

MID-YEAR REPORT, 2024



S0 Kg-10,000+	10 Kg-
S1 Kg-10,200+	10 Kg-
S2 Kg-10,400+	10 Kg-
S3 Kg-10,600+	10 Kg-
S4 Kg-10,800+	10 Kg-
S5 Kg-11,000+	10 Kg-
S6 Kg-11,200+	10 Kg-
S7 Kg-11,400+	10 Kg-
S8 Kg-11,600+	10 Kg-
S9 Kg-11,800+	10 Kg-
S10 Kg-12,000+	10 Kg-
S11 Kg-12,200+	10 Kg-
S12 Kg-12,400+	10 Kg-
S13 Kg-12,600+	10 Kg-
S14 Kg-12,800+	10 Kg-
S15 Kg-13,000+	10 Kg-
S16 Kg-13,200+	10 Kg-
S17 Kg-13,400+	10 Kg-
S18 Kg-13,600+	10 Kg-
S19 Kg-13,800+	10 Kg-
S20 Kg-14,000+	10 Kg-
S21 Kg-14,200+	10 Kg-
S22 Kg-14,400+	10 Kg-
S23 Kg-14,600+	10 Kg-
S24 Kg-14,800+	10 Kg-
S25 Kg-15,000+	10 Kg-
S26 Kg-15,200+	10 Kg-
S27 Kg-15,400+	10 Kg-
S28 Kg-15,600+	10 Kg-
S29 Kg-15,800+	10 Kg-
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S43 Kg-18,600+	10 Kg-
S44 Kg-18,800+	10 Kg-
S45 Kg-19,000+	10 Kg-
S46 Kg-19,200+	10 Kg-
S47 Kg-19,400+	10 Kg-
S48 Kg-19,600+	10 Kg-
S49 Kg-19,800+	10 Kg-
S50 Kg-20,000+	10 Kg-

LETTER FROM THE CEO



Dear Cycle Connect Partner,

Over the years, contributions from our supporters have enabled us to invest in last mile entrepreneurship in northern Uganda, giving thousands of rural Ugandans the means to increase their household income and improve their outlook for the future. We know that with the right income-generating assets, our farmers can improve their farming yields, launch new businesses, easily access financial tools, and build resilience. As our most recent impact evaluation shows, **farmers' incomes increase 30% or more** just six months after receiving one of our productive assets.

Learning and innovating are key features of our model. Our field staff's close interaction with our clients, combined with analysis of the data we collect, gives us a deeper understanding of the communities we serve. These actions also put us in a stronger position to respond to farmers' needs with innovative tools and new products:

- **Phone-based support.** We launched a new digital training platform, providing farmers with essential financial literacy and asset training directly on their basic mobile phones. Farmers receive this information in their local languages through a recorded phone call and do not need to access the internet to listen to the messages.
- **Climate-smart tools.** We are piloting solar irrigation pumps that will enable our clients to mitigate the effects of climate change and grow high-value crops.
- **Female-centered loans.** In March we started testing an oxen group loan to empower even more low-income smallholder farmers. We expect this type of loan will have special appeal for women, who often lack the financial resources to acquire a productive asset on their own. We've also implemented a seasonal repayment structure that aligns with the farming cycles.

Your support has been essential in helping us create access and opportunity in last mile communities. We hope you will continue to partner with us in connecting farmers with the tools needed to thrive. Thank you for going the last mile with us!

Sincerely,

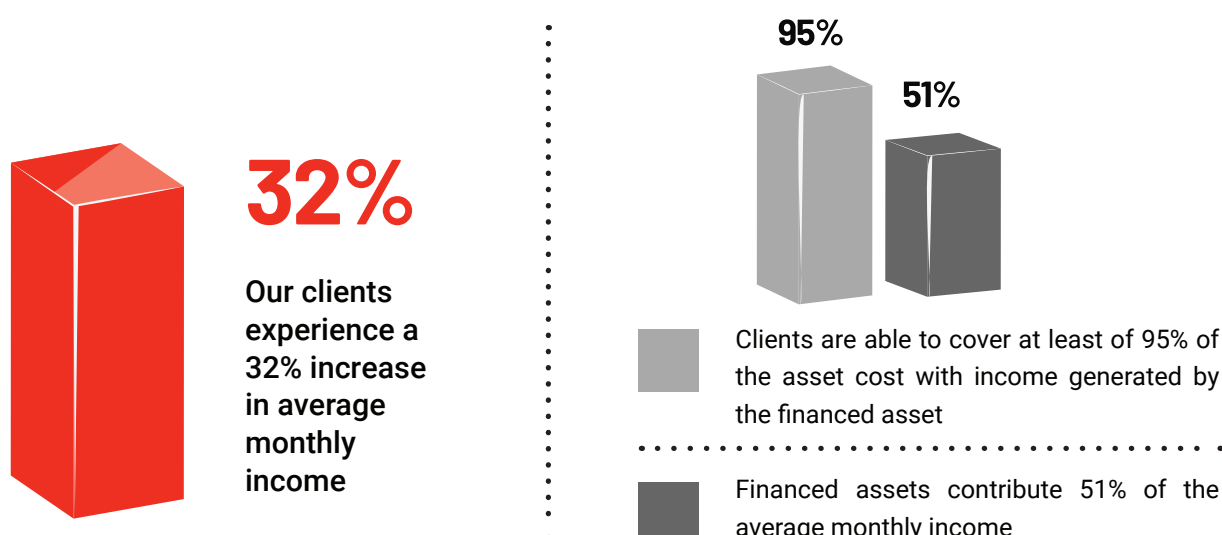
Emmy Okkema,
CEO

EVALUATING OUR IMPACT:

A SIX-MONTH SNAPSHOT

At Cycle Connect, our overarching goal is to enhance the lives of smallholder farmers in northern Uganda through low-barrier financing, financial literacy, asset training, and last mile distribution of productive assets. A crucial aspect of our work is understanding the cash flow and farming cycles of our clients through quantitative data research and interviews with farmers. Our data collection process begins with field staff gathering baseline data during the loan appraisal process and continues with longitudinal tracking of the impact of a productive asset – such as oxen and plow, motorcycle, grinding mill – on their income, lives, and plans for future.

Six months (and one year) after receiving a productive asset, our data team collects data on farmers' production, asset utilization, income, and the sustained impact of the assets over time. This six-month follow-up with clients shows the remarkable impact that a productive asset has on their incomes:-



After repayment, the asset can help clients acquire other productive assets, increase access to farmland, ease in movement, and open up other income-generating activities such as animal rearing, processing and storage facilities.

Cycle Connect's evaluation of impact is based on 68 farmers who received assets between January and March 2023, with a subsequent post-harvest assessment conducted in September 2023.

LIFETIME IMPACT

14K

clients served to date of which

40%

are women

70K

rural Ugandans impacted to date

>30%

average increase in income

MEET THE FARMERS WE SERVED IN 2024 IN THE **THREE DIFFERENT CLIENT SEGMENTS:**



Alur Concy, 36 years, Oxen and Plow,
Amuru, Northern Uganda

Client Segment I

Concy Alur's journey with Cycle Connect began when she was recommended to us by the local government counsel, who praised Cycle Connect's support for smallholder farmers like her. Inspired by this endorsement, Concy decided to explore the potential benefits for her own farming operations.

With Cycle Connect's assistance, she acquired an oxen and plow loan, doubling her farming capacity from 5 to 10 acres per season. This boost in productivity not only increased her yields but also allowed her to diversify her agricultural activities by offering plowing services to neighboring farmers, further enhancing her income and food security.

With the profits generated, Concy strategically invested in a mowing machine, improving weed control on her coffee plantation and leading to higher yields and returns. This transformation from financial struggle to stability empowered Concy to address other essential needs, such as education for her children and improved housing, paving the way for a brighter future.

The oxen and plow loan from Cycle Connect acted as a catalyst for this positive change, illustrating Cycle Connect's commitment to empowering last mile rural farmers like Concy and making a lasting impact on her life and community.



LEARNING MORE ABOUT THE COMMUNITIES AND FARMERS WE SERVE

Learning more about the communities we serve enables us to develop strategies better to serve their needs. Our research explores income categories among rural smallholder farmers and proposes targeted product offerings. Based on income, access and use of land, and assets value, we have identified three client segments and three corresponding strategies:

SEGMENT I - STRIVING FOR SURVIVAL (EARNING BELOW \$2.15/DAY).

These smallholder farmers face immense challenges in meeting basic needs. They often grow staple crops for self-consumption rather than for commercial purposes. While they are interested in acquiring productive assets like oxen and plow and irrigation pumps (values between \$100 and \$500), they can hardly afford them.

CYCLE CONNECT APPROACH:

Introduce the knowledge, attitude, and practices that will enable these farmers to focus on commercial farming instead of subsistence; offer affordable loans for essential assets, as well as training and capacity building.

SEGMENT II - ASPIRING FOR PROGRESS (EARNING BELOW \$3.65/DAY).

These smallholder farmers have made progress in lifting themselves out of extreme poverty but still face challenges. While heavily dependent on agriculture for a living, they also engage in small-scale income-generating activities. They are interested in and can afford oxen and plow, irrigation pumps, maize threshers, and motorcycles (values between \$500 and \$1500).

CYCLE CONNECT APPROACH:

Offer loans or leasing options for agricultural assets; provide training programs focused on improving agricultural practices, financial management, and asset management; assist with expanding market access.

SEGMENT III - NURTURING GROWTH AND RESILIENCE (EARNING BELOW \$6.85/DAY).

This segment includes registered smallholder farmers groups, small cooperatives and businesses engaged in medium-scale farming, value addition, and agribusinesses. They are interested and can afford grinding mills, medium irrigation plants, hand tractors, improved seeds, and other productive agricultural tools (values between \$1500 and \$5000).

CYCLE CONNECT APPROACH:

Offer loans or leasing options; provide advisory services and technical assistance to expand businesses and diversify income streams; encourage saving and investment in business growth, diversification, and expansion.



Musasizi Isaac, 38 years, Motorcycle,
Nwoya District, Northern Uganda

Client Segment II

Isaac's journey with Cycle Connect was sparked by his wife's previous successful engagements with the organization, including acquiring a bicycle loan, oxen and plow, and a maize thresher. Initially drawn to Cycle Connect by its reputation for providing accessible and reliable assets to rural communities like theirs, Isaac gradually developed trust and confidence in our services as he witnessed firsthand the professionalism, respect, and attentiveness of Cycle Connect field officers towards his wife.

Isaac's decision to acquire a motorcycle through Cycle Connect was strategic. He recognized that it would enhance their lives by providing increased mobility and better transportation options, essential for expanding their reach, accessing markets, and efficiently managing day-to-day tasks and business operations.

Today, the motorcycle serves as an indispensable tool for their agricultural activities such as the maize threshing. By transporting the maize thresher to various locations, the couple has been able to reach more customers and expand their market reach.



Prior to acquiring the motorcycle, Isaac spent a minimum of \$120 per season on transporting crops and threshing services to the market, a cost that has now been reduced by 60%, allowing them to reinvest in further business opportunities. Owning the motorcycle has empowered Isaac and his family with greater independence and control over their daily activities and business operations. No longer reliant on external transportation services or constrained by public transport schedules, Isaac now has the flexibility to manage his time and customers more effectively, leading to business expansion and networking opportunities.

Client Segment III

Aol Hida's journey with Cycle Connect began when her son first learned about the organization's services from a field staff member in one of the outposts. Intrigued by the opportunities presented by Cycle Connect, she made the decision to acquire a grinding mill through a loan.

She foresaw the significant positive impact it could bring to their lives. By processing grains locally, she could save both time and money, eliminating the need for costly commercial milling services and long-distance travel.

In return, she could offer affordable milling services within her community.

However, the grinding mill was more than just a means of financial stability; it also played a crucial role in enhancing food security for Hida's household. With the ability to store and process grains as needed, she ensured her family always had access to nutritious food, thereby further improving their quality of life.



The grinding mill quickly became a cornerstone of their household economy. With the savings in both money and time, Hida was able to reinvest the proceeds into expanding their shop and garden. In fact, she managed to increase her farm acreage from 10 to 15 in the last planting season alone. Additionally, she expanded her retail business to offer a wider variety of products, catering to the needs of clients in the last mile.

Beyond being just a tool, the grinding mill served as a catalyst for empowerment, financial stability, and a brighter future for Aol Hida and her family.

Aol Hida, 45 years, Grinding Mill. Nwoya, Northern Uganda

WHAT'S HAPPENING IN THE NEXT 6 MONTHS?

- Pilot the oxen group loan with at least 60 farmers across 30 different village saving groups and increase access of asset ownership to female farmers.
- Test the solar irrigation pump with farmers in different value chains and research the business use case as well as income increase for this asset.
- Increase access to transport in the last mile by continuing to reach rural communities with motorcycles.
- Increase the availability of processing services such as milling and threshing in hard-to-reach areas and empower rural agricultural entrepreneurs.



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