

One Acre Fund



Fall 2011 Performance Report

One Acre Fund Semi-Annual Performance Report

May 2011 – October 2011

Friends – Greetings from the One Acre Fund family!

I wanted to introduce you to one of our Rwandan field directors, Charite Nirere.

Charite joined One Acre Fund in 2007 as a field officer in Nyamasheke District. She quickly became known throughout the district for her skill at enrolling farmers and teaching them agriculture practices.

In 2008, Charite was promoted to field manager, and she developed into an excellent leader. She was interested in One Acre Fund's plan to grow to new districts throughout Rwanda,

and she expressed interest in taking a leadership role in a new district. First, however, Charite had to learn French. After six months of intensive French lessons, she became the field director of Rutsiro district, a role she continues to hold. In just four years, Charite has grown to lead over thirty staff.



Please read on—there will be more about Charite later in this report. Charite's rapid rise is possible because your generous support has ensured our program's continued growth. This is our ninth 6-month report, which offers a frank look at the hard metrics we use to guide every step of our operations. From May 2011 – October 2011, we:

- Grew program size from 54,000 farm families to 75,000 farm families, serving more than 300,000 children.
- Had our tenth harvest, increasing take-home farm income by 100% per acre, with 98% of farmers repaying program fees.
- Covered 77% of our field costs through farmer repayments, exceeding our 2011 goal of 75 percent.

This report briefly concludes with our vision for the future, which we are truly excited about. Our momentum continues to build at a terrific pace, and we are on track to create life change for 180,000 families in the next 24 months. This growth is largely due to you, our loudest supporters. On behalf of the children and families that we serve: **Thank You.**

A handwritten signature in black ink, appearing to read "Andrew Youn".

Andrew Youn
Founder, One Acre Fund

A handwritten signature in black ink, appearing to read "Matt Forti".

Matt Forti
Founding Board Chair, One Acre Fund

Governing Board Members: Joel Ackerman, board chair; CEO, Champions Oncology, Inc.; Fred Ogana, Kenya country director, Technoserve; Wally Scott, professor of management, Kellogg School of Management; John Wood, founder and executive chairman, Room to Read

Fundraising Board Members: Chris Addy, Chris Ashley, Dave Blanchard, Sue Diamond, Taira Hall, Amy Hsiao, Briehan Lynch, Jason Maga, Dev Patel, Jen Splansky, Bhavan Suri, Dave Tomback, James Wesner, Paul Wormley, John Yi

One Acre Fund: Core Values and Program Model

Our purpose: We serve small-scale farmers. In everything we do, we place the farmer first. We measure success in our ability to make more farmers more prosperous.

Core values:

- **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.
- **Family of Leaders** – We bring together the best leaders, and build long-term careers. We care for team members like family.
- **Dreaming Big** – We envision serving millions of farm families. We build for scale with every idea and solution.
- **Integrity** – We do what we say, and our words match our values.

One Acre Fund's "Market Bundle"

1) Group formation: One Acre Fund meets existing women's self-help groups, and organizes them into a producer group.

2) Farm inputs: One Acre Fund finances and delivers all of the planting materials that our farmers need to increase their yields.



3) Education: One Acre Fund field officers deliver trainings on planting, weeding, and fertilizer application to groups in their fields.

4) Market facilitation: One Acre Fund trains its farmers on post-harvest crop handling and storage, and helps link farmer groups to traders.



None of the individual pieces of our model is particularly new – but the *combination* of them is extremely unique. Our "market bundle" is an innovative new tool in the world's fight against hunger.

Review of Program Metrics: May 2011– October 2011



++ = Met/Exceeded Goal **+** = Additional Opportunity **-** = Did not meet goal

HOW MANY PEOPLE DID WE REACH? Program grows to over 75,000 farmers

Scalability	Previous Nov 10 - Apr 11	New goal May 11- Oct 11	Actual May 11- Oct 11	Rating	Rationale
- # Families Reached	54,912	65,000	75,322	++	- Exceeded goal due to strong Rwanda enrollment
- # Children Enrolled	219k	260k	304k	++	- Our clients have an average of four children
- # Acres Cultivated	38,432	48,000	57,242	+	- Our average number of acres per farmer increased

FUTURE ACTIONS:

- We plan to further increase the average number of acres per farmer in 2012
- We are on track to exceed our target of 120,000 families in the next 12 months

WHAT WAS OUR QUALITY OF IMPACT? Farm income doubles per planted acre

Impact	Previous	New goal	Actual	Rating	Rationale
- Increased Size of Harvest (year-on-year) Per Acre	3x	3x	3x	++	- Raw harvest increased by approximately 3x per planted acre (verified by One Acre Fund M&E staff)
- Increase in Farm Income (year-on-year) Per Acre	2x	2x	2x	++	- Farm income increased by approximately 2x per planted acre, after program repayment

FUTURE ACTIONS:

- Farm income targets remain on track

HOW MUCH DID IT COST? Program improves to 77% sustainability

Financial Return	Previous	New goal	Actual	Rating	Rationale
- Repayment Rate	99%	95%	98%	++	- 98% of farmers repaid, well above target of 95%
- Field cost Per Family	\$80	\$75	\$80	+	- We are attacking operations cost at the district level and believe there is room for further cuts in 2012
- Infrastructure investment	\$2 mil	\$2 mil	\$2.8 mil	+	- We are making significant investments to prepare for our future growth plans
- % of Donations to Program Services	100%	100%	100%	++	- 100% of individual donations went directly to program; overhead covered by foundation grants
- Program Sustainability	70%	75%	77%	+	- Farmer repayments covered 77% of field costs

FUTURE ACTIONS:

- Our target is to cover 80% of our field expenses through farmer repayments by the end of 2012
- We aim to reach 85%+ sustainability in the next 24 months

Management Discussion

1. Our Expansion Strategy

One Acre Fund has an ambitious goal to reach more than 1 million farmers in the next eight years. To do so, we plan to grow our operations in Kenya and Rwanda, as well as add new countries of operation. We've developed a thoughtful and systematic approach for new country expansion. First, we conduct desk research to see if the country fits our expansion requirements. If it does, we make an initial trip to the country to conduct lots of farmer interviews to understand whether the One Acre Fund model is a good fit for the needs of local farmers.

If the conditions look good for our operating model, we start a small trial with 100-200 farmers. Currently, we are conducting small trials in Ghana and Cambodia, and preparing for a small trial in Tanzania. If the small trial is successful, we move to a larger trial with 500-1,500 farmers. We are now conducting a trial in Burundi with about 1,400 farmers. If the larger trial is successful, we will move to a full country launch.



2. Sharing Our Field Successes with A Wider Audience

In 2011, our field successes were celebrated across the world. We were featured in the WorldWatch Institute's *Nourishing the Planet*, a book that examined agriculture development innovations across sub-Saharan Africa. We were also included in *The New Harvest: Agriculture Innovation in Africa*, by Harvard professor Calestous Juma.

In June, we won the FT/IFC Sustainable Finance Award for Achievement in Basic Needs Financing—for the second year in a row! Some of the best minds in the banking world continue to be impressed with our work.

This summer, the *Stanford Social Innovation Review* featured One Acre Fund in a "What Works" article. In November, we were included in the Forbes Impact 30, the magazine's first-ever list of the leading social entrepreneurs tackling "the world's most intractable challenges."

Members of the One Acre Fund team spoke at the Skoll World Forum in Oxford, the "Cracking the Nut" conference in Washington, DC, the World Food Prize symposium in Des Moines, Iowa, and the Global Microcredit Summit in Valladolid, Spain. Sharing our field successes is a way to extend our impact, and to build a movement of people who are committed to serving smallholder farmers.

Harvest Measurement



< Selecting a Plot

One Acre Fund's monitoring and evaluation agents choose an area of the farmer's land for doing harvest measurement. This area, the "harvest box," is a square in Kenya and a triangle in Rwanda. This box is a percentage of the farmer's land, and the harvest in that area can be used to calculate the farmer's total harvest.

< Harvesting the Plot >



Monitoring and evaluation agents harvest everything in the harvest box. Maize is left on the cob, but beans are removed from the pod by beating a bag full of pods with a stick, then removing the empty pods to weigh the remaining beans.



Weighing the Harvest >

Agents travel with scales to the field. For beans, agents only measure weight once. For maize, agents return after the maize is dried and calculate a second "dry weight." The M&E department uses these figures to calculate the harvest income increase of One Acre Fund farmers as compared to a control group of farmers.



Meet Charite Nirere, Field Director, Rwanda



< Building Relationships

Charite is known throughout One Acre Fund's Rwanda operation for her ability to spread the word about One Acre Fund to farmers. In her first season as a field officer, she enrolled over 200 farmers! In 2011, she wrote a book describing her enrollment strategies. Now, her strategies have been incorporated throughout the entire operation.



< Field Work >

Charite has become a leader because she takes her field work seriously. As a field officer, she asked her farmers lots of questions. As a field director, she mentors field managers and field officers to do the same.



Leading the Team >

In under four years, Charite has grown from a field officer serving 200 clients to lead a district of operations with over 30 staff and over 2,000 clients. To do so, she had to learn French, move her family from Nyamasheke District to Rutsiro District, and learn how to effectively manage a large team. She dreams of the day when One Acre Fund will work in every district in Rwanda.



Vision for the Future

Can our model be scaled into a major force against world hunger?

We have proven our program model, and we need to reach as many needy people as possible!

We have set an ambitious goal ...

We have set an extremely ambitious goal for the next 24 months: to begin expanding a program model that we have proven. Our milestones in the next two years are to:

- 1 Reach 180,000+ farm families
- 2 Create a 100% gain in farm income per acre
- 3 Achieve 85%+ financial sustainability (farmer repayments covering 85% of field expenses)

We believe that if we can create a program model that achieves all of these goals, we will be in a position to grow to serve millions of lives in the coming decades. Our vision is millions of farm families feeding themselves.

We have a realistic plan ...

These are not idealistic words – they are carefully constructed milestones, supported by our current field experience, and the advice of dozens of prominent advisers.

Annual milestones

	2010	2011	2012	2013
Scale	30,000+ families	75,000+ families	120,000+ families	180,000+ families
Impact	100% average gain in farm income	100% average gain in farm income	100% average gain in farm income	100% average gain in farm income
Financial sustainability	65% cost recovery on field programs	75% cost recovery on field programs	80% cost recovery on field programs	85% cost recovery on field programs

... And your support makes it happen

Your support makes this possible! We need to raise a total of \$12.0 million dollars over the next two years to execute this plan, and every dollar matters. Maybe you are donating \$240 a year to support two families in our program. Those families matter. Maybe you are donating \$10,000 a year to help support an entire village of farm families. That village matters. Maybe you are donating \$50,000 a year to help us make key infrastructure investments. These investments matter.

Your donation matters for real people. Every dollar empowers a hungry person to feed her own family, and every dollar helps us invest for the future. We will continue to strive to report exactly how much social impact your investments are making for our families, and please, never hesitate to write to us with questions and comments.

On behalf of our children and families: THANK YOU.