

PHASE:	Research Station	<u>50 – 500 farmers</u>	1,000 – 20,000 farmers	Full Scale
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## Introduction

In 2010, One Acre Fund scouted and launched a pilot program in southern Ghana, about one hour interior from Cape Coast. The program ran from 2011 through the 2013 season, moving to the Upper East region in its final year. By 2013, over 500 farmers participated in the pilot, which offered a core loan package including a half-acre of maize seed and fertilizer. The program was concluded after the 2013 season.

<b>506</b>	<b>Farmers participating in the program (2013)</b>	<b>43%</b>	<b>Yield Improvement</b>
<b>\$65</b>	<b>Average loan package size per farmer</b>	<b>84%</b>	<b>On-time repayment<sup>1</sup></b>

## Why It Failed

A number of factors contributed to the lack of success of our Ghana pilot:

- Farmer reliance on agriculture in Cape Coast was low.** While those who participated in the Cape Coast program were farmers, they also derived income from a number of other sources, which was facilitated by their living close to Accra, Ghana’s capital city and commercial hub. As a result, even a substantial increase in the profitability of their farming activities was diminished by the degree to which farming actually contributed to total earned income. As a result, excitement about the program was low, and farmers cared less about adhering to One Acre Fund’s program methods than we did. This level of indifference did not empirically manifest within a season – repayment rates were reasonably high. However, when it came to re-enrollment the following season, farmer disinterest became evident.
- There was a limited market for the program.** Mid-way through the 2012 season, One Acre Fund decided to shift the Ghana pilot from the southern region to the Upper East region. The southern region had proved economically inhospitable for a maize-based program given its stronger focus on cash crops. In the Upper East region, we identified the ideal Ghanaian One Acre Fund farmer. While this was an exciting revelation, we quickly realized that this type of farmer only numbered about 150,000 in the country. With the ceiling set low, the potential return on further programmatic iteration and development was deemed to be insufficient.
- The growing environment was not suited to One Acre Fund’s core program.** While farmer demand for and participation in the program picked up following the Upper East move, the economic constraints shed by the move were replaced by environmental constraints. Low rainfall plagued the 2013 season, at one point seeing twenty consecutive days without rain.

<sup>1</sup> Many members chose to not complete repayment after learning that operations would be closing; we believe 97% repayment would have been achievable under normal circumstances.

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## Farmers First

Upon further investigation, it appeared as though this was not an anomaly, but rather an event representative of a general regional shift toward semi-arid growing conditions. These were not conditions suitable for the maize-based program One Acre Fund was equipped to promote at the time.<sup>2</sup>

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## What We Learned

One Acre Fund learned the following from our Ghana pilot:

- **We needed to create a hyper-professionalized country scouting unit, with high selectivity about new launches.** The Ghana pilot taught us the importance of creating a robust, systematic process for country scouting, and building a team to support those efforts. We had conducted extensive background research on the Ghanaian context before deciding to launch there, but we now have an improved process for *synthesizing* that data and *benchmarking* it against acceptable standards. For example, our Ghana experience led the country-scouting unit to develop fairly firm minimum thresholds on indicators like agricultural reliance and potential market size. The Ghana pilot taught us that a country or region must be promising along certain critical axes, gave us the impetus to assess them systematically, and made us more selective about new launches.
- **Our program model requires constant questioning, adjustment, and innovation, especially as it expands.** There is an inherent tension between the scalability of a simplified, “one size fits all” model and the need for local tailoring. Our Ghana pilot taught us that in many cases, our program model will require not just minor, but *substantial* degrees of modification to succeed in various contexts. In pivoting from Cape Coast to the Upper East region in 2012, we decided to seek out farmers who were comfortable growing the crop that represented our core competency at the time: maize. Had we been armed with a robust capacity to nimbly pivot into alternative crop and product offerings (a capacity we have since developed), we may have had a stronger opportunity to continue the Ghana pilot successfully.
- **Where commercial agriculture and non-agricultural activities dominate, do not locate too near the capital city.** One Acre Fund’s core agricultural service works best for smallholder, subsistence farmers who, by definition, derive most of their income from farming. We initially opted to locate our trial in a part of Ghana close to Accra where clients, while nominally farmers, had substantial non-farming opportunities. This undercut their interest in their program and, by extension, the positive impact they could see with One Acre Fund.

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## Going Forward

The following changes have been made to our new country scouting process:

- **Double down on innovations for each country.** One Acre Fund runs robust innovations trials for each core country of operation. While lessons in one country can sometimes be applied to others, we have found that agricultural and economic conditions often vary drastically enough to make a single program across many geographies unfeasible. For this

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<sup>2</sup> Since this trial, One Acre Fund has expanded its core crop offerings to include millet and sorghum, as well as additional top-up agricultural products tailored to suit the unique growing environments in the countries where we operate.

reason, the new country expansion team has invested much more heavily in researching and designing context-specific packages through the use of lightweight innovations programs. Changes may include a focus on sorghum rather than maize, alternative fertilizer blends, or different plant spacing.

- **Intensive on-the-ground scouting.** Prior to entering Ghana, One Acre Fund performed preliminary desk research and on-the-ground surveys. However, a more robust process is now in place. A team of new country scouts has been recruited and trained to perform this pre-launch research at a highly intensive level. The information collected and analyzed prior to entering a new country is expansive and high-resolution, enabling well-informed decisions. Upon leaving Ghana, we had a much better sense of both the information required to launch a successful pilot and how to act on it.
- **Future West Africa service offerings will consider the Ghana experience.** Ghana was viewed as a potential launch pad for serving farmers in West Africa. While the pilot was not immediately a success, it provided us with a number of region-specific takeaways:
  1. *Cash crops are important.* In the first eighteen months of the Ghana program, oil palm and cocoa were observed as high-value and high-demand crops. This may be an opportunity going forward.
  2. *Labor is expensive.* Labor loans may be a way to encourage cultivation of all available land, which is not typically done due to labor costs.
  3. *Commercial farming is reachable.* There is an opportunity to work with higher-income farmers than are typically included in the One Acre Fund program. Enabling access to commercial-level outputs of staple crops may be a high-value intervention.