

# Stanford SOCIAL INNOVATION REVIEW

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## **One Acre at a Time** By Corey Binns

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## One Acre at a Time

One Acre Fund feeds the world's poor by helping them feed themselves

BY COREY BINNS

DURING A SUMMER internship in 2005, Andrew Youn found himself standing in the middle of a dirt road in Bungoma, a district in western Kenya. On one side of the road, the business school student met a family who had grown an impressive two tons of maize on an acre of their land, enough to feed all of their children for a year and have some left over. But Youn met a family living just across the road who hadn't eaten that day. They had managed to harvest only a half-ton of maize from the same sized plot of land and had lost a child to starvation. "I felt like someone had just struck me on the head and said, 'Fix this, you idiot,'" says Youn.

When he returned to Northwestern University's Kellogg School of Management that fall, Youn drew up plans for One Acre Fund (OAF). The organization provides farmers who live off their harvests with a loan of about \$75 to buy a bundled package of seed, fertilizer, eight training sessions, and crop insurance. Farmers pick up these supplies and receive training at depots set up no farther than two kilometers from their homes. Two weeks after a harvest, farmers must repay the loan.

The model is simple. But so is the solution to feeding the approximately 100 million subsistence farm families, who account for a large share of the world's poor people, says Youn. "We have known for decades how to make their farming twice as productive—seed, fertilizer, training, and market access. This is an incredible opportunity that for some reason has gone untapped throughout the world."

Since OAF opened for business in January 2006 to 40 farm families in Bungoma, it has experienced considerable growth. In 2010, OAF served a total of 30,000 families in six districts in Kenya and Rwanda. This year, Youn, who started the enterprise with \$7,000 of his own money, aspires to raise \$5 million, earn about \$4.5 million in program revenue, and reach 60,000 families, "We have built everything for scale from the beginning," he explains. "Our ambition is to make a real dent in helping out the world's subsistence farm families."

COREY BINNS writes about science and health for *Popular Science*, *Scientific American*, *Women's Health*, and Scholastic's *Science World*.



*Noelle is one of the 26,000 farmers in Rwanda who receives a bundled package from the One Acre Fund.*

### LOCAL STAFF, LOCALIZED EXPERTISE

To reach so many families and still make an impact, Youn made critical choices about both the organization's staffing and its model—the investment package for farmer families. First, Youn and his colleagues decided to staff the field organization completely with local farmers, who are then trained and fostered by the organization. Today, OAF counts 60 staff members who all live locally. "This makes our program delivery very inexpensive and lean, and I also believe that these 'regular' farmers are able to deliver superior training in our context," says Youn.

One of OAF's earliest clients, Everlyne Mamai from western Kenya's Chwele District, looked frail when she signed up to farm with the organization during a hunger season. During this time, families typically eat 40 percent less food than in the plentiful months. With profits from her first OAF harvest, Everlyne made bricks. With the profits she made from selling bricks, she bought

a cow and named it One Acre Fund. While her husband continues to grow maize as an OAF farmer, Everlyne has worked her way up the organization. She handed out loans and supplies as an OAF field officer. Within a year she was promoted to her current position as a field manager, where she now oversees five field officers. She recently completed a six-month management program run by OAF where, with other top managers, she learned to give constructive feedback and to use Microsoft Word and Excel. Her extra income has paid for an addition to the family's home and secondary school tuition for two of her children. Most important, Everlyne's family no longer starves during the region's hunger season.

To reach as many families like Everlyne's as possible, Youn developed a scalable model inspired by McDonald's. Just as the fast-food chain has made each store operate uniformly by systematizing it and de-skilling every job, One Acre Fund takes a similar approach by offering only a simple, easily replicated bundle of supplies for farmer families. Once some organizations have built trust within a community, they're often approached to do more—fund a library or build a school. Youn and his team have made a point not to take on any extra commitments. "One Acre Fund has said, 'We're going to do what we do well and we're going to do it with laser focus,'" says Anne Marie Burgoyne, a portfolio director of the Draper Richards Kaplan Foundation and a former OAF board member.

But Youn admits not all growth has been easy. "We have gotten everything wrong at some point—our agronomy, our repayment procedures, our HR [human resources] practices, our farmer enrollment strategies." OAF throws out dozens of trials every few months, and Youn isn't afraid to admit that most of them fail.

The organization took one of these missteps when they recruited a few dozen farmers for initial trials in Uganda. The relatively larger land sizes in Uganda where population pressures have yet to hit hard, unlike in Kenya and Rwanda, give Ugandan farmers less reason to improve their yields from a single plot. Instead, they prefer just to plant on additional land. As a result, OAF found that Ugandan farmers had a lower demand for their services. "Given that there are tons of other countries where our model does fit, we decided not to launch in Uganda in the near future," Youn says.

In the countries where One Acre Fund already operates, it works alone. It doesn't partner with NGOs because in the rural areas that OAF serves there are none; its customers are off the grid. Yet Youn has intentionally made his model open source in the hopes that others will adopt and move it into underserved regions. In the meantime, OAF has worked to collaborate with governments. Already, they have formed a strong relationship in Rwanda, working on the country's behalf to hand out government-issued vouchers for fertilizer. Political unrest in Kenya has slowed progress there. But OAF has been invited to make a presentation to Kenya's Ministry of Agriculture in November 2011.

### HELP THE POOR HELP THEMSELVES

Create simple, scalable models that work across regions

Staff field organizations with trained, knowledgeable locals

Partner with government agencies devoted to poverty solutions

Youn and other OAF staff members live in the rural parts of Kenya and Rwanda, so that they can carefully monitor the success and failure of their farmers. OAF officers annually conduct randomized trials by measuring the harvests of OAF farmers and comparing them with the yields of farmers who have yet to sign up for the program. They then share their results with everyone from donors and farm families. "We can tell precisely what impact we're having," says

founding board member Matt Forti. "For every planted acre, we're tripling the yield that comes out of the ground."

### FUNDRAISING FOR AGGRESSIVE TARGETS

As they regularly prove the model's success and expand, Youn and Forti have had to evolve their fundraising strategy. "We constantly revisit our funding model," says Forti. Five years ago, Youn began fundraising by asking his business school classmates for \$20 donations, enough to support a farm family of six for one month. But those small gifts could not sustain the organization's rapid growth. The OAF 2011 budget adds up to \$7.5 million, but its ambitions are even grander. Within the next 10 years, Youn hopes to serve 1.1 million farm families, or about 5.5 million people. "Even though small gifts will always be one of our strategies, we're not complacent to think that they can fund our next stage of growth," says Forti.

Their tenacity has brought fairly large grants and prestigious recognition from the Draper Richards Kaplan Foundation, the Skoll Foundation, and Pershing Square. In 2010, OAF brought on Tony Kalm, the organization's first full-time fundraiser. In addition, Forti says they are always looking to evolve their board of directors and are searching actively for new members, especially those familiar with franchising operations like Starbucks and McDonald's. Burgoyne notes that this carefully selected board works as a credible proxy for Youn when he is in Kenya.

Still, keeping up with Youn's ambitions to reach 300,000 farm families, or 1.5 million people, by the end of 2015 will take much more fundraising and efforts from groups other than OAF. The team is looking for more partnerships with governments and possibly NGOs. "Andrew sees a limitless need out there and always seems to meet his very aggressive targets," says Forti.

For Youn, the most gratifying part of the job is talking to families in the rural areas, and seeing the food that they have stored in their homes in bags provided by OAF. Kenyan farmer Christine Walela used her first bean harvest to buy a cow, which produces daily milk to sell. She then produced a maize harvest that tripled her prior harvest and allowed her to put two of her children in a better school. What's more, she has a metric ton of food stored in her home right now. That's more than enough to feed her family for a year and have leftovers. Her story is a very common one for OAF families.

"They are using their surplus to invest in school fees, cows and chickens and goats, new businesses, and new roofs for their houses," says Youn. "It is a really wonderful thing to see." ■