

A smiling woman with a colorful patterned headscarf and a red dress with a geometric pattern on the collar and sleeves. She is holding a handful of mixed beans in her hands. In the background, there is a wall made of mud bricks and some green plants. A white sack filled with beans is visible in the lower right corner.

Seeding Resilience

2020 ANNUAL REPORT

APPOLINARIE NYIRATABARO, RWANDA

OPENING LETTER

Greetings from One Acre Fund. I am happy to share our 2020 Annual Report, which takes stock of our progress in a year like no other. Like everyone, we adapted. Rather than expand to new markets, we focused on our current customers and were proud to maintain essential services for 1.3 million farm families.

But when I look back on the year, what stands out most is resilience, both for One Acre Fund farmers and our organization. We came out of 2020 with an even deeper commitment to building for the future.

Building farmer resilience means working to realize big harvests and helping farmers to absorb stresses to their livelihoods, like the pandemic. While farmers could still plant, many lost secondary revenue streams, like access to selling at fresh produce markets. So we took steps like ramping up our tree-planting efforts, which both build farmer assets (a tree grows in value over time) and mitigate climate change. In 2020, farmers planted 24 million trees as part of our campaign to plant 1 billion trees across Sub-Saharan Africa over the next 15 years.

For our organization, resilience means intentionally building the team and culture to guide us in our next growth phase. We renewed our focus on building a more diverse, equitable, and inclusive workplace where all 8,000 staff can thrive. This included committing to restructuring our seniormost leadership team to ensure at least 50 percent African membership and broader representation of the communities we serve. While this is just the first of many improvements, we believe that change starts at the top.

Now, as we cast our gaze into the future, we are dreaming even bigger. We aim to help 10 million farmers become more prosperous by 2030, both through direct services and partnerships. We will build the team and culture that will bring that vision to life.

I am deeply grateful for your support in that journey. My heartfelt thanks to each one of you.

Farmers First,

ANDREW YOUN

Executive Director, One Acre Fund

2020 Governing Board Members

Joel Ackerman

Chief Financial Officer
DaVita Inc.

Karl Hofmann

President and CEO
Population Services International

Matt Forti

Managing Director
One Acre Fund USA

James Mwangi

Executive Director
The Dalberg Group

Ada Osakwe

Founder & Chief Executive
Agrolay Ventures

Fred Ogana

Managing Partner
*East Africa Market
Development Associates Ltd*

Agnes Gathaiya

Chief Executive Officer
*Integrated Payment Services
Limited (IPSL)*

Andrew Youn

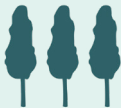
Senior Partner/
Executive Director/Co-founder
One Acre Fund



WORKERS AT THE KIGALI WAREHOUSE LOAD TRUCKS WITH SOAP TO BE DELIVERED TO FARMERS

2020 HIGHLIGHTS

In a challenging year, we chose to focus on supporting farmers to overcome the difficulties of COVID-19. We also expanded our ability to adapt to disruptions and improved on how we serve farmers.



Planted 24 million trees

We worked with farmers to plant more than 24 million trees, marking the next step in our long-term campaign to plant 1 billion trees across Sub-Saharan Africa over the next 15 years.



2.4 Million Kilos of Soap

Thanks to a special grant, we distributed 2.4 million kilos of soap at no cost to farmers and delivered masks and health trainings, including making handwashing stations using household materials.



Rolled out Self-service Mobile Solutions for Farmers

We distributed tablets to 5000+ field staff and launched several phone-based services for farmer enrolment, training, and repayment, enabling remote operations and opening up new channels for efficiency and impact.



Launched 48 New Retail Locations in Kenya and Rwanda

We scaled our retail shop presence from 28 to 76 across Kenya and Rwanda, improving customer experience through greater on-demand access.



Improved Nutrition Impact

40% of our Kenyan clients (180,000) adopted a vegetable crop, such as collards, spinach, and carrots. We also sold 110,000 chicks across Kenya and Rwanda.



Deepened our DEI Commitments

We launched new diversity, equity, and inclusion (DEI) initiatives to further strengthen our organization. *Please see the Section on DEI below for more details.*

SCALE AND SUSTAINABILITY

In 2020, we served more than 1.3 million farmers in six countries, registering a 33% growth despite the challenges of the COVID-19 pandemic. We ensured that farmers could continue farming by advocating to have agriculture designated as an “essential business.” Our operations continued safely as we adjusted to incorporate health and distancing measures through tech solutions, such as enrolling farmers digitally.

We consciously decided to slow down our program’s expansion to reinvest resources in streamlining and strengthening our operations in the countries and locations where we already work. COVID posed a new reality in which we needed to ensure that our existing operations could weather bigger challenges and be more nimble in adapting to a quickly changing landscape. We rolled out exciting digital technologies to improve the efficiency of our programs as we grow in the future.

As we take stock of the challenges, opportunities, and gains of the past year, we will work to support farmer resilience through equipping farmers with tools to secure their livelihoods, fight hunger, and safeguard their natural resources for future generations.



1,341,000

Total Farmers Served

76%

Financial Sustainability

94%

Farmer Repayment

KENYA

 451,800

\$32m in New Profit

Our core program enabled clients to earn \$32m in total new profit.

Crop Diversification

180,000 clients adopted at least one vegetable crop in 2020.

RWANDA

 631,400

Trees & Agroforestry

We distributed 14 million trees to farmers in Rwanda.

Market Reach

We reached 80%+ of Rwandan farmers through at least one impact channel.

BURUNDI

 110,100

100% Repayment

Burundi achieved full loan repayment, indicating a remarkable level of customer satisfaction.

Cooperatives Trial Launched

We partnered with several cooperatives to buy and store 23 tons of maize from farmers.

TANZANIA

 61,400

COVID Response

We built out our digital services, delivered health/safety trainings, and equipped staff and clients with personal protective equipment.

Agroforestry

We equipped farmers to plant 40,000 avocado trees and nearly 190,000 timber trees.

MALAWI

 56,200

Strong Enrolment Performance

We served 31,000 more farmers than in 2019 — a 120% jump.

Inputs Partnership

We partnered with the Malawi government’s Affordable Inputs Programme to distribute 1,000 tons of subsidized fertilizer across three districts.

UGANDA

 11,900

Strong Maize Harvests

One Acre Fund farmers harvested 74% more maize than non-program farmers.

Expanded Service Offerings

We successfully operated our core model during Uganda’s secondary “short rains” season for the first time.

ZAMBIA (pilot)

 14,300

Shifted Farmer Repayment Terms

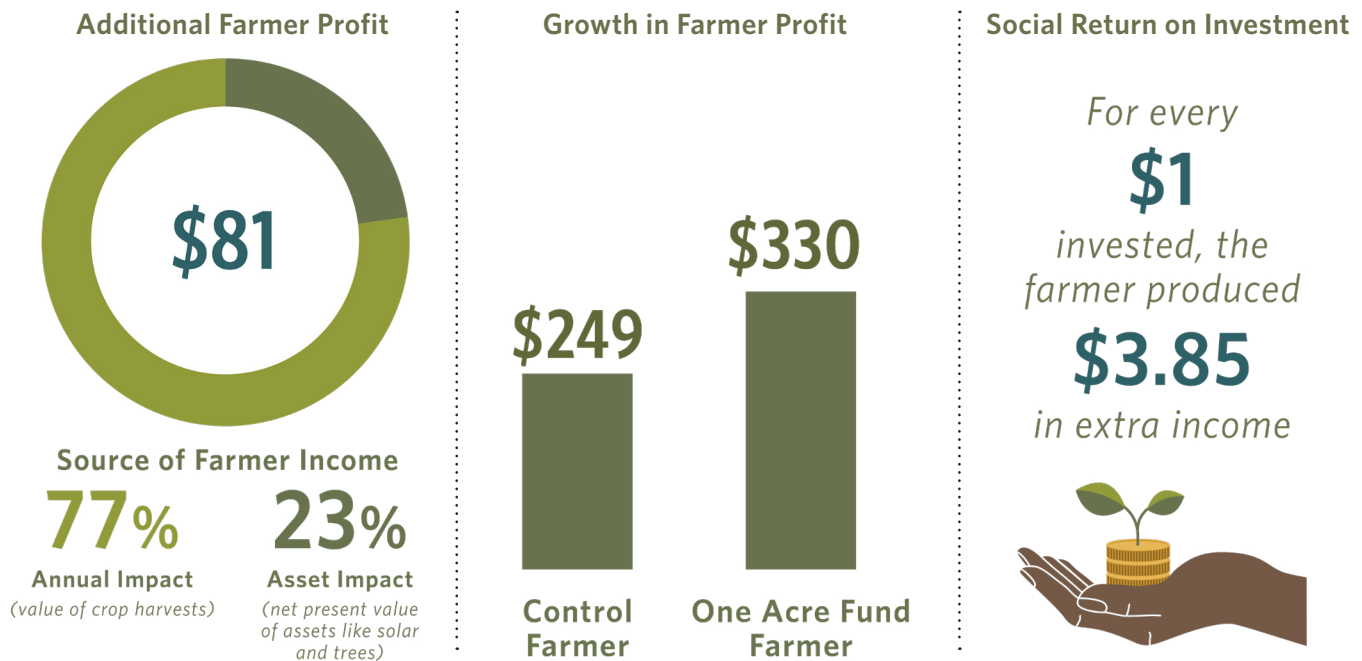
Successfully introduced a 50% advance payment model to mitigate default risk from farmers who own large land tracts.

New High-Value Crops

We scaled up our offerings on crops like soya, groundnuts, cowpeas, pine trees, and fruit trees to enable farmers to put their large, uncultivated plots to use.

IMPACT

The pandemic made 2020 a challenging year, touching all aspects of program operations; impact measurement was no exception. We typically estimate impact by conducting household surveys, comparing thousands of physical harvests from One Acre Fund clients and their non-participating neighbors, and controlling for differences between the two groups to estimate profit impact. Due to COVID in 2020, we relied on phone surveys for some of our data collection and restricted our harvest measurements in some countries.



Despite these challenges, we are reasonably confident in our impact assessment, which shows that our 1.3 million participants in the full-service program gained an extra \$81 in profit on average relative to non-participating farmers, representing a 33% boost in profits on supported activities. Additionally, we have evidence that even non-participating farmers who simply reside in areas where One Acre Fund has been operating for a long time often see significant boosts in harvests relative to those in new areas. We estimate that this “spillover” impact generated another \$4 million in agricultural profit in 2020 in Kenya alone.

This total profit impact continues to represent a strong social return on investment for donors, as it represents a \$3.85 return on every dollar invested in the program. This impact was slightly less than in previous years, likely due to challenging weather conditions in some markets and the fact that the pandemic curtailed planting training.

In addition to our direct service model, One Acre Fund is increasingly reaching farmers through government partnerships and initiatives tailored to impact entire country markets. Through these channels, One Acre Fund reached 1.4 million additional unique farmers in 2020, enabling them to generate \$35 million in new profit.

BIG HARVESTS

In 2020, One Acre Fund clients improved their maize harvests per acre by 24% on average compared to non-participating farmers — ranging from an 18% improvement in Zambia to a 74% improvement in Uganda. These harvest improvements varied according to weather patterns and soil conditions and came despite disruptions to service delivery because of COVID. We know that they will be especially meaningful for food security during challenging times, given that some of the social and economic challenges of 2020 will continue into 2021.

Even with these strong results, we are pushing ourselves to find new avenues of impact amid climate change challenges that make smallholder farming increasingly unpredictable. To do this, we are continuing to add crops (including cereals, legumes, and vegetables) to our offerings and to diversify income streams through products like trees and poultry.

We are also strengthening and scaling up our optimized agronomy efforts, using data science to identify optimal seed varieties, fertilizer blends, and more precise planting timing for each major agro-climate and soil type. Finally, we continue to explore crop commercialization avenues by connecting farmers who grow cash crops to commercial buyers. With these innovations, we expect that farmers working with us will become even more resilient and prosperous in 2021.

HEALTHY FAMILIES AND RICH SOILS

One Acre Fund firmly believes that those in the business of growing food should never go hungry. In 2020, we instituted the Food Insecurity Experience Scale, developed by the Food and Agriculture Organization, which measures the severity of food insecurity. This model is an improvement of our previous metrics, which are more appropriate to extreme famine contexts. This scale has highlighted the overall high levels of moderate-to-severe food insecurity — up to 69% of farmers — in One Acre Fund program areas. However, we also found that program participation makes an important dent in food insecurity, with reductions of up to 24%. We continue our push to improve overall nutrition through marketing and training to encourage farmers to grow and eat nutritious crops.

In addition to big harvests and healthy families, we're also investing in the long-term sustainability of our clients' farms, which depends on healthy and productive soils. To accomplish this, we are focused on increasing crop diversity, tailoring planting recommendations to each local context, promoting compost use, encouraging the addition of acidity-reducing lime to soils, and promoting agroforestry. In 2020, in multiple countries, we measured statistically significant improvements in carbon added to soil, lime application, and reductions in soil erosion, all of which are vital to long-term soil health.

3-Year Rolling Average

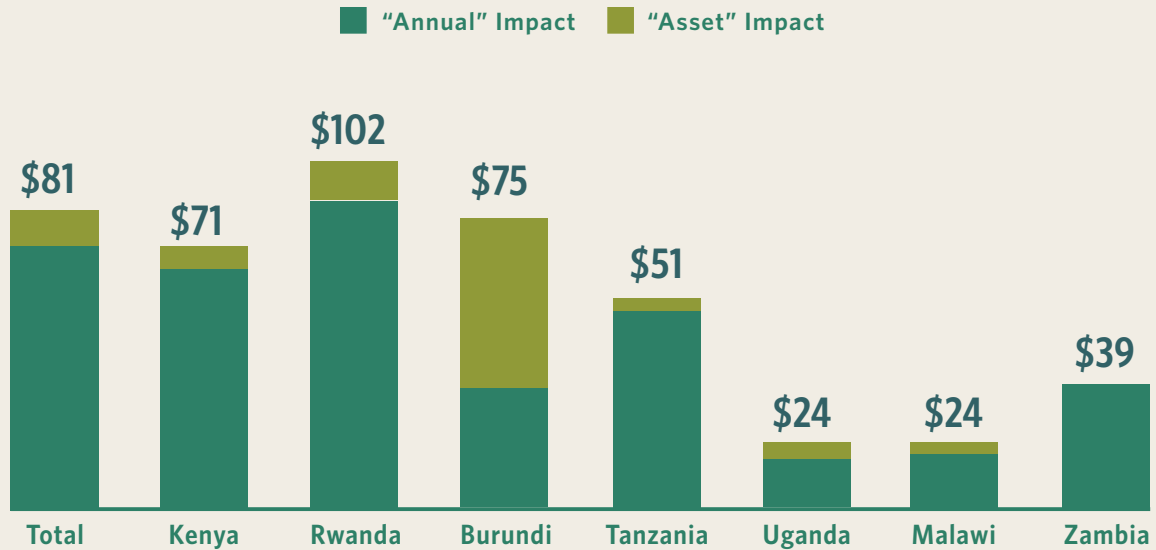
\$88

Additional Farmer Profit

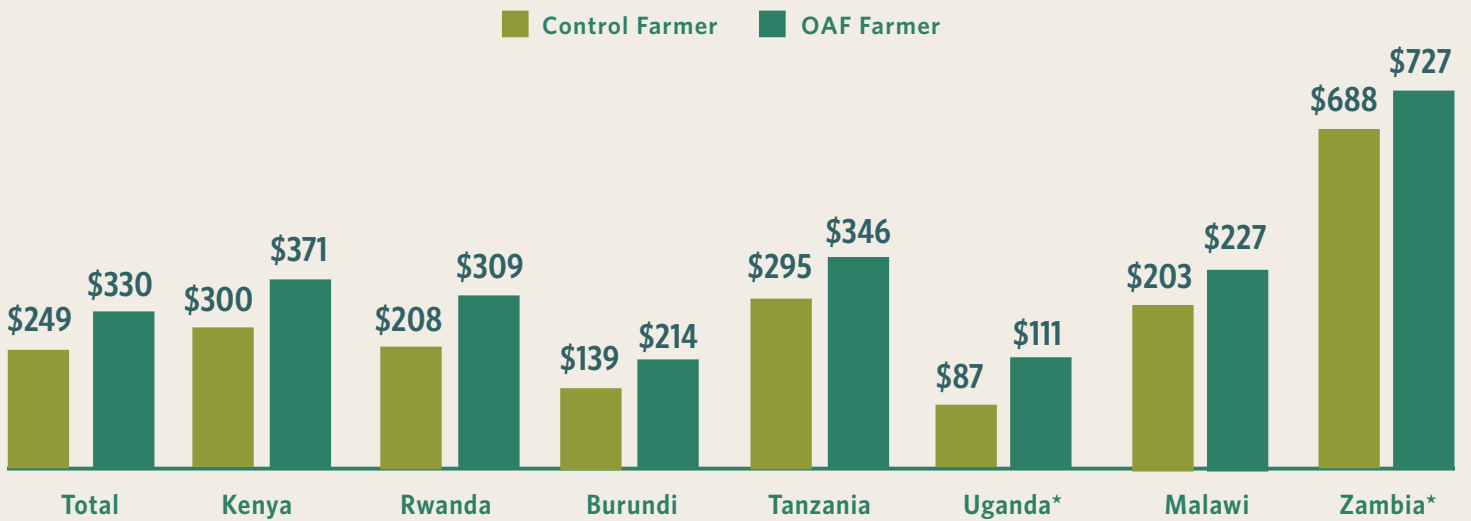
39%

Growth in Farmer Profit on Supported Activities

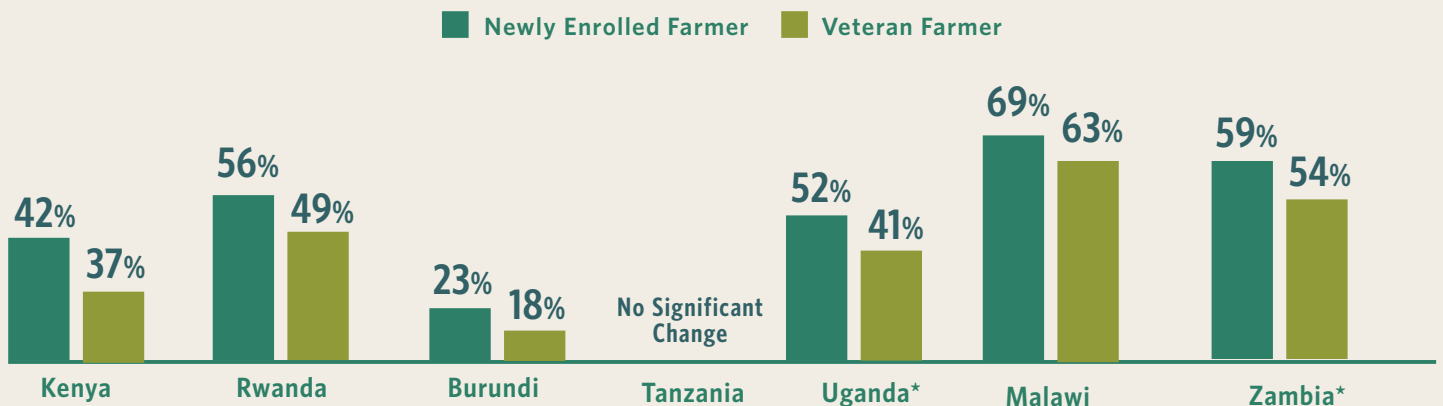
Additional Farmer Profit



Farmer Profit



Farmers Reporting Hunger¹



¹ Farmers reporting severe or moderate hunger based on based on the FAO's Food Insecurity Experience Scale. Please see [here](#) for more details



MEMBERS OF THE SEED PRODUCTION TEAM COORDINATING A COMMUNITY FOOD DISTRIBUTION DRIVE IN NYAGATARE DISTRICT, RWANDA

FARMING RESILIENCE IN AN UNCERTAIN YEAR

At a time when food security, environmental health, and rural development are recurring global focuses, we understand that farmers' ability to adapt to change is essential. Building resilient farming systems has never been more urgent — whether to deal with COVID-19 or respond to climate change. How did we help farmers confront the farming and economic difficulties of 2020?

We ensured farmers had the means to stay healthy and fed.

In the early months of the pandemic, some key priorities emerged: keeping farming operations going for the farmers we serve and maintaining their health. To protect themselves from getting or spreading the virus, farmers needed to wash their hands, so we delivered soap — in fact, 2.4 million kilos of it — made possible through a special grant.

To ensure that we got the soap as quickly as possible, our procurement teams aligned with our large-capacity suppliers, who drove up production to help us meet our target. We then leveraged our deep delivery expertise, trusted community ties, and commitment to putting Farmers First to deliver the soap to rural areas.

Additionally, as lockdowns slowed down many alternative income sources for rural populations — including access to fresh produce markets — staff organized outreach efforts to help farming families. For example, a staff charity drive in May by the Rwanda team raised more than \$16,000, an amount that One Acre Fund matched. Cumulatively, more than \$30,000 was used to buy maize and beans from farmers, which was distributed to vulnerable families in various districts. In total, we donated 25 tons of maize, 12.5 tons of beans, 6 tons of rice, 3000 liters of cooking oil, and thousands of additional kilos of soap.

We built solutions to keep delivering essential services.

At the onset of the pandemic, our teams went into overdrive to secure the necessary permissions and support for us to keep serving farmers without hindrance during a year of business restrictions.

Cassien Ngendahimana, a Rwandan farmer, was relieved to learn from his One Acre Fund field officer that he could continue farming despite intense lockdown restrictions, and that he had access to the tools he needed to continue growing food despite global import limitations. And he was grateful that the agricultural training offered by One Acre Fund led him to diversify his crops to build a more resilient source of income for uncertain moments, like those he experienced in the face of COVID.



In 2020, Cassien identified a plot with water access where he planted carrots, a new crop on his farm. As the dry season set in and the pandemic continued to gather pace in parts of East Africa, carrots were in short supply and high demand, fetching Cassien a good profit.

Looking ahead, Cassien, who has consistently worked to expand the land he farms on since first enrolling with One Acre Fund in 2012, has resolved to save some money every month to prepare for uncertainties such as COVID. "I opened a savings account where I deposit RwF10,000 (\$10) every month. There may come another time when we can't farm, and I do not want to be caught off guard," he says.

We encouraged future resilience through agroforestry.

Food production alone isn't enough. We also regularly equip and train farmers to plant trees as an economic asset, to bring nutrients back to their soils, and to build resilience against the effects of climate change. Looking to the future, we must anticipate that other livelihood-disrupting events, such as COVID, may occur. Tree planting is an excellent way to look after the environment and build livelihood resilience.

In Tanzania, 65-year-old Aida Mkakilwa, a maize farmer, has also adopted agroforestry. In 2020, she received free avocado seedlings from One Acre Fund, which she planted after learning about the benefits of planting avocado trees alongside her other crops. She is excited at how well they are growing and has decided to grow up to 90 trees to build a robust source of supplemental income.



AIDA MKAKILWA, TANZANIA

Across the border, Josephine Ambuthi from Kenya, a budding agroforestry practitioner, echoes Aida's sentiments on the value of agroforestry. Last year, she received tree seeds from One Acre Fund and planted a nursery. She is excited about trees, both as a long-term investment and for their environmental benefits.

"I sell my new seedlings at Sh10 (\$0.09) each. At a time COVID has disrupted income streams, it is good money given the number of people getting into tree planting. I plan to grow mine to maturity as an investment for my grandchildren's education. I have had them for a few months now, and they look good and healthy. I'm glad that One Acre Fund is bringing diversity in tree planting." says Josephine.

All these elements combined — keeping farmers healthy and able to farm during a pandemic, enabling them to build resilient livelihoods, and encouraging agroforestry — defined most of our work in 2020 and set the pace for some of our biggest priorities for 2021.



JOSEPHINE AMBUTHI, KENYA

BUILDING A MORE DIVERSE, EQUITABLE, AND INCLUSIVE ORGANIZATION

Our ability to help make farmers more prosperous depends on the strength of our team. In 2020, we challenged ourselves to bolder action on diversity, equity, and inclusion (DEI). Making progress in this area is both a moral imperative and a necessity for our work, to strengthen our services for farmers and set our team up to do their best work. In 2020, DEI was the most important internal priority for our board and leaders across the organization.

Last year, we published a public set of additional [DEI commitments](#) to hold ourselves accountable. To guide this process, we engaged experienced external advisors and established a staff DEI Council. While we have a lot of work ahead, we've made important progress building on our earlier foundations.

Our progress

We aspire to improvements on all fronts: diversity (the mix of people on our team), equity (giving everyone a fair chance to be successful), and inclusion (making everyone feel valued). In 2020, we made the most progress on the diversity of our leadership, which is a critical first step.

- **We decided to create a new senior leadership body.** We started work to replace our previous team with a group that better reflects the communities we serve, culminating in the launch of a new Leadership Council in April of 2021. The new 18-person Council has 50 percent African representation, attains gender parity, and has a broader range of experience and perspectives.
- **We are on track to diversify our country leadership teams.** All country steering committees, which make most of the daily decisions on our work, are on track to attain at least 50 percent African representation by July 2021 — for countries not already there.
- **We created a staff DEI Council.** We established a 15-member staff council, representing all our countries of operation, to provide critical input in this work. The group meets bi-weekly and advises One Acre Fund leadership on DEI strategy and priority initiatives.
- **We began a comprehensive DEI review.** To add impartial expertise, our board commissioned EY (Ernst & Young) to conduct a full review of our policies and practices, with broad input from staff. We also launched a culture and inclusion survey in partnership with EY, which collected detailed feedback from 4,600+ staff.

In 2021, we will build on our progress and set additional goals. While our priorities will be informed by the DEI review and staff input, we have already begun work in several key areas. We are reviewing our approach to performance management, including how we evaluate, pay, and promote staff. We have launched a training series to build inclusion, starting with an in-depth session on bias. We are assembling the data to ensure consistency in the staff experience and channels for staff to raise concerns.

We still have a long stretch to cover, but we are making steady progress and are committed to advancing the work we have started. We will continue to hold ourselves to account for real progress, and will continue to provide regular updates on our progress toward these commitments.

CONCLUSION

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2020 was an exceptionally difficult year, especially for the world’s most vulnerable. Africa’s farm families experienced monthly income declines of up to 40%, and the UN projects that at least 75 million additional people in Africa are now food insecure because of COVID. Against this backdrop, you helped One Acre Fund keep farm inputs flowing, digitize our model for remote delivery, and offer free health trainings and products to prevent the spread of COVID. Altogether, One Acre Fund farmers fed 15 million individuals in their families and communities last year.

We look at farmers’ success — growing bigger harvests to build pathways to prosperity — not as a mere destination but as a continuous journey they must make each season. We commit to taking it with them. We know the journey ahead will continue to stretch and test us, but we are up to the task. Like thousands of other organizations, we are emerging from our most challenging year yet, having attained important milestones and valuable perspectives and lessons for the work ahead. We take our inspiration from farmers like Cassien, Aida, and Josephine, who continue to sow resilience and chart sustainable growth paths.

Farming communities embody our most important aspirations — adequate, nutritious food, healthy environments, and shared prosperities — and we thank you for continuing to help us put Farmers First.