



One Acre Fund

Farmers First



One Acre Fund - Background

- We serve subsistence farm families in East Africa
- We invest in and partner with hard-working farm families
 - Proven impact: double farm profit per acre
 - Non-profit revenue model: farmers pay for services
 - Reaching the underserved: Avg. loan size < \$100
- 5 years old – starting initial scale up
 - We currently serve 125,000 clients in Kenya, Rwanda and Burundi





**Most of the world's poor are farmers.
They have a remarkably uniform dilemma.**

For most farmers, “farm inputs” are a theoretical car that has no wheels

Physical access
(delivery)

Affordability



Training

Post-harvest
profit realization

- ▶ One Acre Fund is innovating access. Our model systematically attacks these barriers.



Our program model



Innovation 1: Complete “market in a box” for smallholder farmers



Producer Groups



Productive asset loan (seed & fertilizer)

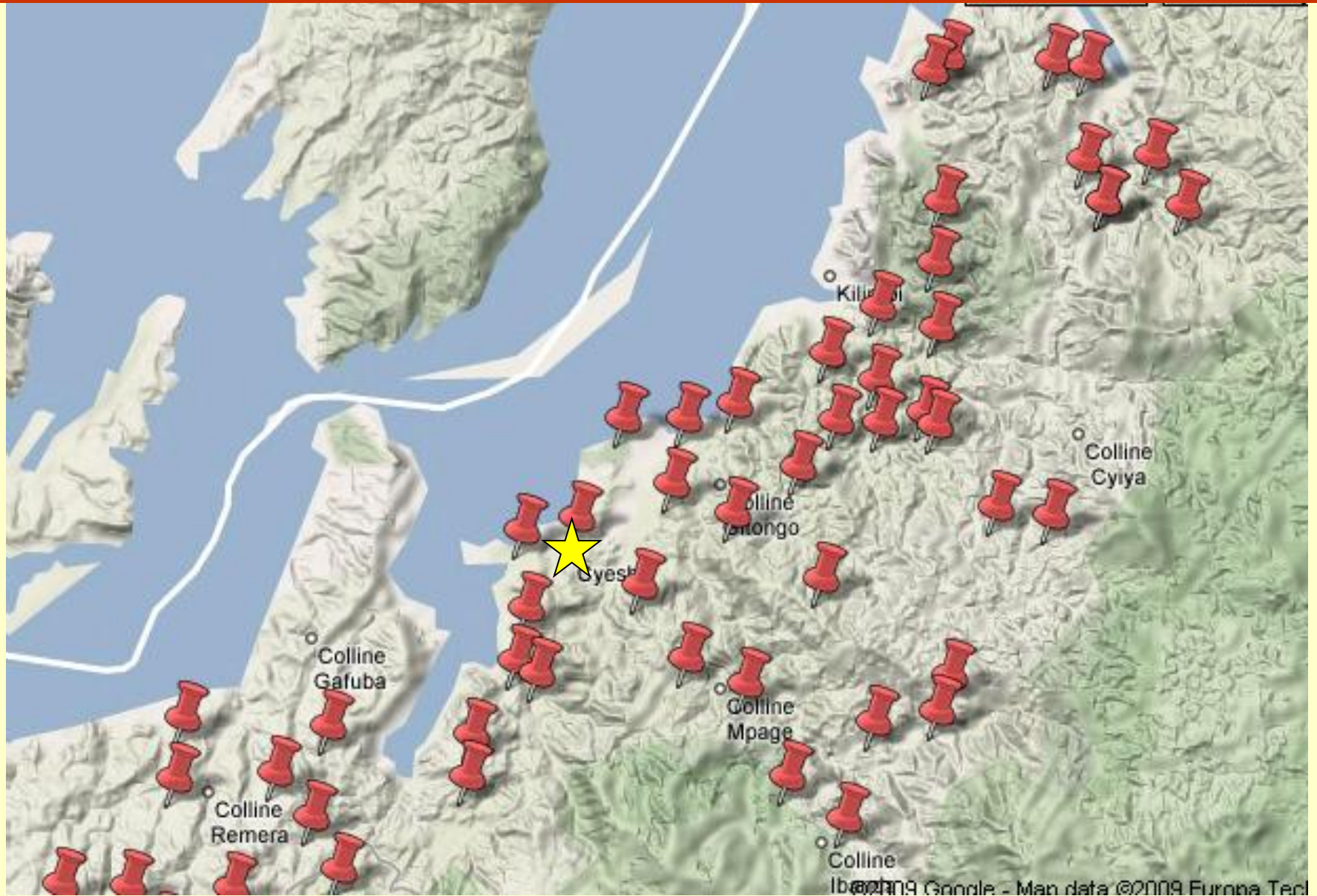


Training



Post-harvest profit

Innovation 2: Distribution network



Scalable impact

One Acre Fund Field Unit:

One field officer ... provides our service bundle ... to 225 farm families



Producer Groups



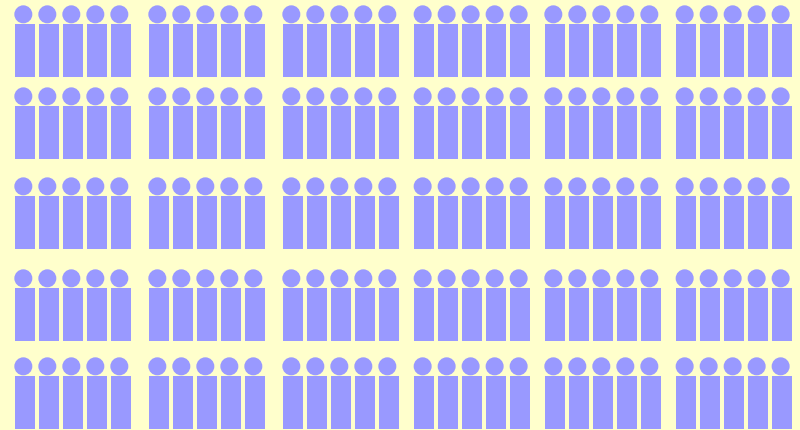
Seed and Fertilizer on Loan



Training



Harvest Market Access



Our Staff:

- Nearly all of our staff started as One Acre Fund Farmers
- Currently 500 field officers, and 125 managers and senior leaders
- Staff are given agricultural and loan officer training

What is working?

■ **Productive Asset Loans + Training + Delivery = Impact**

- Combining these three relatively simple elements is the key to what we do

■ **Building a Rural Distribution and Financing Network**

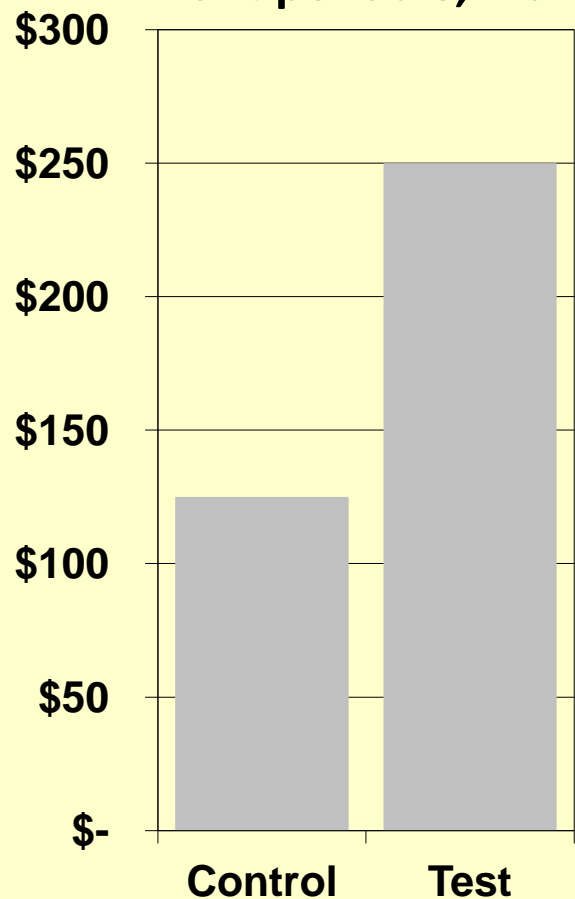
- Seed and fertilizer are just the beginning – many products that could benefit farmers are not available or affordable
- For almost no cost we can roll out complimentary products and services through our network to drive impact and sustainability
- By investing in farmer group leaders, we multiply our reach

Repayment Collection and Risk Management

- Flexible repayments that match irregular income flows of farmers
- Group liability lending
 - Re-enrollment is contingent upon full group repayment
 - No recollection or recovery needed, yet repayment > 99%
- Training & regular follow-up -> customer service and risk management
- Reasonable barriers to entry – 5% down-payment
- Crop and funeral insurance policies cover clients and reduce our risk

Impact

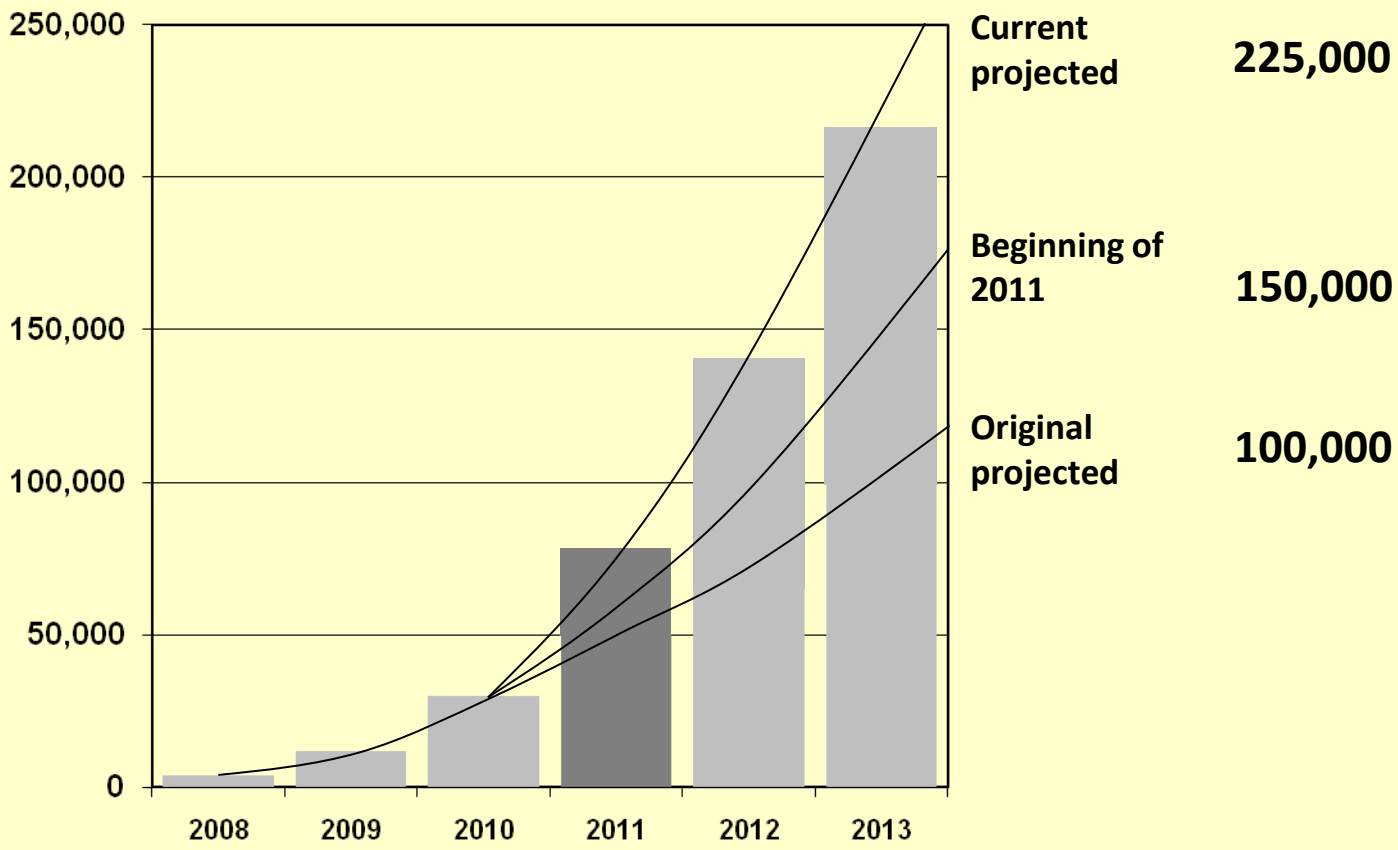
Profit per acre, maize



- 100% increase in profit per acre planted
- Increase harvest value through affordable storage technology (+25%+ profit)
- Solar lights distributed to 30,000 clients
- Safe water product distributed to all of clients
- All clients covered under crop and funeral insurance policies to reduce economic shock
- Farmers planting trees annually as a long-term investment

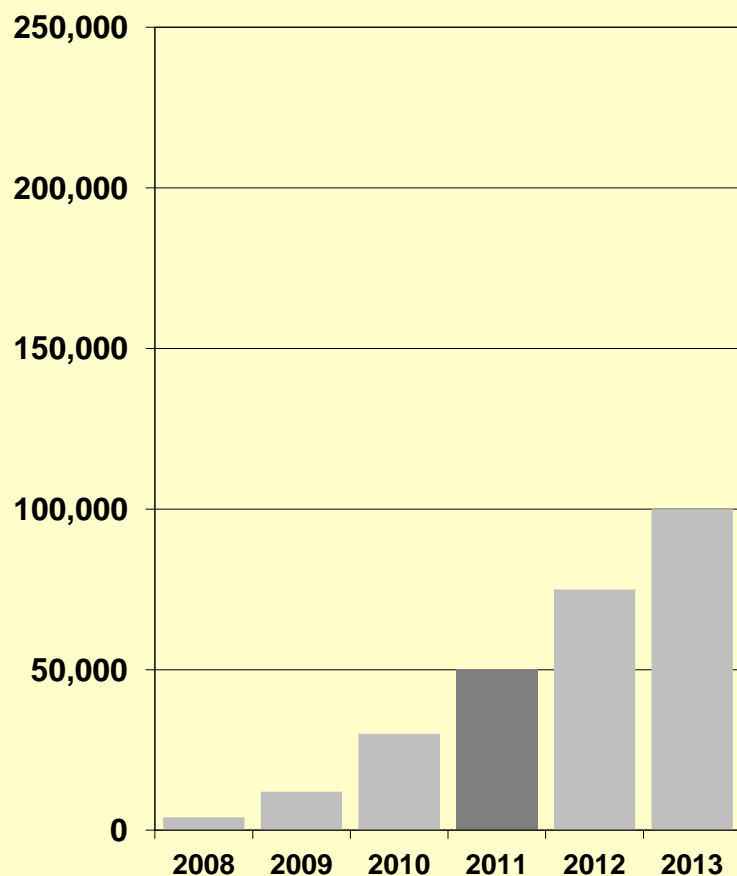
Scale: We are growing significantly faster than expected.

Farm Families served



Sustainability: We are approaching break even.

Program revenues (USD)



- We operate a non-profit revenue model, which requires a small subsidy per farmer
- Repayment rate > 99% - no recovery necessary
- Within 3-4 years, we will be:
 - Serving over 250,000 farm families in Kenya
 - Break-even or profitable
- How?
 - Better input pricing at scale
 - Increasing client to field officer ratio
 - Increasing transaction size through additional products and services
 - Solar lights, cookstoves, health products

Vision by 2020

Direct service

- Build the largest network of smallholding farmers in Africa
- We will directly serve 1.5 million families per year (6+ million children)
- We will have 7,000+ field staff spread evenly over rural areas
- We will be working in 5-8 countries



Partnership with government

- We will represent a significant constituency: for example, 15%+ of Rwanda's entire population
- We will use this as a platform to work together with African governments



Help build a broader movement

- There are more than 1,000 microfinance institutions that have minimal involvement in agriculture for small holders.
- That could be a very powerful distribution network



Thank You!