

ABOUT ONE ACRE FUND

One Acre Fund is a nonprofit social enterprise that supplies smallholder farmers with the agricultural resources, financing, and training they need to grow more food and earn more money.

The John D. and Catherine T. MacArthur Foundation's \$10 million program related investment loan, combined with other anchor funding, will enable One Acre Fund to expand its client base from 1 million smallholder farmers in 2019 to 4 million by 2030. MacArthur is joining fellow catalytic capital investors: A to Z Impact Foundation, Ceniarth, The ELMA Growth Foundation, Jasmine Social Investments, and Netri Foundation.



Photo credit: Jennifer Huxta

WHY IT MATTERS

Smallholder farming is integral to the livelihoods of 50 million families in Africa. Those same families comprise nearly 70 percent of Africa's poor, with most farmers living in remote rural areas unable to access high quality agricultural inputs and training. As a result, they remain trapped in cycles of low yields, extreme poverty, and food deficiencies. One

Acre addresses this challenge by providing seed and fertilizer, financing, and training to help smallholder farmers grow their way out of hunger and build lasting pathways to prosperity.

One Acre has developed a highly effective, evidence-based business model that offers customers a "market bundle" of products, training, and credit. However, as a nonprofit operating in frontier markets and partially dependent on grant funding, in order to scale and deepen its market reach, One Acre is looking to access the additional capital needed to grow its impact.

HOW IT WORKS

The loans from MacArthur and the other anchor investors will create a longer-term layer of subordinated debt, up to 10 years in duration, supported by a guarantee provided by the Ezra Charitable Trust. This layer of subordinated debt is designed to reduce risk for other lenders and will allow for One Acre to attract larger, more flexible senior debt and lines of credit—potentially reaching \$100 million or more—and create a scalable and flexible capital structure.

Ultimately, access to this financing will enable One Acre to scale more easily from serving nearly 1 million smallholder farmer families today to 4 million by 2030.

One Acre's new capital structure demonstrates how catalytic capital can bridge financing gaps and spark additional investments for nonprofits operating in frontier markets. MacArthur's initial subordinated loan has already stimulated \$10.9 million in new subordinated debt.

One Acre Fund is a field partnership of the Catalytic Capital Consortium, which is an investment, learning, and market development initiative launched by the John D. and Catherine T. MacArthur Foundation, in partnership with The Rockefeller Foundation and Omidyar Network. The Consortium informs and inspires the use of catalytic capital globally to help enterprises and funds access the financing they need to innovate, scale, and sustain high-impact strategies that further the UN Sustainable Development Goals.

To advance the Catalytic Capital Consortium, MacArthur is investing in a series of funds or intermediaries that demonstrate a powerful use of catalytic capital across sectors and geographies.