

Annual Report

2016

celebrating 10 years of service

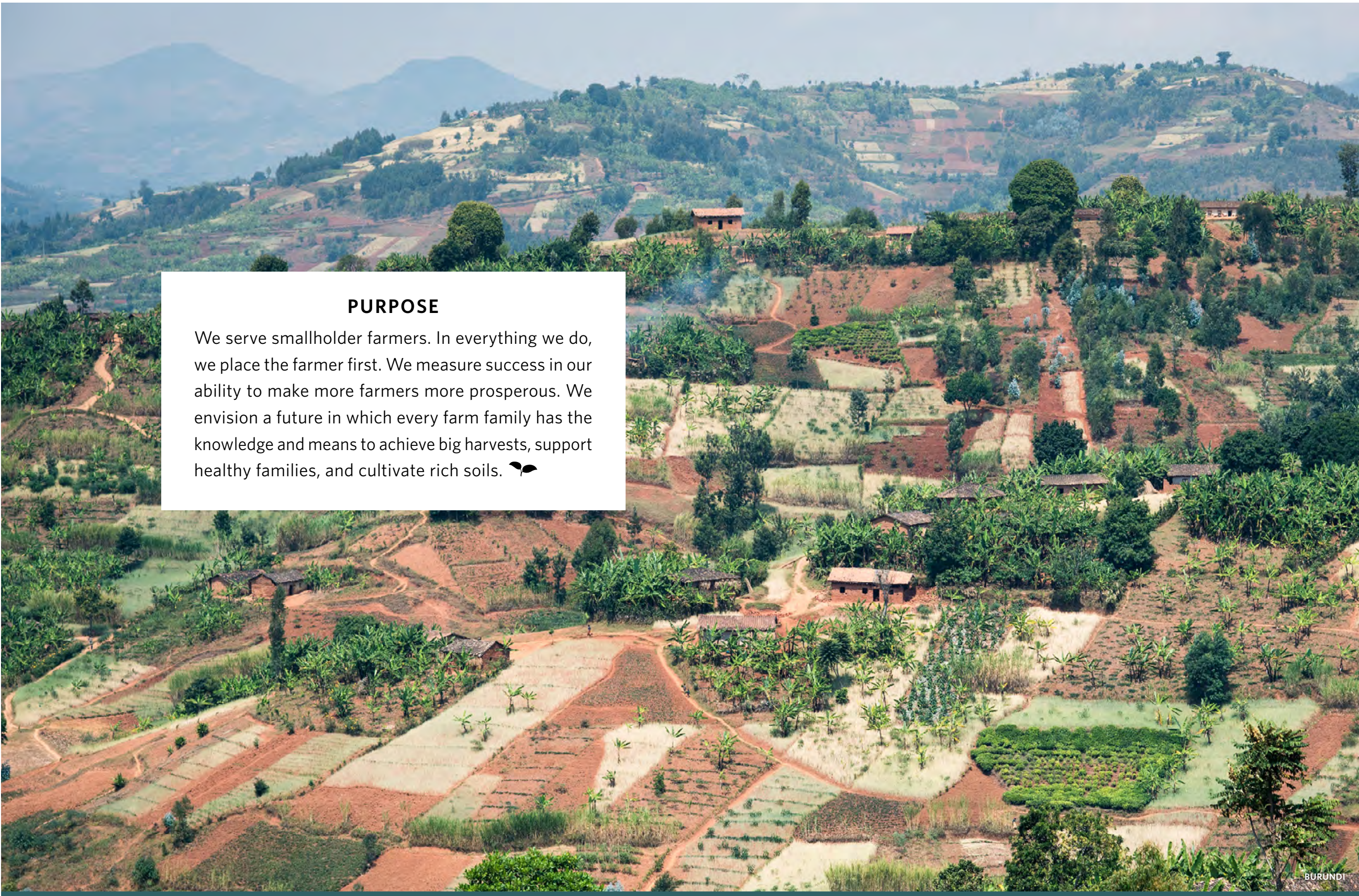




ALICE NIMBONA
Burundi



“ I feel so good. **When my children are hungry, I can take care of them** because now I harvest very well compared to before.



PURPOSE

We serve smallholder farmers. In everything we do, we place the farmer first. We measure success in our ability to make more farmers more prosperous. We envision a future in which every farm family has the knowledge and means to achieve big harvests, support healthy families, and cultivate rich soils. 🌿

TABLE OF CONTENTS

- 4 Opening Letter
- 5 Program Model
- 6 10 Years in Review
- 8 By the Numbers
- 9 Direct Service Model
- 10 Scale
- 12 Impact
- 14 Sustainability
- 15 Meet the Team
- 16 From the Field
- 18 Management Discussion
- 21 Innovations
- 24 Feature Farmer Story
- 29 Acknowledgments & Leadership

BURUNDI



Humble Service

We meet farmers in their fields, and we get our shoes muddy. Farmers are our customers, and we serve them with humility.

Hard Work

We work hard every day. We execute with world-class professionalism and business excellence. Farmers deserve nothing less.

Continual Growth

We improve every season. We work with determination to meet our goals, and then stretch ourselves by raising the bar even higher.

Dreaming Big

We envision serving millions of farm families. We build for scale with every idea and solution.

Family of Leaders

We bring together the best leaders and build long-term careers. We care for team members like family.

Integrity

We do what we say, and our words match our values.



Greetings

from One Acre Fund

→ I'm excited to share with you our 2016 Annual Report, which details our progress over the past year and outlines our vision for the future. 2016 was a special year for us, and a time of reflection, because it marked our 10-year anniversary.

Looking back, it's hard to believe how far we've come in our first ten years of service. Today, One Acre Fund still has the same mission, drive, and passion for serving smallholder farmers as it did back then, but in many other ways the organization has completely transformed. Ten years ago, we started out with only 38 farmers, and our shoestring staff operated out of a single room rented from the office of a small local Catholic charity in Bungoma, Kenya.

In those early days, I thought I was dreaming big. I aimed to serve 25,000 farm families in Kenya by 2012. Little did I know, we would have the customer demand, operational skills, and capital to reach five times that many by then. Now, we're serving more than 445,000 farmers in six countries, and we've increased our staff to include more than 5,000 people, all of whom are steadfast in their commitment to putting Farmers First.

The lesson I learned—and am still learning—is that we must continually challenge ourselves to dream even bigger. In 2006, I thought of One Acre Fund solely as an agricultural organization. I didn't account for all the other things farmers needed to improve their lives. That's why, over the years, we've expanded our offerings from staple food crops into other products like tree seeds and solar lamps. And we've started government partnerships work that we hope will allow us to serve many, many more farming families in the future.

Today, One Acre Fund's work is more important than ever. Serving 1 million farmers by 2020 is an ambitious target, but we must dream even bigger than that. Our next decade will focus on how we can contribute to the transformation of the agricultural sector at the national level in the countries where we work; how we can build sub-Saharan Africa's largest network of climate-resilient smallholder farmers; and how we can influence more policymakers to put smallholder farmers at the center of their work.


Farmers First,

ANDREW YOUN
Executive Director, One Acre Fund

DIRECT SERVICE MODEL



RAEL MORAGA, KENYA

 By listening to our boss—the smallholder farmer—we have developed a complete solution that enables her to significantly increase farm income and grow her own way out of hunger and poverty. We offer each farmer we serve a complete service bundle, delivered to the rural village where she lives.

2016 Governing Board Members

Joel Ackerman
Chief Financial Officer
DaVita Inc.

Matt Forti
Managing Director
One Acre Fund USA

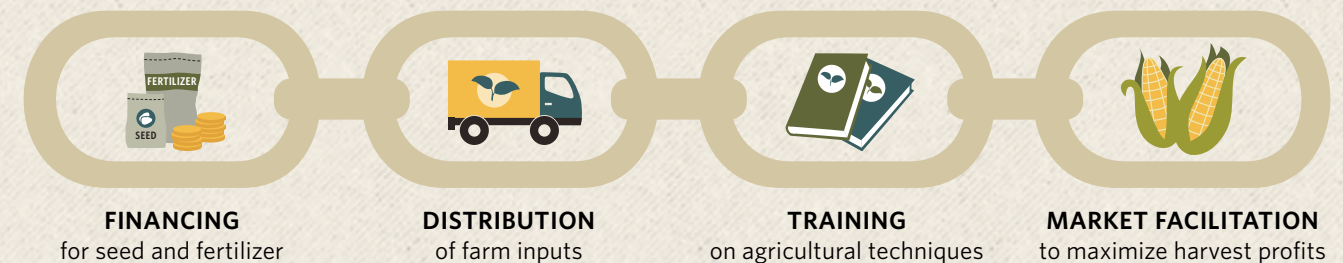
Karl Hofmann
President & CEO
Population Services
International

James Mwangi
Executive Director
The Dalberg Group

Fred Ogana
Managing Partner
East Africa Market
Development
Associates Ltd

Rebecca Onie
Co-founder and CEO
Health Leads

Andrew Youn
Senior Partner/
Executive Director/
Co-founder
One Acre Fund



All of these services must be provided together.



Without financing, seed and fertilizer are unaffordable. Without training and market facilitation, farmers do not maximize yields or farm profits. And without delivery, these services may as well be on the moon.



PATRICK SIMIYU, KENYA

A LOOK BACK AT 10 YEARS



While we're keenly aware there is always room for improvement, we also believe in the value of celebrating our achievements. None of these successes would have been possible without our team's hard work and relentless dedication to putting Farmers First.

Country Launches



2006 | KENYA
Proof of concept serves 38 farmers in its first year

2013 | TANZANIA
Test of an operating model with lower client density

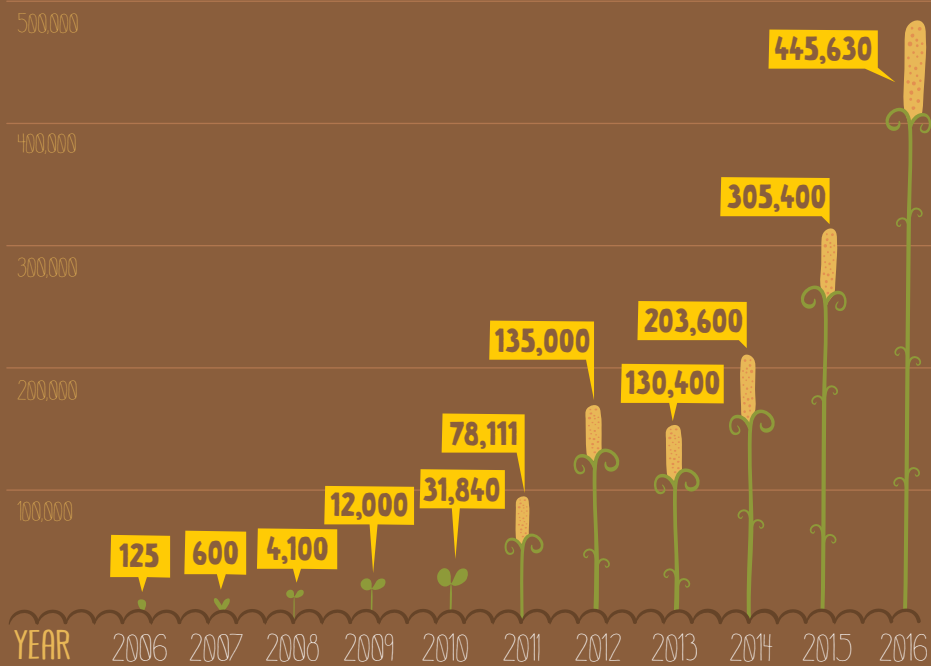
2007 | RWANDA
Operations begin with a 30-farmer pilot

2016 | MALAWI
Our first operation in southern Africa

2012 | BURUNDI
Expansion to one of the hungriest countries on the planet

2016 | UGANDA
Operations launch with 3,680 farmers

Farmers Served



HIGHLIGHTS

Product & Programmatic Innovations

Operational Milestones

Recognition & Awards

2006
One Acre Fund launches with 38 pioneering farm families in Kenya



2008
Direct service model reaches roughly 50 percent financial sustainability



2008
Crop insurance provided as part of Kenya loan package for the first time



2009
Scoop designed for farmers to microdose fertilizer directly to each planting hole, preventing overuse



2010
Earned revenue from direct service model tops \$1 million per year

2011



Solar lamp trials expand our offerings of impactful products

2012
To mitigate impact of a maize virus, Kenya pivots to offer a new crop package, including sorghum, millet, and sweet potatoes

2012

The Last Hunger Season, a book tracking one year in the lives of four One Acre Fund farm families, is published

2013

Mobile repayment trials begin in Kenya

2013
Government partnership work to reach more farmers through national extension programs begins

2014

Named one of Top 10 Most Innovative Companies in Africa by *Fast Company*

2014

Ends chronic hunger for 1 million children per year

2015

The New York Times' David Bornstein writes an article featuring our operating model



2016
10th year of operations in service of farmers

2016

Co-founder Andrew Youn gives TED Talk that reaches over 1 million people

2016

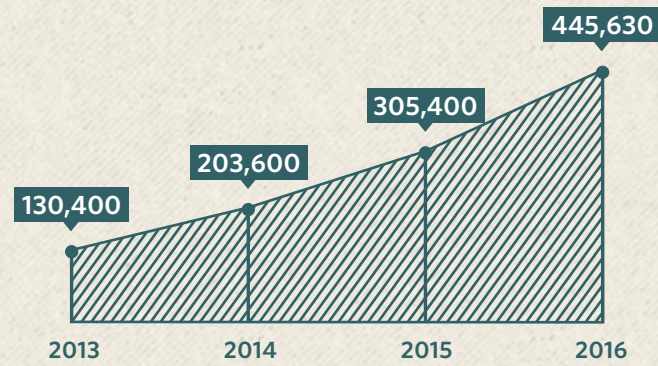
Meets milestone of serving more than 400,000 clients globally



ILLUSTRATION BY SHAW NIELSEN

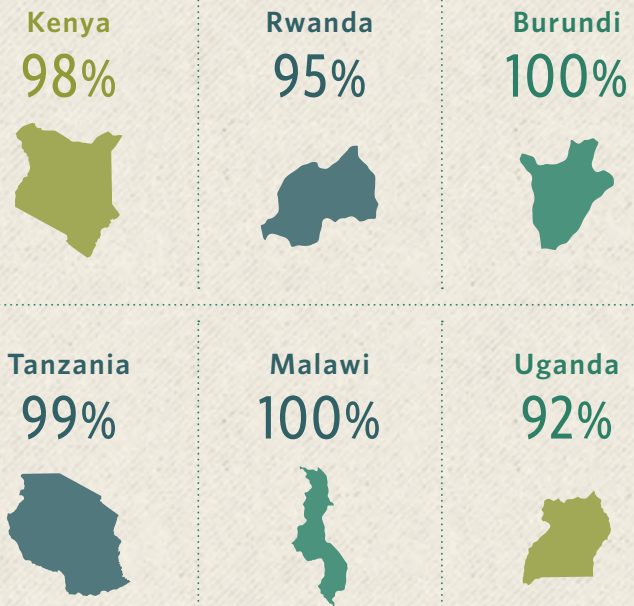
BY THE NUMBERS

Farm Families Served

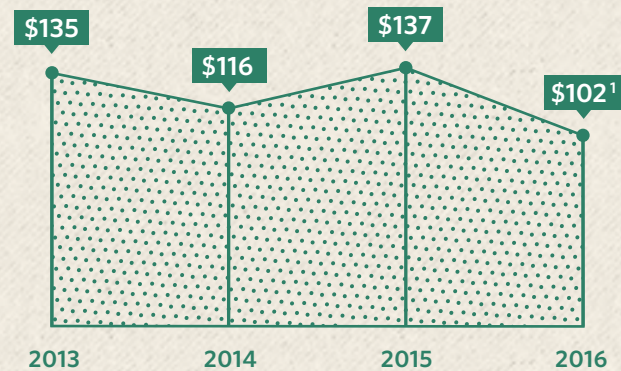


Farmer Repayment Rate

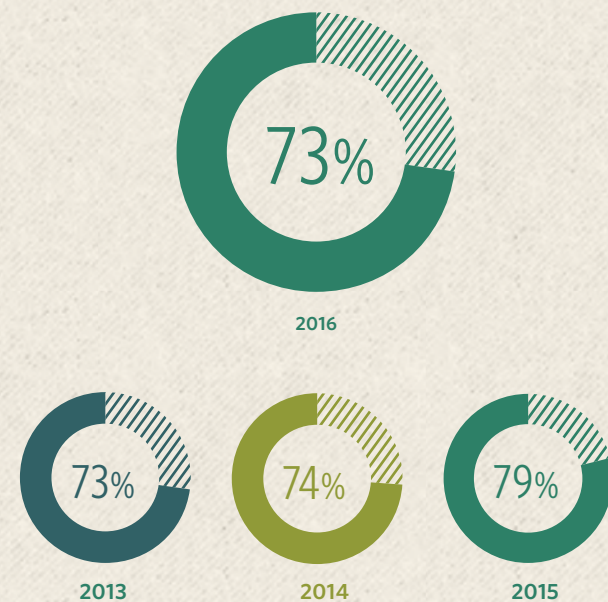
Organization Average: **98%**



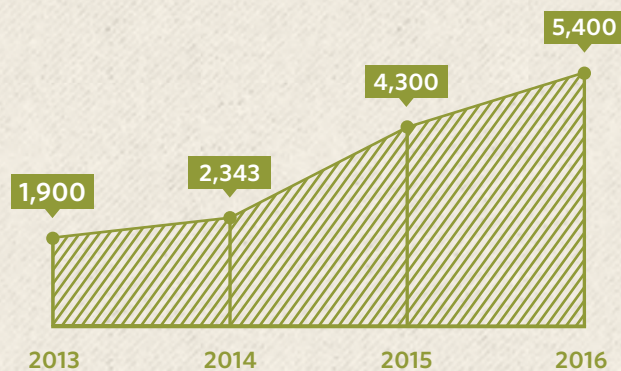
\$ Gain in Farmer Impact



Field Sustainability¹



Full Time Staff



¹ Both impact and financial sustainability dipped due to drought conditions in many operating areas, especially Kenya, and inclusion of two new countries (Uganda and Malawi) in results. See later sections for more detail.

→ DIRECT SERVICE MODEL

 **Using our direct service model,** One Acre Fund has provided farmers with access to seed and fertilizer on credit for 10 years. While we continue to innovate around additional ways to support smallholder farmers, our direct service model is at the heart of what we do. By providing asset-based financing, delivery, agricultural training, and market facilitation, we enable smallholders to grow their way out of hunger and build lasting pathways to prosperity.



BEATRICE NASIMIYU, KENYA



Scale

→ When One Acre Fund was founded in 2006, we began with an initial pilot group of just 38 farmers in Kenya. It's truly astounding how far we've come. A decade later, we've achieved our 2016 goal of enrolling more than 445,000 clients across six countries—meaning that over 1.5 million children each year are avoiding the devastating effects of chronic hunger.

Despite our progress, 50 million smallholder farmers in Sub-Saharan Africa alone still contend with hunger, so endemic poverty remains an urgent problem. Because we want to reach at least

1 million farm families by 2020, expanding our direct service model as quickly and as sustainably as possible has always been at the heart of what we do. The scale lessons we've learned during our first decade of work will help us reach our ambitious future growth targets. Here are a few of the most important things we've learned:

- 1. Maintain a laser-sharp focus on impact.** If we make sure harvests are reliably better for farmers year after year, more people will want to become our customers. One Acre Fund has made major commitments to innovation and impact measurement to ensure that we consistently deliver high-quality goods and services to our clients and emphasize products that make the biggest difference in their lives.
- 2. Focus on person-to-person marketing.** Our outreach is driven by interpersonal relationships—field officers build relationships with farmers and community leaders, who each

reach out to people they know. Word of mouth works. If we're deeply embedded in communities, our clients trust us—and they recommend us to their neighbors.

3. Build leadership from the bottom up. Many people who joined our staff five or ten years ago as field officers are now managing multiple field operating units and hundreds of staff. Promoting our field leadership from within also means that our leaders are motivated, know our operations inside and out, and are committed to our clients' success. These field leaders successfully roll out new or improved trainings each week to their staff, a critical part of operating effectively at a large scale.

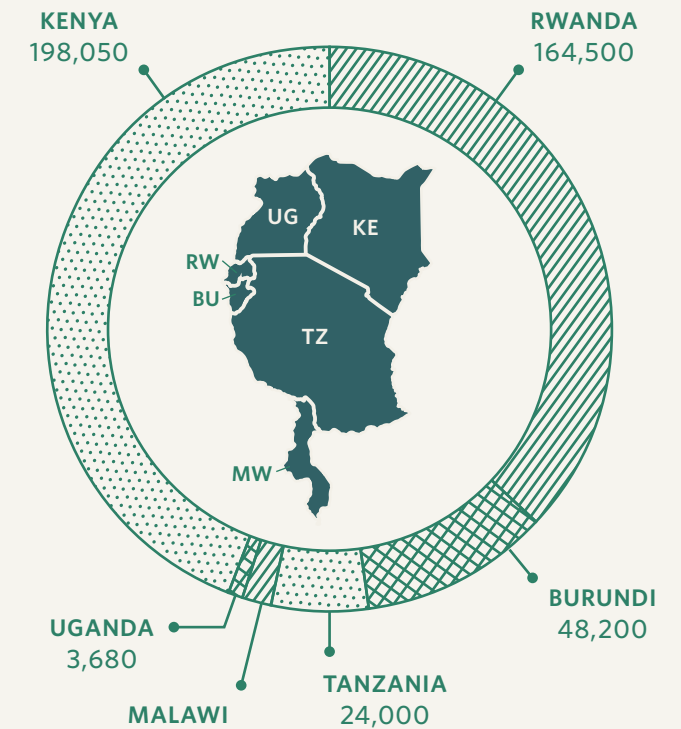
4. Technology can enable future scale. As we have scaled, we have realized that certain operational processes that worked for 50,000 clients are too time consuming or labor intensive for 400,000 clients. Our network has become more complex—we are collecting massive amounts of repayment and client data each year—and we must deliver inputs across large geographic areas in a short window before the rains begin. New technologies like mobile repayment, text message reminders and receipts for farmers, customer service hotlines, and tablets for field officers will help us scale to meet our 2020 goals.

5. Manage resources wisely. We rigorously evaluate every new product and practice we intend to introduce to ensure that it demonstrates potential for a high return on investment—either by building new efficiencies in our operating model, or by creating broad social good. We want to make sure we're prioritizing our time and financial investments on areas that will provide the biggest bang for our buck.

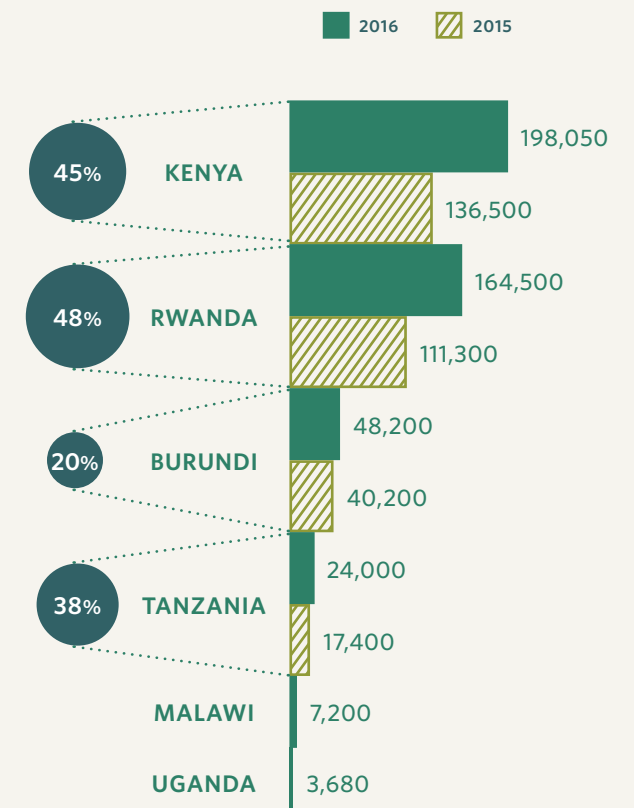
6. Delivering on promises matters. Integrity is one of our core values—we do what we say we're going to do, and we're committed to offering our services to communities for the long haul. The trust we've built with clients, community leaders, and local government officials is one of our biggest assets. We've succeeded in expanding because our words match our actions, and farmers know that they can rely on us to provide the products and services they need.

Above all, in every new village, district, and country we've entered, we have always strived to apply the maxims of hard work and humility to everything we do. We are on track to meet our goal of reaching at least 1 million farm families by 2020, but we remain mindful that the challenge of eliminating hunger across Sub-Saharan Africa is a large one. The lessons we've learned in our first 10 years will help equip us to tackle the challenges of the next decade. 🌱

445,630



Percentage Growth | Farm Families Served



Impact

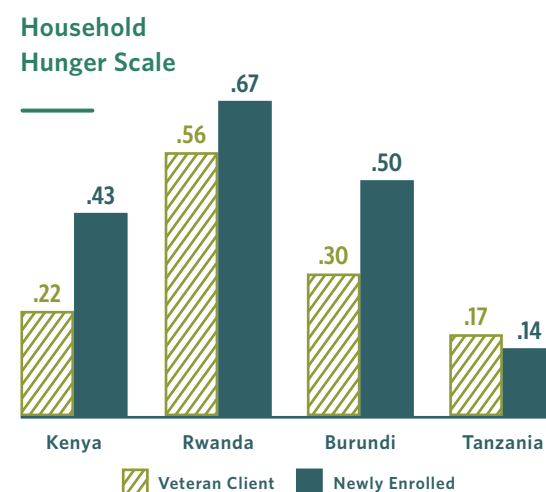
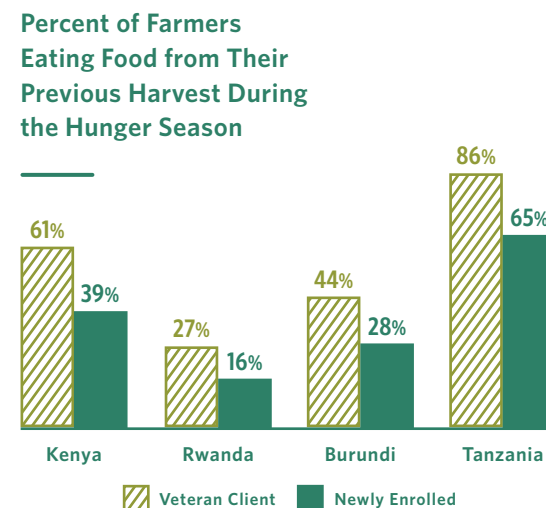
→ As reported widely in the news, farmers all across East Africa struggled to realize strong harvests in 2016 because of droughts in the region. Maize was particularly hard hit. In our maize-predominant countries of Kenya and Tanzania, both One Acre Fund and neighboring farmers saw an average reduction of 20 to 30 percent in their harvests versus 2015. As a result, farm profits were lower overall, and One Acre Fund’s dollar impact was less than we had expected.

Farming is inherently risky, and this was not an easy year. However, One Acre Fund farmers still saw a strong impact relative to their non-participating neighbors, driven by factors such as crop insurance payouts and non-agricultural products. With climate volatility only expected to intensify in the coming years, our ongoing work to build Africa’s largest climate resilience shield for smallholders is increasing in its urgency.

To estimate profit, we collect detailed data on farming inputs including labor, plowing, fertilizer, and seed, and subtract these costs from physically measured and monetized harvests. We compare One Acre Fund farmers’ profits to similar neighbors who are subject to the same agro-ecological conditions, and we statistically control for other differences, such as education and wealth. In 2016, we conducted over 16,000 physical harvest measurements across six countries and five different crops.

We measure our profit impact in the following three ways:

- 1. Percent gain in farmer profit:** This is the percent increase in an average One Acre Fund farmer’s profit, compared to a non-One Acre Fund farmer’s profit on One Acre Fund-supported activities. We measure income for both groups on all products and services we offer, including “add-on” products such as solar lights and trees. In 2016, despite the poor rains, we still increased farmer profit by more than 50 percent across our program, which met our goal.
- 2. Absolute dollar gain in farmer profit:** This is the absolute dollar increase in an average One Acre Fund farmer’s profit, compared to a non-One Acre Fund farmer’s profit on One Acre Fund-supported activities. While we saw a reduction in overall profit impact compared to 2015 and compared to our goal of \$140 per farmer, program participation still put another \$102 in profit in client farmers’ pockets, which we expect to be particularly important in a tough agricultural year.
- 3. Farmer return on investment (ROI):** This is the extra profit a One Acre Fund farmer makes relative to a comparison farmer for every extra dollar she invests in our program. A 100 percent ROI means that our client received \$1 USD of extra income (profit) for every \$1 USD of extra cost invested. In 2016, we surpassed our goal of 100 percent, achieving a 137 percent ROI.¹



BEYOND DOLLAR IMPACT

We have committed to understanding One Acre Fund’s impact across a holistic set of outcomes, such as hunger, asset accumulation, and education. Each year, we survey thousands of households during the hunger season, comparing client farmers who have just joined the program but have yet to harvest with “veteran” farmers who had already harvested with One Acre Fund the year before. Both groups of farmers have selected into the program and are therefore highly comparable.

In 2016, we again found highly statistically significant impacts looking at the likelihood that a farmer is consuming grain from their previous harvest during the hunger season, a time when families tend to skip meals. We also found significant reductions in the Household Hunger Scale.² We found more mixed results in educational attendance and spending, with some countries showing a modest improvement.

To more rigorously test quality-of-life impacts, we are running a longitudinal study in Kenya and Rwanda, which will assess the impact of program participation on a large range of outcomes, including childhood nutritional status, asset accumulation, financial literacy, and well-being. Preliminarily, we have found significant impacts in hunger and productive asset accumulation, as well as self-reported well-being and financial literacy in Kenya. We have yet to measure any impact on the nutritional status of children, but we are redoubling our efforts to improve nutrition training and nutritious crops and product offerings, and hope to measure improvements in these areas in the future.

CONTINUED COMMITMENT TO TRANSPARENCY

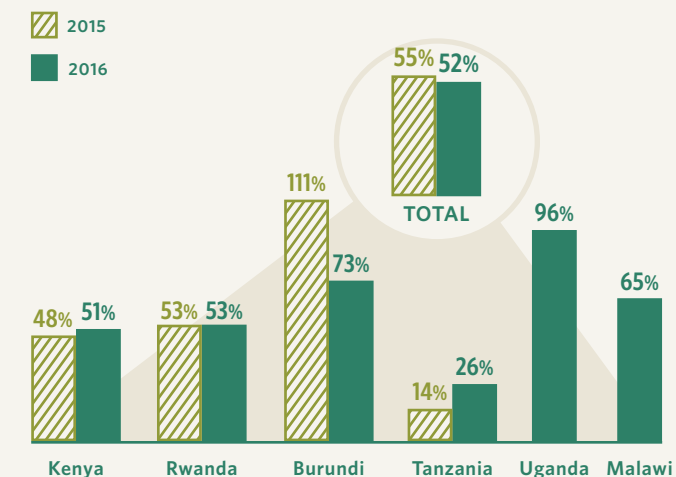
In 2016, we continued to publish online reports from our internal research and evaluations. This included a comprehensive report of all of our lessons learned and insights related to impact from the past 10 years, as well as a detailed report profiling income and expenditure patterns over a full calendar year among our clients in Kenya. We have also published two reports aimed at understanding a more precise estimate of program impact: the first on program spillover to neighboring farmers and the second estimating harvest impact using a difference-in-difference approach.³

¹ We estimate ROI because we want to be sure farmers are getting a return on their investment. However, the way we currently calculate it leads to large swings because the cost difference between One Acre Fund and comparison farmers changes year to year.

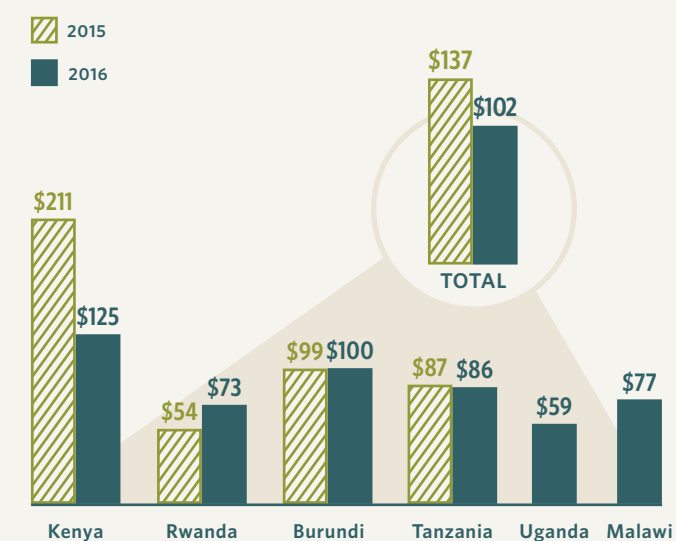
² The Household Hunger Scale is an internationally vetted index used to measure household hunger in food insecure areas. A higher score indicates more hunger. Only Tanzania did not show a statistically significant improvement on this scale, though this was likely because new farmers largely came from predominantly less food-insecure areas.

³ Burundi’s ROI was actually mathematically negative in 2016 because One Acre Fund farmers spent less than comparison farmers due to more economical use of seeds. A negative ROI in this case is actually a great thing for farmers. However, it no longer reflects a true return on investment, so we do not present Burundi’s ROI in 2016.

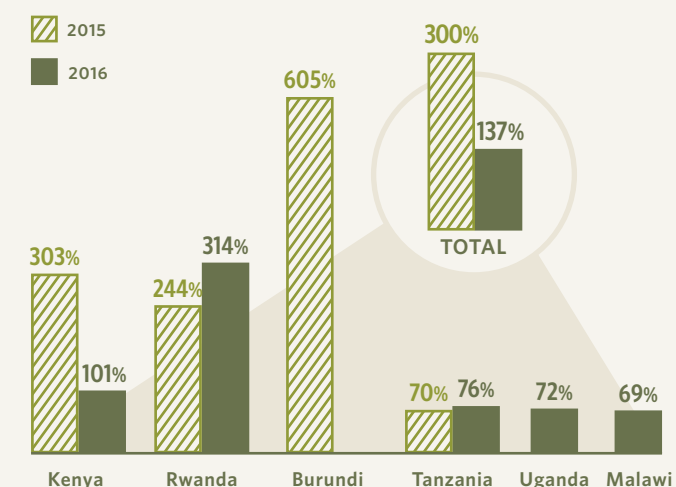
% Gain in Farm Income (Per Farmer)



\$ Gain in Farm Income



Farmer Return on Investment (ROI)³





REPAYMENT, BURUNDI

Sustainability

→ Sustainability is an indicator of the efficiency of our direct service model and agrodealer program—and our long-term ability to operate independently. The more financially sustainable we become, the fewer donor dollars we need per farmer.

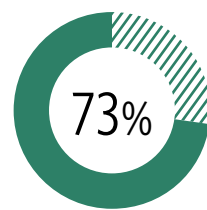
We calculate sustainability by measuring the percentage of our direct service model and agrodealer program costs covered by farmer repayments. In 2016, our financial sustainability was 73%, down from 79% in 2015. One reason for this decline was that we added two countries in 2016, Uganda and Malawi. New countries generally start with lower sustainability because it takes time to build trust with farmers to grow their acreage with us and for field officers to take on greater client loads.

To improve sustainability, we focus on levers like transaction size per farmer and repayment rate (which focus on revenue), along with clients

per field officer and other operational ratios (which focus on efficiency). While each country's path to sustainability is different, all look to increase their clients-per-field-officer ratio where possible. In 2016, Kenya trained all farmers to repay loans using mobile money. With repayments taking less time, field officers could focus on enrolling and training more clients. In addition, some countries are seeking to improve enrollment by testing new marketing strategies and deploying more enrollment agents to increase awareness and accessibility during sign-ups.

Our efforts to increase sustainability are always balanced with our focus on customer service and long-term investment. We can increase sustainability through efficiency, but we also need to make staff and infrastructure investments to support growth for upcoming years. We also can't overlook the quality of service we provide to clients, whom we aspire to work with for years to come.

TOTAL FARMER LOAN REPAYMENT (USD)	
2017(p)	51.7M
2016	38M
2015	29.5M



73% OF FIELD EXPENSES COVERED BY LOAN REPAYMENTS IN 2016

MEET THE TEAM

"I love the close attention to my career development that my manager gives me every day of the week. This has enabled me to learn new skills and become a top professional in my field."

KELVIN OWINO
East Africa Communications Specialist • Kenya



"IT HAS BEEN MY DREAM TO HELP FARMERS. WORKING AT ONE ACRE FUND IS MY CHANCE TO HELP PEOPLE IN MY COMMUNITY."

THANDIWE KATOPOLA
Senior Field Manager
Malawi



"I was skeptical of the transformational value of social enterprises in Africa—until I met One Acre Fund. The passion, commitment, and innovation I see every day in figuring out radical solutions to poverty is why I look forward to working here a very long time!"

ALLISON KASOZI
Program Manager for Innovations & Regional Expansion • Uganda



"From a personal perspective, the projects that I have worked on have encouraged me to build myself. As a manager, I have access to a flexible range of tools to help me respond to the needs of my team."

OTINI MPINGANJIRA
Systems Program Associate • Malawi

"I love my job because I get a chance to make a difference in other people's lives. I am able to help farmers harvest more and increase their incomes. I have succeeded in reducing hunger in my community."

STELLA NGUNDA
Field Manager • Tanzania



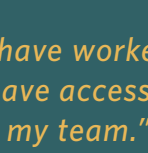
"I remember when One Acre Fund started in Rwanda. It has grown so quickly. Clients are joining because of our big impact. We help the whole community, not only the farmers we work with."

GAUDANCE NIYOMPATSI
Regional Field Director
Rwanda



"I love working with One Acre Fund because we are in the business of releasing human potential—whether by offering services that allow farmers to work more successfully, enhancing food available to children during their critical years for development, or providing training and mentorship to the several hundred amazing staff working with our team in Burundi."

EVA KOEHLER
Country Director • Burundi



"I grew up in rural Kenya, where smallholder farming was our sole source of family income. I decided to get my MSc in agronomy to help lift farmers out of poverty. I'm happy to apply my skills toward the development of improved agronomic practices that have seen farmers increase their yields."

HILLARY OTIENO
Agricultural Research Specialist • Kenya





FROM THE FIELD

10 Years with ONE ACRE FUND

Twenty years ago, Theresa Wanyama's husband died, leaving her with a few small plots of land near their home in Western Kenya and eight young children to care for all by herself.

Theresa had only completed the first year of high school, and farming was the only trade she knew. After struggling for 10 years to harvest enough crops from her land, Theresa felt that she had failed. Her older children had dropped out of school and couldn't find work. She saw their futures starting to repeat her own.

"It was hard for me to buy shoes for the family then, and I knew I wanted my children to have more than that," Theresa says. "I wanted my children to be the types of people who didn't have to worry about basic needs for their children."

That's why in 2006, when One Acre Fund first launched, Theresa was one of the first 38 farmers to enroll. She was skeptical of the new organization that had no reputation, but she heard they would provide her with agricultural training that might improve her yields. She felt she had no other options.

"I was shocked!" Theresa says with a big grin, remembering the results of that first year's harvest. After learning how to space her seeds and properly microdose fertilizer,

Theresa more than tripled her maize production on one-fourth of her land.

"One Acre Fund has been able to eliminate hunger in my family," Theresa says. "I've never been without food since, and now I have the knowledge to plant well."

For the last 10 years, Theresa has enrolled again and again with One Acre Fund and has steadily altered the course of her children's lives.

This year, Theresa is paying tuition for three of her children to attend technical colleges, two for teaching and one for agriculture, and for a fourth child to attend university. To help pay this year's tuition, Theresa cut and sold 20 grevillea trees that she had been growing since she bought them from One Acre Fund in 2009. The trees brought in 40,000 Kenyan shillings (approximately \$395), which helped bolster the savings she'd held back selling her crop surpluses each year.

"I am proud that my children have reached a higher level of education because I worked very hard for them," Theresa says. "It's because of my success in farming that they've been able to achieve this. I believe that people who are well educated have a sense of direction in this world. They are able to see things outside of our village life, and it opens up their minds."

↓
"I wanted my children to be the types of people who didn't have to worry about basic needs for their children."



2006
Theresa enrolls with One Acre Fund.

2007
Michael Barasa, her 5th born, joins Bungoma High School, one of the most prestigious high schools near her home.

2008
Dennis Wanyama, her 3rd born, joins a teacher's training college.



2009
Theresa receives and plants grevillea tree seeds from One Acre Fund.

2010
Cynthia Wanyama, her 6th born, joins a teacher's training college.



2011
Theresa sells three bags of maize and uses the money to buy a cow.

2012
Theresa sells the cow's calf to pay school fees.

2013
Theresa plants millet and sells one bag to build a kitchen.



2014
Theresa buys chickens with her harvest and sells them later to pay school fees.

2015
Theresa cuts and sells her trees from 2009 for ~\$400 and pays university and college tuitions.



2016
Sylvia, her 4th born, graduates from university.



MANAGEMENT DISCUSSION



After 10 years of service, we're maturing as an organization, and we now have the foundations in place to dream even bigger. In our next decade, we'll focus on bringing our impact vision of big harvests, healthy families, and rich soils to as many farm families as possible. We are challenging ourselves to achieve a step change in scale and impact, because we have a real shot at making a sustainable difference in the farm productivity of an entire continent.



JULIANA WAVOMBA AND FAMILY, KENYA

Building on Our Foundation

In our first ten years, we've grown to serve over 445,000 smallholder farmers in six countries. Our execution, field network, talented staff, and scalability all signal that we're maturing as an organization. We now have the foundation in place to dream even bigger. Our next decade will focus on taking tangible steps to bring our impact vision of **big harvests, healthy families, and rich soils** to as many farm families as possible.

BIG HARVESTS

Our focus now, as ever, is to enable more farmers to grow more food. We have a strong foundation of knowledge on how to do this through our direct service model, which addresses farmers' varying needs through a bundle of critical tools and services. We've learned how to take lessons from this model and apply them to our government partnerships work. In Rwanda, we're collaborating with the government to strengthen their farmer-training network. This partnership generated \$3.3 million in additional income for farmers in 2016.

We're also seeking to increase our impact through policy work. Over the years, we've built strong relationships with local and national government officials in all of our countries of operation. Those relationships have created opportunities for us to make policy recommendations to improve countries' enabling environments, paving the way for bigger harvests for all farmers. In Burundi, for example, we worked with the government to create a transparent process for seed importation and certification. This allows private companies to understand how to enter the Burundian market, which will increase the number of businesses and seed varieties available there. High-quality seed is one of the most important factors for improving yields, and eventually, this policy change will lead to better harvests for all Burundian farmers.



We're also liaising with lawmakers in donor countries, such as the United States, to advocate for continued development assistance for global food security and to help convince them to protect funding during times of budget austerity.

HEALTHY FAMILIES

We've started to make progress in this area through our work with solar lights, which can enhance families' quality of life by increasing children's study hours and improving in-home air quality by eliminating the need to burn kerosene. Still, there is a lot of work left to do. In coming years, we'll invest more deeply in researching and introducing other life-improving tools that contribute to better health, nutrition, and education outcomes for farmers.

We're particularly interested in finding ways to improve the lives and opportunities for the children of One Acre Fund farmers. We know that hunger and malnutrition have huge impacts on childhood development. Globally, one in four children under age five suffers from permanent stunting, which can cause a variety of health setbacks and rob children of their full potential later in life. We've hired dedicated nutrition staff on our product innovations team to rigorously evaluate potential new products and services. We've also expanded our impact evaluation framework so that we can better understand how our direct service model affects nutrition, health, and education outcomes for farmers and their children.

RICH SOILS

Farmers are among the world's most vulnerable populations to climate change. Protecting them from a warming climate and finding ways for them to adapt presents both challenges and opportunities. The billions of small-scale farmers around the world already supply more than 70 percent of global food needs. Taken together, they are a large and potentially influential group. If they all adopted certain climate-smart farming techniques, it could go a long way toward mitigating the effects of global warming. Wouldn't it be great if we could help solve climate change and eliminate the scourge of global poverty at the same time?

Drought across a number of African countries last year meant that the average yields of One Acre Fund farmers declined, compared with previous seasons—although in many cases our clients outperformed their non-program neighbors. Farmers are already feeling the effects of extreme weather, so many of our climate change strategies revolve around helping them adapt. One Acre Fund is the largest buyer of crop insurance on behalf



JOSEPH KHISA, KENYA

of smallholder farmers in Sub-Saharan Africa, and we plan to continue expanding our coverage network in coming years. We're also undertaking a long-term soil study to analyze the effects of fertilizer on our clients' land, promoting more crop diversity and intercropping within fields, and making optimized recommendations to farmers about the types of seeds that are best suited to their climate and soil types.

↓
We have a real shot at making a sustainable difference in the farm productivity of an entire continent.

Our second range of climate change strategies involves mitigation efforts, so that food production can remain viable for many years to come. We're focusing on sustainable intensification—when farmers harvest more from their existing fields, less new land has to be cleared to grow more crops. Our training methods emphasize fertilizer microdosing, to prevent overuse, and we've introduced products like solar lamps and efficient cook stoves that require less firewood. Finally, one of the best ways to sequester carbon and prevent erosion is to grow trees—and One Acre Fund farmers have planted millions of them in the past few years.

DREAMING BIG

Ten years ago, we never dreamed that today we would be serving over 445,000 smallholders in six countries in Africa. The rapid growth of our operations means that we have the opportunity to think bigger, to zoom out and reframe the problems that we are tackling. We have a real shot at making a sustainable difference in the farm productivity of an entire continent.

The decisions we make in the coming years will set us on our growth path for the next decade. We will not be satisfied with "business as usual." We are challenging ourselves to achieve a step change in scale and impact, in service of millions of hard-working farmers who aspire to better lives for their families. 🌱

→ **INNOVATIONS**

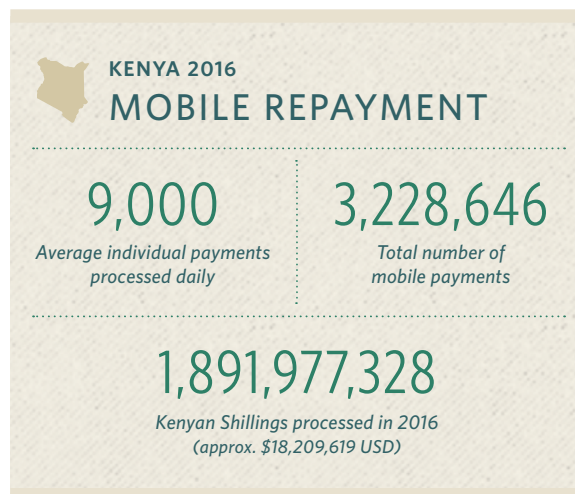
📱 **We've known from the start** that our 2020 goal of reaching 1 million farmers is an ambitious one. Achieving even our current scale has required us to search tirelessly for innovative ways to streamline our operations and make our outreach as effective as possible, in order to serve our growing client base and bring in more interested farmers. In recent years, we've leveraged emerging technologies to help us keep on track with our scale goals.



MARY BOMANI, MALAWI

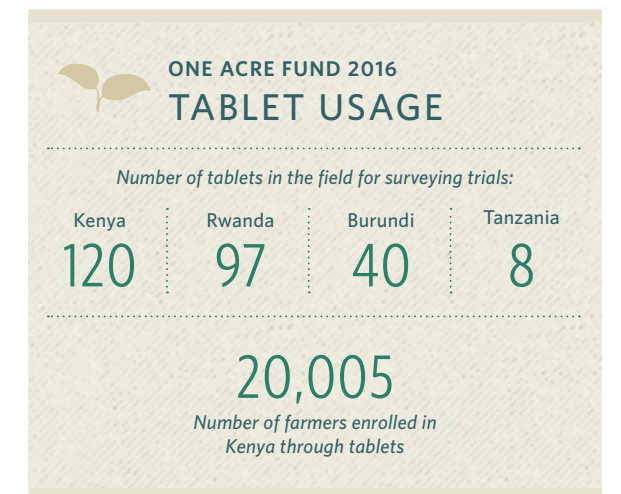
Bringing Technology to the Field

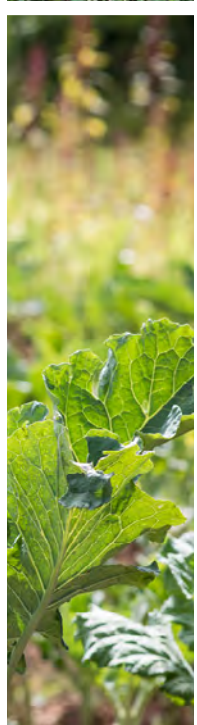
→ We introduced mobile repayment and tablet technologies in 2016, improving our service to farmers and making our operations more efficient.



Mobile Money Collecting loan repayments in the countries where we operate has always been arduous because of the limited infrastructure in rural areas. Our repayment process usually involves field officers biking or walking to meet clients in small groups in villages and then bringing the money they collect to our office, where the payment data is manually entered into computer systems from handwritten receipts. However, as basic cell phones have become almost as ubiquitous as livestock around rural Kenya, we were able to transition to a completely cashless system for our loan repayments in the country this year. For our clients, this meant that any time they wanted to make a payment, they could just text it in! The mobile payment system is also helping streamline our operations. Field officers now can refocus many hours of their work week on trainings and client services, and ultimately improve our ability to scale to new farmers.

Tablets With tablets becoming increasingly affordable, One Acre Fund sees a huge opportunity to innovate on our existing processes and systems. In every country, our Monitoring and Evaluation teams conducted field surveys on tablets in 2016, which allowed for improved data quality and client-unique surveying. In Kenya, our team trialed enrolling farmers and monitoring crop health in the field with tablets. Tablet enrollment will allow us to input and manage our growing client data sets without cumbersome manual data entry, and we hope collecting crop information through tablets might someday allow us to give on-the-spot recommendations to farmers based on incoming images and survey information. In Rwanda, our team tested sharing product and training videos with farmers via tablets at weekly meetings. These allowed farmers to see products demonstrated in full, and enabled One Acre Fund to better ensure training quality.





A VILLAGE Transformed

Joseph Wanyonyi, a village elder in western Kenya, sees his home as a transformed place.

Joseph's village, Marakalu, is a cluster of 60 households and a few small churches and shops, divided in half by a dusty highway that leads to the market town of Mayanja, a local commercial center a few miles away. Marakalu is small, but there are plenty of people about—farmers hauling newly cut sugar cane, children on a holiday from school playing in the grass, and neighbors sharing a lunch of ugali, a traditional maize-flour dish, while their harvest of beans dries on a tarp nearby in the sun. →





Joseph, 46, is a prominent figure in Marakalu—he's been village elder for over a decade, which means he's in charge of organizing community events, and frequently attends meetings and gives speeches on everything from crime prevention to water sanitation. Like most citizens of Marakalu, he's also a farmer. He enrolled with One Acre Fund in 2011, and he uses his position as community leader to encourage others to join. He credits the organization for the transformation he's seen in the village—his neighbors are no longer hungry anymore.

"There is enough food in the community now because of One Acre Fund," Joseph said, escaping from the midday heat to the comfort of his sitting room, where a few sacks of maize left over from his last harvest rest in the shade against a wall. "People now have surplus food, enough to sell in the market. They can send their kids to school, and start businesses in the community. Some people have even opened shops."

The changes in Marakalu are echoed in Joseph's own life. After his first season with One Acre Fund, the maize harvest on his one-acre farm tripled from the year before. He has more than enough grain now to feed his wife and eight children. He's used his additional income to buy two bulls—work animals that are used to plough the land—and to install a new roof on his house. This year, he's saving up money to purchase an additional half acre of land.

LIGHTING UP THE NIGHT

Marakalu has changed in other ways too, Joseph said. There's more light in the village than there used to be because of the solar lamps supplied by One Acre Fund. Besides providing enough illumination for children to study at night, the solar lights have also eliminated the need for kerosene, which means the air is free from smoke, and people have fewer health problems.

"I can't remember the last time my children coughed," Joseph said.

Jenipher Wasike, a 38-year-old farmer who lives a few miles down the road, has purchased three solar lamps since she joined One Acre Fund in 2008. Most of her neighbors have them too, which has transformed how their village looks at night.

"If you ask anyone here where to buy kerosene, they don't know anymore," said Jenipher, laughing at the thought. "There is a lot of light at night now. Everyone is walking around outside with their solar lamps. Before, it was always dark, and a little bit scary to be outside."

Jenipher, like Joseph, has seen big changes in her life. She used to struggle to provide food for her family, but now she has enough money to feed her five children, who range in age from 8 months to 18 years, and to pay their school fees. Her children are more active and are doing better in school than they used to because they have enough to eat.

"People join One Acre Fund because of what they see," Jenipher said. "Our children are happier and healthier than before."

PHOTOS PAGES 24-25: Scenes from the village of Marakalu and Mayanja market

BOOMING BUSINESSES

Jenipher is also a business owner in the village. She spent some of the extra income from her harvests to buy a sewing machine, which she uses to make clothes and decorative items for her neighbors. The tables and chairs in the sitting room of her home are covered in her handiwork: light blue cloths that are embroidered with pink, green, orange, and yellow flowers. Talking about her sewing business makes her smile. She's expecting an influx of orders for Christmas this year, and her sewing machine, by the window in the corner, is already piled high with material.

There are some signs that the improving livelihoods of Marakalu's farmers are starting to affect the vitality of the broader area. The market in nearby Mayanja has seen an increase in the number of vendors in recent years, as farmers from Marakalu and other surrounding communities travel there twice a week to sell their crops, said Andrew Musamia, another neighbor who lives close by. Before One Acre Fund arrived in the area, there was less business being done because most people only had enough food to feed themselves.

"As a community, people have enough to eat, and there is surplus food to sell in the markets," Andrew said. "More people are selling maize as a business."

GOING TO SCHOOL

The future looks bright, Andrew said, with more kids in the area attending school because their parents now have enough money to pay their attendance fees. He hopes his seven children will go to college or university, something that would have been impossible before One Acre Fund arrived. After he enrolled in 2009, his maize harvest quadrupled, unlocking a whole new level of potential for his children's lives. Now, they talk about becoming doctors, nurses, teachers, and engineers. His 15-year-old daughter, Lucy, is ranked at the top of her secondary school class.

"Growing up, we never had the luxury of dreaming. My parents were very poor, and they did not have the money to educate us," Andrew said. "What was the need to dream when there was

nowhere to go? Our children are lucky. They can dream about anything. Because we are with One Acre Fund, we can afford to pay for school fees with our harvests."

HAPPY HOMES, HEALTHY LAND

Many people in the community have made home improvements, including Elphas Simiyu, another neighbor and local farmer. The 40-year-old father of five, who farms with his wife Mary Nafula, used to live in a single-room, mud-brick house with a thatched grass roof. The couple struggled to feed themselves and their two oldest children, often skipping meals and borrowing money to survive.

After Elphas joined One Acre Fund in late 2007, his harvests rose from six bags of maize per season to 10 bags on half an acre of land. Elphas credits the increase in yields to the training techniques he learned: planting crops in rows and properly spacing seeds with microdoses of fertilizer.

Elphas was able to save enough money from his harvests in the past few years to build his family a bigger home, complete with a metal roof. As his children get older, he's spending more money on school fees. He wants to see them finish their education, and he wants to extend the house further as they grow.

Even the land around them looks different, Elphas said. Since most of his neighbors are also farming with One Acre Fund, the surrounding area is greener than before, with tall stalks of maize growing all around in a uniform height. Joseph, the village elder, said the difference since One Acre Fund arrived is visible in the soil—it used to be light and sandy, but now it's darker, heavier, and healthier-looking.

There are other, less tangible differences, too. People seem to generally get along better than they used to, Elphas said.

"Before One Acre Fund came into this area, you could visibly see people were not happy," Elphas said. "When there was no food, there would be conflicts sometimes in houses. Now we can save, and we are happy. Families have changed."



“ I had access to fertilizer before, but I didn't know how to use it, so I didn't. Now I know how to measure the fertilizer, and we can use so much less seed and harvest more than before.



MARIE ROSE NDAYISHIMIYE
Burundi





Farmers First