 in average new assets impact per farmer.

UGANDA 24,400

via Partnerships

 24,400

Operational Highlights

Coffee and Trees

This marked the first full year following our 2021 strategic pivot away from our full-service program to focus on coffee and tree farmers. Both groups exceeded scale and impact targets, and we are now exploring further market access opportunities.

ZAMBIA 1,300

via Partnerships

 1,300

Operational Highlights

Carbon Credits

Our Zambia program has also undergone a strategic pivot, now focusing entirely on trialing a new model for farmers to earn carbon credits through long-term tree-planting - producing major environmental benefits and a new revenue source.

NIGERIA



OUR NEWEST FULL COUNTRY PROGRAM

We are thrilled to announce Nigeria as our newest full-scale country program, following five years of pilot operations culminating in an exceptionally impactful 2022 season.

Nigeria is home to one of Africa’s largest populations of smallholder farmers, a majority of whom live under the national poverty line. Since 2018, our Nigeria pilot program has tested our model’s adaptability to a very different context from East Africa – including new farmer perspectives and preferences, distinct crops and weather patterns, and much larger average land sizes. Despite these differences, we have found that Nigerian farmers face familiar challenges, including high levels of unmet demand for high-quality inputs, credit, and tree seedlings, which our model is custom-built to address.

Through five years of rapid expansion, Nigeria has emerged as our highest-impact and fastest-growing country of operations. We have scaled from 150 clients in 2018 to more than 24,000 in 2022; our full-service program enabled these 24,000 client families to earn an average of \$338 in new farm profits in 2022, more than double our organization-wide average. We have also launched several other impact channels to complement our full-service model, such as equipping 54,000 farmers to plant 680,000 trees and establishing two “rural

retail” agro shops that together generated over \$1 million in sales.

This program is now poised for rapid growth. Guided by our experienced Nigerian leadership team and hard-working field staff, and fueled by donor support, we will continue expanding our full-service program, while continuing to build up our other impact channels, like agroforestry and rural retail. High transaction sizes also mean that the Nigeria program has a clear pathway to financial sustainability, supporting a faster growth trajectory.

Our full program launch in Nigeria advances One Acre Fund’s vision of empowering smallholders across the entire African continent to improve farmers’ food security and climate resilience.



INPUT DELIVERY, MINNA, NIGERIA



ALEX KIVIKE, KILOLO, TANZANIA

IMPACT

One Acre Fund envisions a future in which every farm family has the knowledge and means to achieve big harvests, support healthy families, and cultivate rich soil. In 2022, we increased our average “dollar impact” per farmer compared to prior recent years, despite ongoing challenges in our operating context.

The figures below all refer to full-service clients

Average new farmer profits

\$123

Source of new profits

\$96

Annual Impact
(value of crop harvests)

\$27

Asset Impact
(net present value of assets like solar and trees)

Growth in farmer income from supported land

\$366



Control Farmer

\$489



One Acre Fund Farmer

Social Return on Investment

For every
\$1
invested by donors,
farmers achieved
\$3.93
in new profits



Rainfed smallholder agriculture is inherently volatile and vulnerable to external factors. Over the past few years, farmers in Sub-Saharan Africa have keenly felt the effects of global events – in particular, COVID-19 and the Ukraine conflict have contributed to widespread supply disruptions and increases in input prices. In 2022, these events led to grain shortages across East Africa; however, smallholders were partially insulated by an accompanying rise in the market prices and value of their grain harvests.

One Acre Fund’s full-service program helps farmers ensure strong income despite external factors, and in 2022 we enabled our average client to achieve \$123 in additional profits and assets.² This is equivalent to a 34% increase in income on supported land.³ Across all 1.6 million farm families reached in 2022 through our full-service program, this represents about \$200 million in new income for some of the hardest-working people on the planet.

This result is a material improvement from our last several years of operations. Our average dollar impact from 2019-2021 was \$99, including a low of \$83 during 2020 due to pandemic-driven disruptions. In addition to the higher harvest prices highlighted above, this impact improvement was due to several factors:

- We continued to focus specifically on maximizing farmer adherence to our planting best practices – for example, in Kenya, we rolled out tailored guidance delivered throughout the season via SMS messaging. This led to meaningful harvest improvements, especially for maize.
- As input prices rose due to supply disruptions, One Acre Fund continued to offer flexible and reliable credit, ensuring inputs remained affordable while other sellers and lenders succumbed to inflation. This led to significant increases in farmer demand across several markets.
- Our credit offerings also enabled client farmers to plant more land than unenrolled farmers, leading to bigger harvests and better opportunities to capitalize on higher grain prices.

Relative to the donor resources required to provide our services — or what we call Social Return on Investment (SROI) — farmers generated \$3.93 of additional profit for every \$1 invested in our full-service program, representing strong impact efficiency.

BIG HARVESTS

In 2022, One Acre Fund clients increased their maize harvests by 25% on average compared to nonparticipating farmers. The improvements differ across countries – ranging from 57% in Nigeria to 15% in Tanzania –

3-Year Rolling Average

\$105

Average new farmer profit

39%

Growth in farmer income
from supported land

² This represents bottom-line profits, even after repaying program fees and controlling for what farmers would have earned without participating in the program. As described here, we measure client impact against a demographically similar group of neighboring control farmers using propensity score matching.

³ Notably, although our absolute (\$) impact increased from 2021, our proportional (%) impact fell slightly. This reflects the fact that unenrolled control farmers also achieved higher profits in 2022 compared to 2021.

depending on weather patterns, soil conditions, and baseline yield conditions. Across all markets, this level of harvest increase represents a noteworthy improvement in food security, as described below.

In addition to improving staple grain harvests, One Acre Fund is increasingly equipping farmers to diversify their harvests with new crops and income streams, with the dual goals of generating higher profits and building greater resilience to climate change. Two notable examples are our mass-scale tree-planting campaigns and our work connecting farmers to inputs and markets for higher-value commercial crops, as described later in this report.

HEALTHY FAMILIES

One Acre Fund seeks to empower farmers to eradicate generations of hunger within their lifetime. [Recent research](#) shows that food insecurity has risen sharply in Sub-Saharan Africa during the COVID-19 era; our own surveys of our areas of operations indicate that about 50% of farmers experience moderate-to-severe hunger at some point in the year.⁴ Our program helps clients combat this trend in communities facing economic disadvantages – for example, in 2022, One Acre Fund clients in Burundi were 33% less likely to experience hunger than unenrolled farmers. Organization-wide, in 2022 our program supported clients in reducing the incidence of moderate-to-severe hunger in their homes by 9% and severe hunger by 15%.⁵

We have seen firsthand how higher profits translate into increased asset accumulation – a good indicator of higher living standards and healthier families. In 2022, our average client increased her overall value of assets by 16% compared to control farmers, and her diversity of agricultural assets by 11%. These results also compound over time, demonstrating the flywheel effect of farmers productively reinvesting their income gains. In our mature programs, veteran farmers enrolled for 3+ years report 28% higher value of assets than newly enrolled farmers.

RICH SOILS

Land is a farmer's most valuable asset, and One Acre Fund supports farmers in maintaining and improving the productivity of their soil. This is all the more important as the reality of climate change grows more apparent. We continue our work to help farmers build their resilience by training them on soil health-improving practices, such as intercropping, crop diversification, agroforestry, and lime application, and offering tailored agronomic guidance on input choice, planting timing, and farming techniques.

Soil health improvement is a long-term process, but early indicators of our impact are promising. For example, we determined through soil testing that many of our clients live in areas with acidic soil (pH <5.5), prompting us to launch trainings on how the application of agricultural lime can significantly boost long-term crop yields.

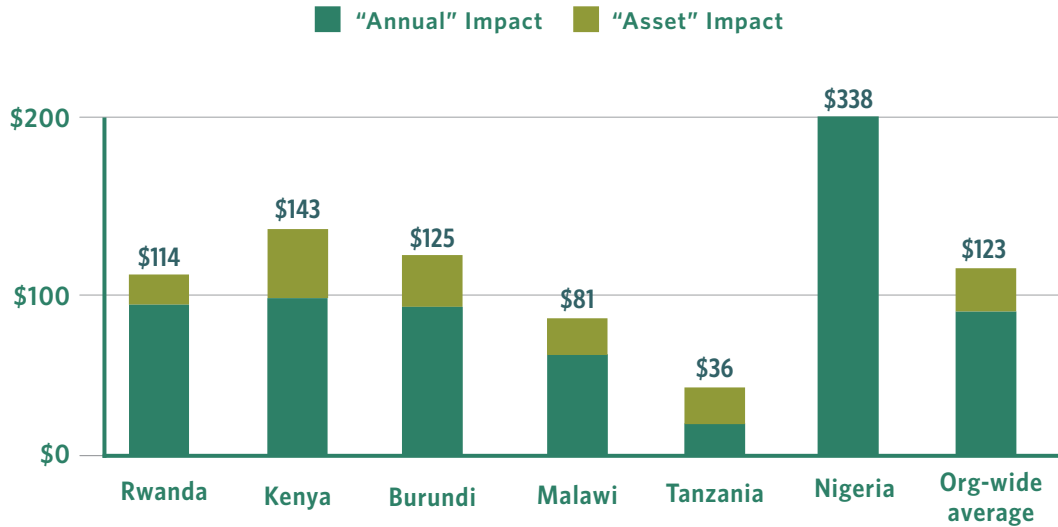
As a result, One Acre Fund clients in these areas applied 73% more lime than control farmers in 2022. We are also seeing early but statistically significant increases in other soil health indicators for client fields, including application of organic carbon (such as compost and manure), nitrogen use efficiency, and overall agro-biodiversity.

⁴ One Acre Fund assesses hunger severity (both baseline levels and our impact on clients) using the Food and Agriculture Organization's Food Insecurity Experience Scale, or FIES.

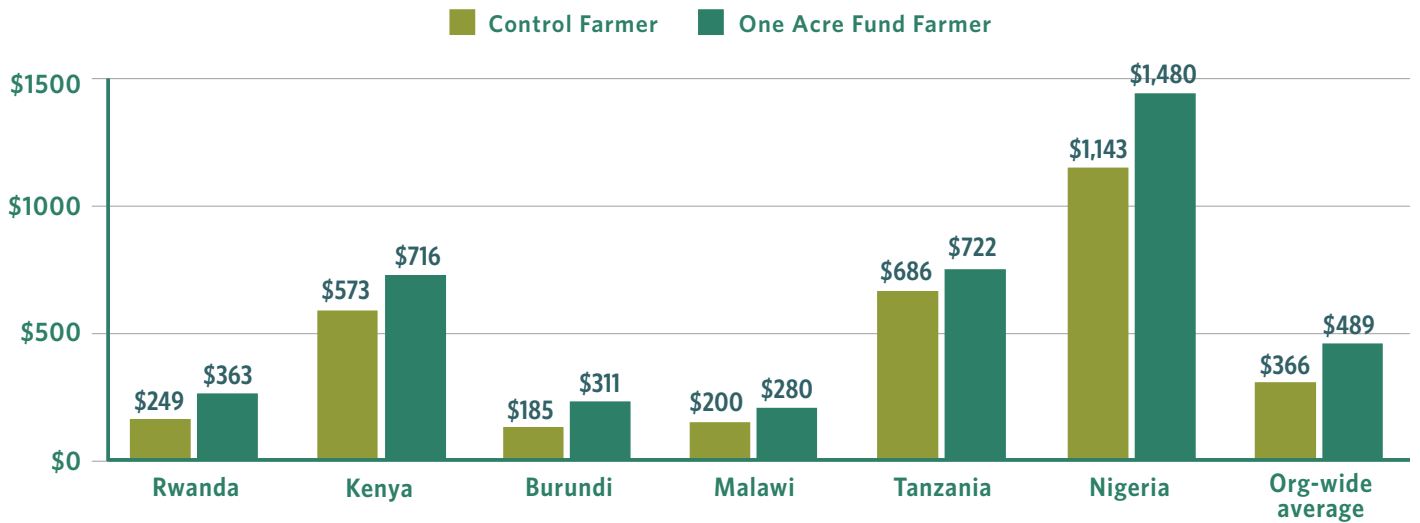
⁵ We have found that in most cases our program generates enough new profit to fully eliminate seasonal hunger if a client family chooses to do so, but that ultra-poor families often choose to endure some level of hunger in the interest of making other investments, such as children's school fees.

Full-Service Program Graphs

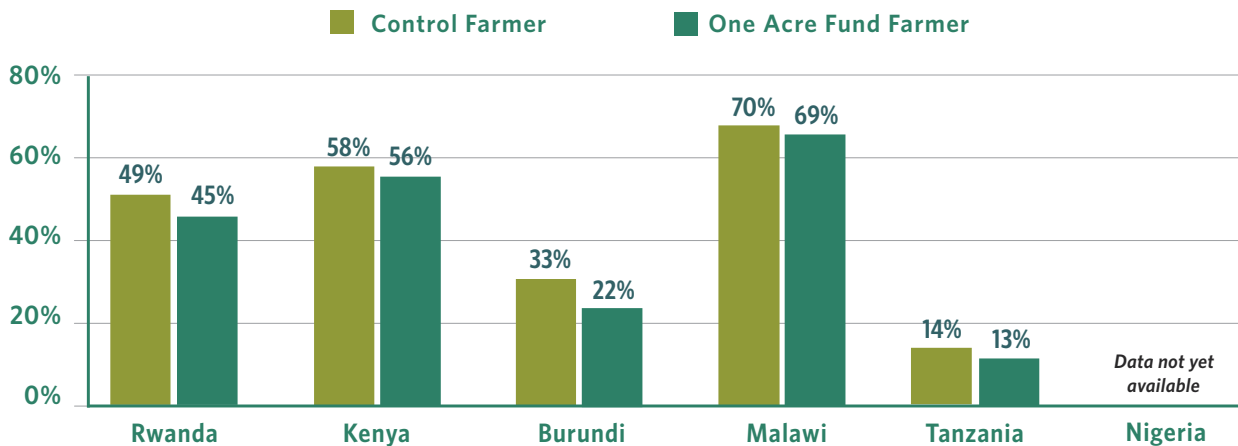
Average New Profits for One Acre Fund Farmers



Farmer Income from Supported Land



Farmers Experiencing Hunger**



* Our average client in Nigeria earned \$338 in new profits in 2022, as highlighted on page 6. This graph foreshortens this impact to \$200+ in order to show the impact of other country programs in greater visual detail.

** Note that our 2022 hunger outcomes primarily relate to 2021 harvests in most countries; we believe these outcomes remain depressed due to the pandemic, as farmers harvested less and needed to sell more of this lower harvest to generate cash for household needs. Even in this environment, in 2021 we attained an average 9% decrease in farmers reporting moderate-to-severe hunger after joining the program, and an average 15% decrease in severe hunger.

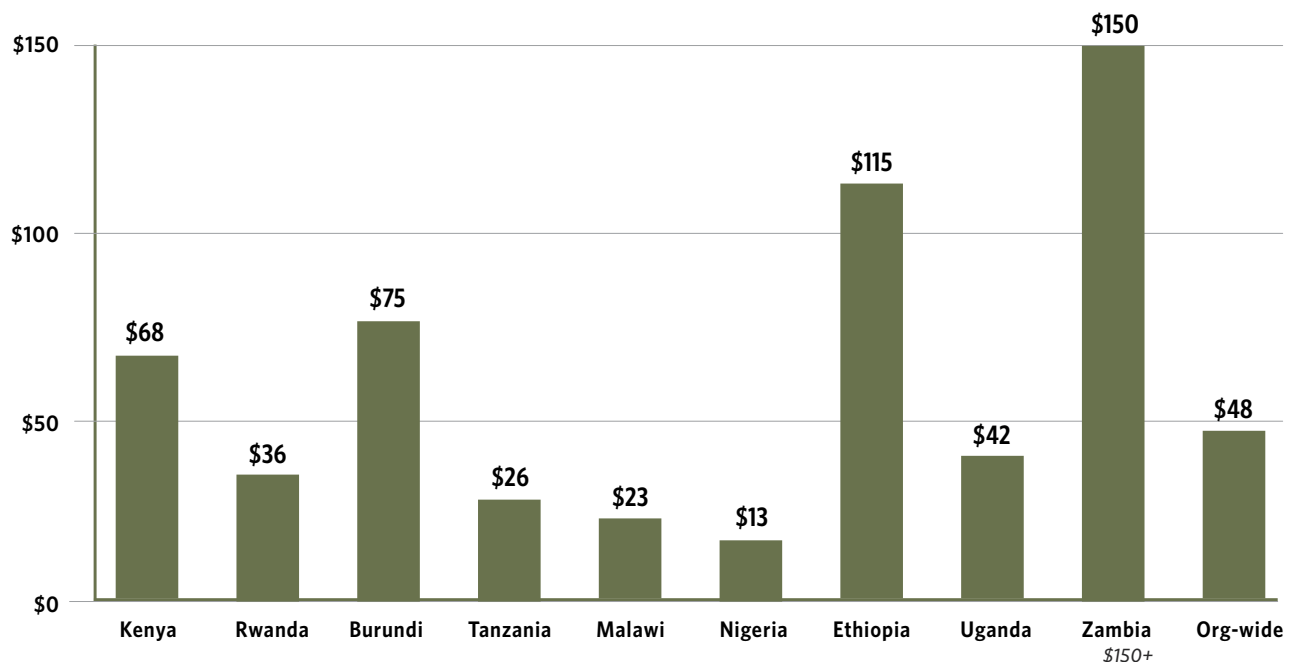
PARTNERSHIPS

Beyond our full-service program, One Acre Fund also impacted an additional 2.4 million farmers through partnerships in 2022. Whereas our full-service program provides farmers with a full suite of support (including high-quality inputs, offered as a loan, delivered locally, accompanied by agronomic trainings and other services), our partnerships typically offer a single element of our full-service program (such as inputs or trainings) to scaled farmer networks by working with governmental or private-sector actors. We currently run 27 active partnerships across all nine of the countries we serve.

In 2022, One Acre Fund partnerships enabled an average impact of \$48.50 in additional profits and assets per unique farm family reached.⁶ Across all partnerships, this represents \$119 million in new profits and assets. Although partnerships drive lower impact than our full-service program, they are also more efficient, with an average SROI of \$9.31 in farmer profit generated from each \$1 invested by donors.

Notably, in addition to improving short-term farmer profits, our partnerships work is designed to achieve long-term systems change – shifting broader agricultural systems to work for, not against, smallholders. For example, our seed production initiative in Rwanda (in partnership with a private company and a governmental agency) now fulfills an estimated 50%+ of Rwanda’s total current demand for hybrid maize seed. It has also helped attract new market entrants (such as Tri-Seeds Co) by validating Rwandan smallholders as a customer base. This competition will help push down prices and incentivize new innovation, benefiting smallholders countrywide.

Average new profits per unique farmer reached through partnerships



⁶ The structure and scale of One Acre Fund’s work means that in certain contexts farmers may be reached by multiple partnerships – for example, we now reach an estimated 90%+ of Rwanda’s entire farming population, with the average farm family accessing 3+ One Acre Fund interventions. The scale figures here represent unique farm families reached with at least one partnership, and these partnership scale and impact totals are fully incremental to (i.e. non-overlapping with) our full-service program scale and impact totals.

* This is a highly conservative estimate of our early-stage Zambia carbon credit trial, which has potential to generate \$800+ per farmer per year.

A woman with a joyful expression stands in a lush green cornfield. She is wearing a vibrant, multi-colored patterned dress with floral and geometric motifs. In her right hand, she holds a traditional wooden hoe. The background shows rolling green hills under a soft, overcast sky, with a large tree on the left side of the frame.

Farmer Feature

ENVIRONMENTAL SUSTAINABILITY: COMMITTING TO FARM-LEVEL RESILIENCE

REHEMA KIHALALWA, IRINGA DISTRICT, TANZANIA

Sub-Saharan Africa, home to 48 countries and 1.2 billion citizens, is collectively responsible for less than 1% of annual carbon emissions worldwide. In fact, rural African smallholders may be the single global population least responsible for climate change, yet they are among the most vulnerable to its impact – their reliance on rainfed agriculture makes them highly sensitive to changes in rainfall and temperature.

For One Acre Fund, equipping smallholders for greater climate resilience is both an operational imperative and an issue of climate justice. Our model supports farm-level adaptation and mitigation, enabling farmers to sustainably increase their income by reinvesting in their land and local environment.

Below, we are excited to share four priority commitments adopted in 2022 as part of our new 10-year climate strategy, and illustrate how these efforts are already supporting clients in the field.

Commitment 1: We are reliably increasing average farm income by intensifying crop density and diversity.

Crop intensification and diversification are important tools for increasing and safeguarding farm income. Establishing multiple robust income streams helps farmers hedge against climate factors such as erratic weather and pest/disease cycles, and other external shocks like market fluctuations. Planting a variety of crops also improves biodiversity, strengthens local biomes, and improves household nutrition. One Acre Fund offers a wide range of crop inputs and trains farmers on what, when, and how to cultivate them.



Eunice Nguu, a farmer from Kerugoya, Kenya, has embraced diversification. Her one-and-a-half acre plot of land now includes a wide range of One Acre Fund crops, including maize, beans, vegetables, macadamia nuts, and avocados. She also rears chickens and cattle and, since 2021, manages a tree nursery. “I always want to improve – for my family and community. I ask myself, ‘How can I make the most of what I have to improve my livelihood?’” Eunice says.

In Tanzania, this year we expanded our crop portfolio to include sunflowers, potatoes, and beans, as well as 15 timber and fruit tree species, helping farmers to boost and diversify their impact.

“I decided to plant sunflowers this year after learning that sunflowers are drought resistant and produce high yields. Later I can use this as a safety net if things do not work out well on the side of maize,” says Rehema Kihalalwa from Iringa, Tanzania.

Commitment 2: We are actively tackling soil degradation.

Land is a farmer's most important asset, yet many areas One Acre Fund serves are showing signs of long-term degradation. Average land size per household typically decreases over time due to generational subdividing, meaning farming intensity increases to compensate, often resulting in erosion-prone and nutrient-stripped soil. To renew soil capacity to support optimum plant life, we train farmers on practices such as compost, mulching, and land management that replenish and maintain soil fertility; healthy soil engenders healthier crops, and helps buffer against droughts and floods alike. "Last year, running water devastated hundreds of maize and potato fields, as rivers burst their banks. One Acre Fund came to teach us contouring techniques to fight erosion. The whole community was mobilized to build contour lines on Masare, the mountain whose waters destroyed our crops," says farmer Oscar Nibumona from Nyarusange, Burundi.

In Tanzania, we collaborated with the government to conduct soil testing for thousands of farms. "We learned that knowing the physical properties of soil, with its exact nutrient composition, is critical to a healthy crop production system," says farmer Clemence Mdamu from Wang'ing'ombe, Tanzania. "It would enable me to spend less and earn more by eliminating unnecessary fertilizer expenditure."

Commitment 3: We are encouraging tree planting to restore and increase environmental health and build farmer resilience to climate and income shocks.



One Acre Fund has found that smallholder agroforestry offers one of humanity's most powerful levers for large-scale climate adaptation and mitigation. Trees cost little to plant and maintain, yet steadily accumulate value as they mature, allowing rural families to build a reliable and climate-resilient asset base that can be sold (and replanted) in difficult crop seasons. Farm-level tree-planting simultaneously unlocks diverse environmental benefits, sequestering CO₂, controlling erosion, and reducing deforestation pressure on primary forests. In 2022 alone, One Acre Fund equipped 2.8 million farmers to plant 62 million trees of over 45 species.

For Oscar in Burundi, trees don't only offer income potential - they're also restoring and protecting his farmland. "One Acre Fund has also helped us set up several tree nurseries. Each family receives trees that they grow on

their farms. We planted trees around the mountain, and overflowing water is no longer a threat; our soils have also regained fertility. The change is evident, fields are incredibly green, and I am positive I will harvest three times more than the last season,” says Oscar.

Eunice in Kenya is happy that she is building a sustainable legacy for her children and community through her tree nursery. “Demand for trees has soared, and I have had to request additional sockets to keep up with seedling production - we will produce well over 200,000 seedlings this season. I have ambitious plans, and I believe with One Acre Fund as my partner, I can achieve my plans and much more,” Eunice says.

Commitment 4: We are building safety nets to income and livelihood shocks.

The commitments above equip farmers with a strong first line of defense against the effects of climate change - yet true resilience also requires a “safety net” of protection against catastrophic events. One Acre Fund is the largest aggregator of farmer insurance in Africa, bundling basic yield-indexed coverage into farm input loans for about 90% of our full-service clients. This coverage provides a mix of payouts, loan forgiveness, and/or re-distribution of inputs in the case of external shocks.



COMPOST TRAINING, MALAWI

“It’s really helpful to receive this support. If we hadn’t gotten it, we’d have even less than we do now, particularly when I compare myself to farmers who don’t farm with One Acre Fund, who didn’t get additional seed to replant,” says Rose January, whose maize suffered during a recent drought in Malawi. “I harvested fifteen 50kg bags — I used to get about three before

joining One Acre Fund. If I had just three bags of maize this year, I wouldn’t sell any of it; my kids wouldn’t go to school because I couldn’t pay for it.”

We are currently exploring options to deepen the level of coverage we can provide farmers. Over the last few years, One Acre Fund has trialed a more extensive self-insurance product in Malawi; after Cyclone Ana devastated parts of southern Malawi in 2022, we provided financial assistance and loan relief to more than 4,000 farmers enrolled in our program. “The insurance was impactful because my field was completely washed away. If the loan wasn’t reduced, I wouldn’t have finished paying it and couldn’t enroll next year,” another Malawian farmer, Esther Masambuka, says.

A man with a grey beard and a blue and white striped shirt is smiling and holding a black tray filled with many small, green pine seedlings. He is standing outdoors in a rural setting with trees and a cloudy sky in the background.

Sustainability Feature

FINANCIAL SUSTAINABILITY: IMPACT GROWTH VIA “REVENUE ENGINES”

HAMIDU KIFYOGA, IRINGA, TANZANIA

To achieve our vision of supporting 10 million farm families to become more prosperous by 2030, we must make every dollar go further. Cost efficiency has always been central to One Acre Fund’s mission and business model, and over the last few years, we have doubled down on this effort – in particular, by using metrics like SROI (as highlighted in the Scale and Sustainability section above) to guide decision-making about where and how to deploy resources for maximal farmer impact.

As part of this push, in 2022, One Acre Fund invested in exploring and scaling several promising “revenue engines” - impact channels that can also generate substantial earned revenue. Following an initial start-up period, these channels have the potential to become largely or fully self-sustaining over time, capable of reaching and impacting millions of farm families without external funding. Here are a few examples:

Equipping farmers year-round via rural retail shops

In a growing range of markets, One Acre Fund is making our products and services more accessible to more farmers by establishing brick-and-mortar storefronts in rural areas. These shops, sometimes operated in partnership with local entrepreneurs and sometimes directly by One Acre Fund field staff, are often the only place where nearby farmers can access high-quality inputs.

“The shops feel like a supermarket because they have everything a farmer needs,” says Kenyan farmer Catherine Kisa from Webuye in Kenya “We get to see different products and seek information from the friendly shop staff.”

In the past year, our programs in Kenya and Rwanda have increasingly integrated their growing networks of rural retail shops into our client service model, for example enabling clients to easily order and pick up new

products at nearby shops rather than waiting for seasonal deliveries. We also launched rural retail pilots in Tanzania, Malawi, and Nigeria in 2022, ending the year with total 450 storefronts organization-wide, collectively serving over a million farmer customers annually.

As a revenue engine: Rural retail shops enable One Acre Fund to reach more farmers (both clients and non-clients) more frequently (providing access year-round with more ways to shop and pay), increasing our total sales volume, via a model that is more cost-efficient than our higher-touch full-service program. With increasing transaction sizes and economies of scale, this work has the potential to become self-sustaining in our mature programs within the next several years.



Supporting farmer commercialization via market access programs

We have found that One Acre Fund clients tend to re-invest their new farm profits productively – for many farmers, this means diversifying into higher-value commercial crops. To support these efforts, One Acre Fund has expanded our service offerings across crop value chains, with emphasis on guaranteeing higher prices for farmer harvests through connections to competitive markets. For example, in 2022:

- In Kenya, we aggregated, processed, and exported 2,370 MT of macadamia and 50 MT of avocado grown generating \$124,000 in additional profits for 4,400 farmers. We also began exploring market access opportunities for potatoes, french beans, and groundnuts.
- In Rwanda, we aggregated and locally sold 2,200 MT of maize and 60 MT of beans, and exported 90 MT of avocado, generating \$96,000 in additional profit for 3,400 farmers. We also supported 13 coffee farmer cooperatives with inputs and training and began exploring connections with international coffee buyers.
- In Uganda, we are working with a leading regional coffee processor/exporter to connect coffee-farming clients with services such as hulling, which roughly doubles the value of harvested coffee. We are also exploring further options for supporting farmers with coffee certification and export.

Impactful agribusinesses are essential for this journey to commercialization. That's why we set up a subsidiary called Smallholder Resilience Ventures (SRV), formerly known as the [Smallholder Resilience Fund](#). Through our SRV pilot, we invest in agribusinesses to help them grow their work by exporting and processing harvests, passing on more value to farmers, and strengthening value chains. The focus is climate-friendly high-value crops, particularly tree crops like avocado and macadamia, that are more resilient to climate change. Our first investments in Rwanda are in avocado processing and export, and dried chili production and export. The long-term goal is to create profitable opportunities for smallholders as they transition to climate-resilient crops.



As a revenue engine: Market inefficiencies mean that significant smallholder profit potential goes unrealized, particularly for products with high global demand like avocado and macadamia. One Acre Fund can unlock this potential by connecting farmers to local and international buyers, processors, and exporters – resulting in larger client transactions and much higher margins, even after radically increasing farmer profits. While still early-stage at present, certain channels of this work have the potential to become self-sustaining within the next five to 10 years.

Connecting farmers to carbon markets via agroforestry

Voluntary carbon markets – where global actors trade “carbon credits” of mitigated emissions – represent one of the world’s primary climate funding mechanisms, approaching a total value of \$50 billion by 2030. Yet, in the current status quo, African smallholders are not accessing or benefiting from these markets.

One Acre Fund is working to change this. We have launched carbon financing pilots across Zambia, Tanzania, and Malawi; trialing several different approaches for equipping farmers to plant large numbers of trees, grow them to maturity, and eventually receive carbon market payouts for carbon sequestration. Our model helps incentivize long-term tree stewardship by offering tree varieties that provide secondary benefits (such as soil improvement and fruit/nut production), as well as annual survival pre-payments prior to credit qualification.

51-year-old Atanas Luwago from Kitowo, Tanzania, has farmed with One Acre Fund for four seasons now, and this year he is participating in the carbon credit trial. “I enrolled in the tree program because it is an opportunity to earn while caring for the environment. I was happy to hear that I will be receiving money just by planting trees, which help purify the air we breathe and create rain catchment areas,” Atanas says.

As a revenue engine: These pilots are still small-scale, reaching about 1,500 farmers across three countries at present, and must still overcome barriers around certifying and monitoring carbon sequestration in highly rural areas. However, we are working on promising solutions (such as new remote sensing technologies), and see the potential for massive growth. While “igniting” this revenue engine will still require significant funding and/or financing in the early years before carbon revenues kick in, carbon financing at steady-state could fully fund program costs and drive major new farmer profits, in addition to the many secondary benefits of tree-planting, for millions of farm families.





CONCLUSION



Although our work over the past several years has mainly focused on supporting rural farm families to weather the challenges and uncertainty associated with COVID, climate change, and attendant economic shocks, we have also succeeded in launching impact initiatives to build diverse income pathways for smallholders and to improve food security and their livelihoods.

Our work in 2022 underlined the need to embed sustainability in how we work and deliver impact to farmers: in summary, the more we can do with every dollar, the more impact farmers can achieve.

In particular, we made progress in embedding adaptability in how we work and delivering impact to farmers by streamlining our services and operations to ensure bigger profits from the same level of investment while pushing for greater environmental gains. We are establishing resilient systems and business models that serve more farmers more efficiently, impactfully, and consistently.

Our work delivered more value for farmers and set the pace for how we will innovate to serve farmers even better in the years ahead. Thank you for continuing to help us put Farmers First.