



# One Acre Fund

**Growing Agriculture through Innovative Finance**

[www.oneacrefund.org](http://www.oneacrefund.org)

# Summary

- **Quick review of our program model**
- **Update on operating results**
- **Discussion slides:**
  - Our innovative finance model
  - Plans for scale
  - Attracting Funding



## Program model overview



# Where we work: East Africa

- One Acre Fund works in East Africa, in the countries of Kenya and Rwanda



# Innovation 1: “Business in a box” for subsistence farmers



Co-op organization and learning



Seed and Fertilizer on Loan

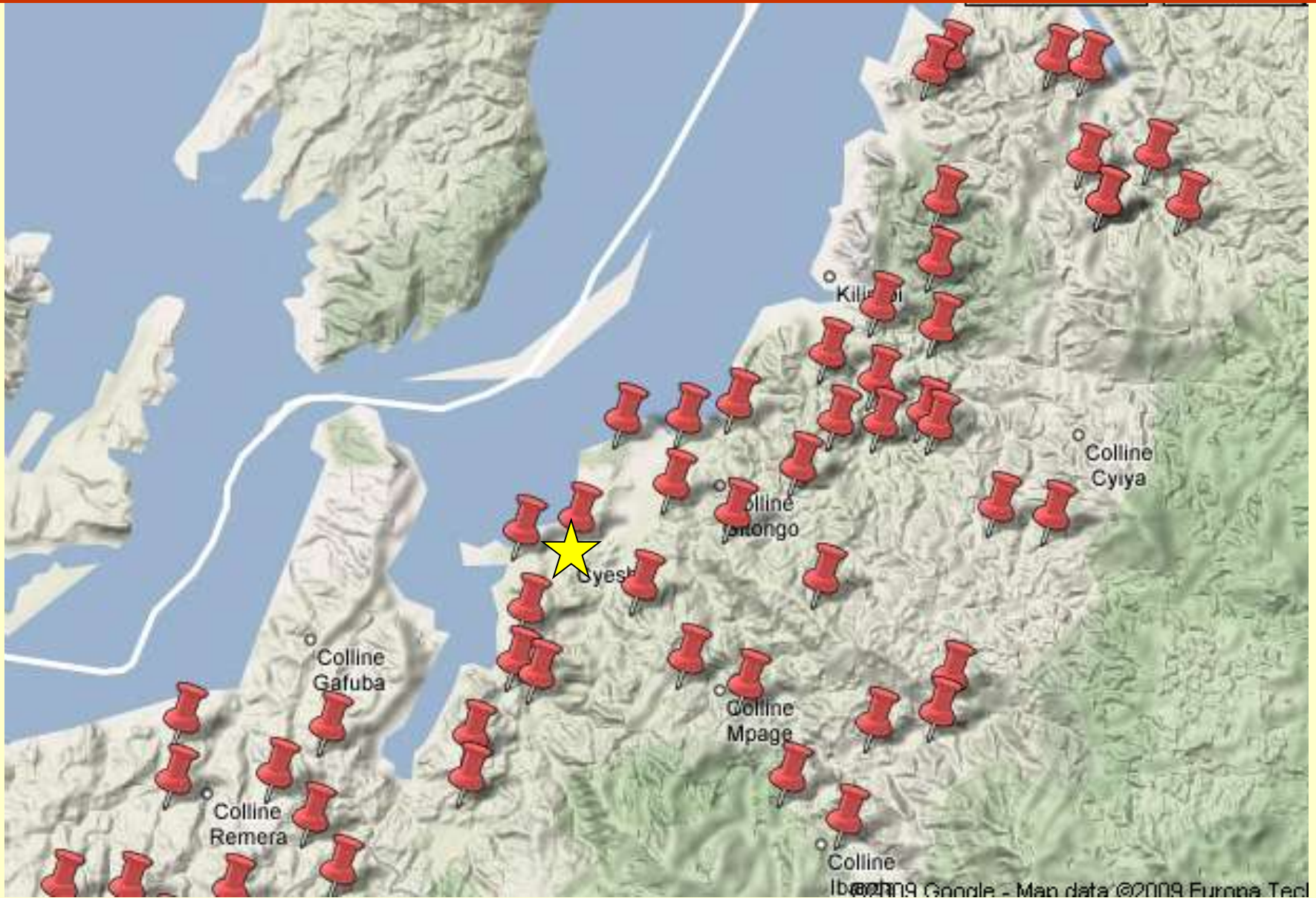


Training



Harvest Market Access

# Innovation 2: We bring ultra-rural farmers “onto the grid.”





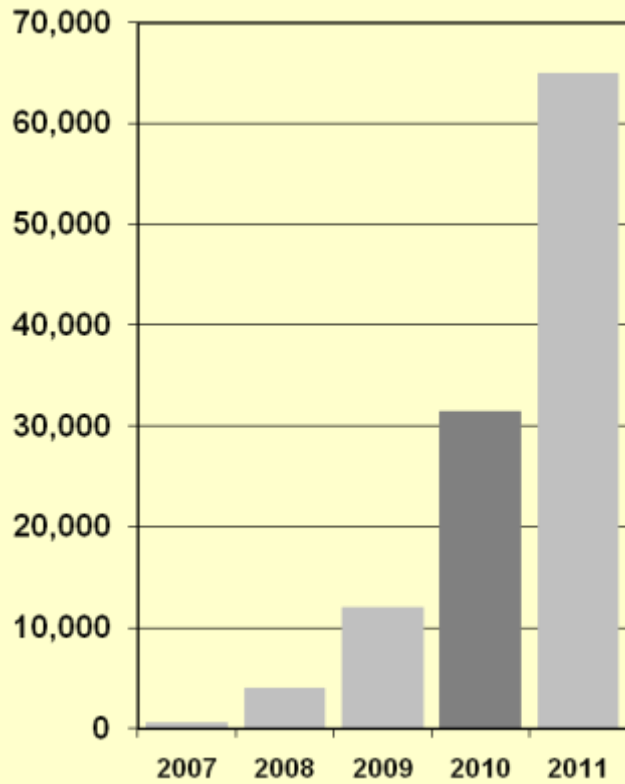
# Recent operating results



**We experienced strong growth this year. Next year, we will double in scale again, while tripling program repayments.**

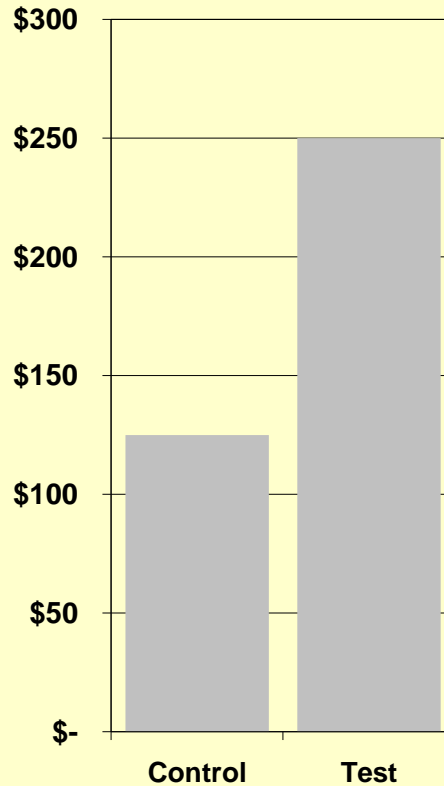
### Scale:

Families served



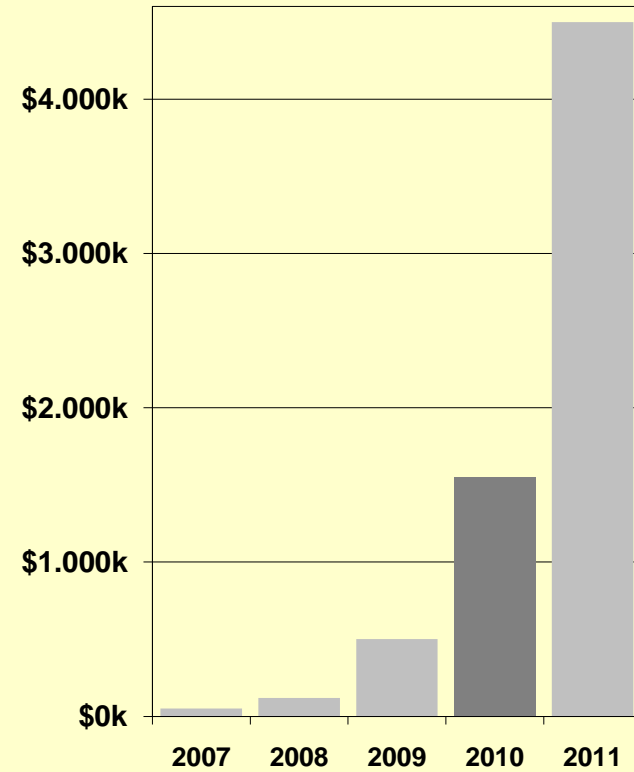
### Impact:

2x net rev per acre



### Sustainability:

Program repayments





## Discussion slides



# Our innovation

- **Microfinance has spread to nearly every urban and peri-urban area in the developing world**
- **However, microfinance has not penetrated to rural areas, where most of the world's poor live**
- **One Acre Fund is pioneering a new, scalable way of making loans to farmers**
  - **Asset financing (seed and fertilizer)**
  - **Ultra-poor: <\$100 loans**
  - **99% on-time repayment on a totally-flexible schedule**
  - **Unit-level financial sustainability possible within 4 years of launch**
  - **Ultra-rural distribution of services**

# Plan to achieve scale: three sources of growth

## A. Direct program growth

- Our main focus in the near-term will be to aggressively grow our own program
- Within the next ten years, we will grow to serve at least one million farm families per year

## B. Partnership with African governments

- Increasingly, we have the a) credibility, and b) knowledge to make recommendations to African governments
- These governments provide services to more than 10 million African farmers per year; we think we can improve those services

## C. Partnership with other organizations

- We see potential opportunities to provide our services through other large organizations
- For example, some large MFI's employ more than 100,000 staff in many countries – is there a way to help them serve farmers better?

▶ **Farming is the world's most dominant profession and we have a better way of helping farmers. We need to aggressively scale our work to achieve the most human impact possible.**

# Direct program growth: How we reach 1,000,000 farm families in the next ten years

| Districts:                   | 2009          | 2010          | 2011          | 2012          | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019             |
|------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Kenya District counts:       | 4             | 5             | 6             | 9             | 11             | 15             | 18             | 22             | 25             | 26             | 27               |
| Rwanda District counts:      | 2             | 3             | 5             | 6             | 8              | 11             | 15             | 18             | 22             | 25             | 26               |
| Country 3 District counts:   |               |               | 1             | 3             | 5              | 8              | 11             | 15             | 18             | 22             | 25               |
| Country 4 District counts:   |               |               |               | 1             | 3              | 5              | 7              | 11             | 15             | 18             | 22               |
| Country 5 District counts:   |               |               |               |               | 1              | 3              | 5              | 7              | 11             | 15             | 18               |
| Country 6 District counts:   |               |               |               |               |                | 1              | 3              | 5              | 7              | 11             | 15               |
| Country 7 District counts:   |               |               |               |               |                | 1              | 3              | 5              | 7              | 11             | 15               |
| Country 8 District counts:   |               |               |               |               |                |                | 1              | 3              | 5              | 7              | 11               |
| Country 9 District counts:   |               |               |               |               |                |                | 1              | 3              | 5              | 7              | 11               |
| <b>Total districts:</b>      | <b>6</b>      | <b>8</b>      | <b>12</b>     | <b>19</b>     | <b>28</b>      | <b>44</b>      | <b>64</b>      | <b>89</b>      | <b>115</b>     | <b>142</b>     | <b>170</b>       |
| <i>Total actual clients:</i> | <i>12,000</i> | <i>26,000</i> | <i>47,000</i> | <i>73,000</i> | <i>121,500</i> | <i>182,000</i> | <i>277,000</i> | <i>408,875</i> | <i>576,875</i> | <i>778,500</i> | <i>1,004,000</i> |

I Within each country, we need to smoothly scale to 20+ districts within 8 years of country launch.

II Starting from 2011, we will start one new country per year.

III Underlying everything, an effective “corporate” infrastructure

# How do we select new countries?

## Low existing use of seed and fertilizer

- Low existing use of technology maximizes our *incremental* humanitarian impact
- We specialize in very low areas of development

## Small lands

- Small lands give farmers incentive to intensify their agriculture
- Small lands also mean farmers live closer together, which makes service easier

## Good growing conditions

- One Acre Fund currently is limited to areas that have good growing conditions – chiefly rain

## Good governance, stable

- We want to work in areas that have rational government
- And areas that have relatively high safety and security

## Large potential market

- Given the effort of launching a new country, we want to launch in places that have a large potential addressable market

## “Near” to existing service territory

- Language closeness: we want to launch in areas that are similar in language
- Geographic closeness: easier travel means easier oversight

# We are building fluency in country launch

- **One Acre Fund currently has full-time “country scouts” in Burundi, Ghana, and Cambodia**
- **In each country, we are launching a proof-of-concept pilot of at least 200 farmers in 2011 – we only need 1 of those pilots to succeed next year**
- **We now have a country scouting protocol that includes:**
  - Initial desk research to verify a) high addressable population, b) reasonably high rural population density, c) good agronomic conditions, d) high levels of extreme rural poverty and low existing usage of seed and fertilizer
  - Initial 3-week site visit to fill out desk research
  - Initial pilot with 50 farmers
  - Expanded pilot with 200+ farmers

# Other funders and funding strategy

- **One Acre Fund focuses on raising funds from professional foundations that take a business-like approach and fund early-stage work**
  - Example funders: Pershing Square Foundation, Skoll Foundation, Mulago Foundation, Jasmine Charitable Trust, Weekley Foundation, Wellspring Advisors, Peery Foundation, Whole Planet Foundation, Syngenta Foundation
  - Past funders: Draper Richards and Echoing Green Foundations
- **In addition, One Acre Fund is starting to gain traction with large bilaterals and larger-scale foundations**
  - Ongoing Bilateral conversations: OECD member countries
  - Ongoing larger foundation conversations
  - We have already invested early in these long-term sources of funding, and are steadily increasing investment

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