FINANCING SMALLHOLDER FARMERS
The One Acre Fund Experience
Who we are and our approach

Who We Are

- We serve 70% of Africa’s poor dependent on farming
- We are a non-profit, agricultural service provider
- We are scaling rapidly, serving over 360,000+ farmers in Kenya

Our Approach

FINANCING
- Asset based loans, with flexible repayment

DISTRIBUTION
- On-time delivery
- Within walking distance

TRAINING
- Simple, participatory
- Delivered by farmers

MARKET FACILITATION
- Safe storage training
- Fair market prices
Our bundled product offering makes it easy for farmers to purchase

- Optimal hybrid seed
- Delivery close to home
- Training
- Crop insurance
- Storage bags
Our acre packages offering makes it easy for farmers to purchase

One Acre Fund is one of the few providers that offer both basal and top dress fertilizer repackaged for smallholder farmer land sizes.
Our training promotes healthy soils

Micro-dosing Fertilizer  Inter-cropping  Agricultural Lime

In addition to providing quality fertilizer on time, One Acre Fund trains farmers in soil health improvement which can increase yields by up to 40%.
Financing is a critical component of our fertilizer sales

<table>
<thead>
<tr>
<th>May - December</th>
<th>January - March</th>
<th>August - September</th>
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<tbody>
<tr>
<td>One Acre Fund purchases inputs</td>
<td>Inputs delivered to farmers</td>
<td>Farmers complete repayment</td>
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Debt helps us manage the timing gap between when we need to buy fertilizer and when farmers repay their loans.
Minimizing risk is a critical component for farmers and One Acre Fund

<table>
<thead>
<tr>
<th>Farmer Risk</th>
<th>One Acre Fund Risk</th>
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<tbody>
<tr>
<td>Joint Group Liability</td>
<td>Global Insurance Cover</td>
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<tr>
<td>Crop Insurance</td>
<td>Fertilizer Testing</td>
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<tr>
<td>Agronomic Training</td>
<td>Finance Blending</td>
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Innovations: Could we use customized farmer outreach to stimulate demand?

Lime SMS trial

**What did we do?**
- Evaluated the response of farmers to lime adoption by sending generic and precise adoption nudging messages

**What did we find?**
- In both cases demand for lime increased; 4.9% from generic messages and 6.7% from precise messages

Could we replicate this model for fertilizer?
- We currently don’t have the capabilities to apply this level of customization
- But we are building these abilities through our innovations teams – soil labs, geospatial tech, etc.
- In the near future, we could customize our fertilizer recommendations to farmers based on their soil test results.
The key drivers to One Acre Fund’s success in increasing fertilizer adoptions are:

- Ensure quality for inputs
- Ensure affordability and financing
- Ensure correct practice
- Complementary interventions (i.e., lime)