

# **Letter from our CEO**

#### Dear Cycle Connect partner,

What a year it has been! 2023 brought us on an exciting journey of testing and launching new assets and we took time as a team rethinking our strategy to deepen our impact.

Our asset portfolio is at the core of our model to uplift thousands of rural farmers living in last mile communities from poverty. With the right income generating assets, our farmers can improve their farming yields, launch new businesses, easily access financial tools, and build resilience. We are proud to have added another processing tool, the maize thresher, to the portfolio and are currently testing climate smart tools such as an irrigation pump as well as testing a new group lending model with oxen and plow.



To deepen our impact, we focused on assets that support last mile entrepreneurship, enabling farmers to commercialize their

farming activities and set up agribusinesses to support their families as well as their communities. Besides focusing on the productive aspect of an asset, we are intentional in seeking out assets that also help mitigate climate change effects. We will continue this strategy in 2024 and will provide insights during the year on this journey and the impact on farmers' income and (climate) resilience.

Over the past twelve months, your generous support enabled our team to work with thousands of rural families to generate \$3M in additional income across these communities through the usage of their productive assets. Looking ahead to 2024, our team's goals are to:

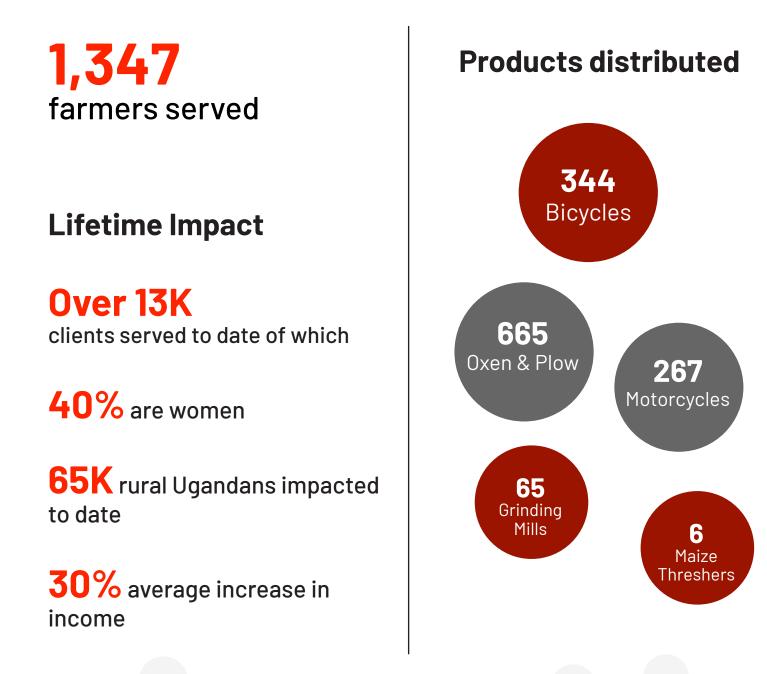
- Focus on product development with addition of climate smart tools and group lending.
- Connect over 1,000 rural farmers with income-generating assets.
- Generate \$5M in additional income across the rural communities we serve.

I am grateful for your continued support of our teams and the farmers we serve. 2024 is a critical year for us to improve resilience for farmers through product development and I hope that you continue walking this journey with us. If you make a gift to Cycle Connect before the end of the year, your donation will be doubled thanks to the generosity of a family foundation from Pittsburgh that is matching donations up to \$25,000.Thank you for going the last mile with us.

Sincerely, Emmy Okkema, CEO

## Key Highlights | 2023 in numbers

- Served almost 1,400 farmers, indirectly impacting over 7,000 lives.
- Launched partnership with last mile organizations to reach more farmers with productive assets.
- Added the Maize Thresher to our product portfolio.
- Tested irrigation pumps with select clients.
- Raised almost \$100,000 during the Pedal for Purpose fundraiser by our founder Muyambi.



## In the Spotlight



#### Alony's Impact in a Glance



You may have read about Alony in our past newsletter as one of the first farmers who acquired a maize thresher from Cycle Connect this year. Her strong entrepreneurial acumen makes her one of the most impactful and diligent farmers we work with at Cycle Connect.

Her journey started in 2019 when she used to be part of a local savings group that acquired bicycles from Cycle Connect. This was Alony's first asset. She used it to transport her farm produce to the market instead of motorcycle taxis, saving on transport costs.

Later in 2021, she invested in an oxen and plow, an asset that she also lends out to the community as a way of making some extra income. Alony's income improved by 55%.

In 2023 when she learned about the maize thresher through her assigned field officer, she was more than elated to invest in it because for a long time, she had to hire one that was a 3-hour drive away and incur very high transport costs. In her neighborhood, she's the only one with it so far, creating a huge opportunity for her to earn even more and improve her family's welfare.

#### Alony represents one of the many

entrepreneurial farmers we interact with. They have ambitious goals to commercialize their farming activities and set up agribusinesses to support their families as well as their communities.

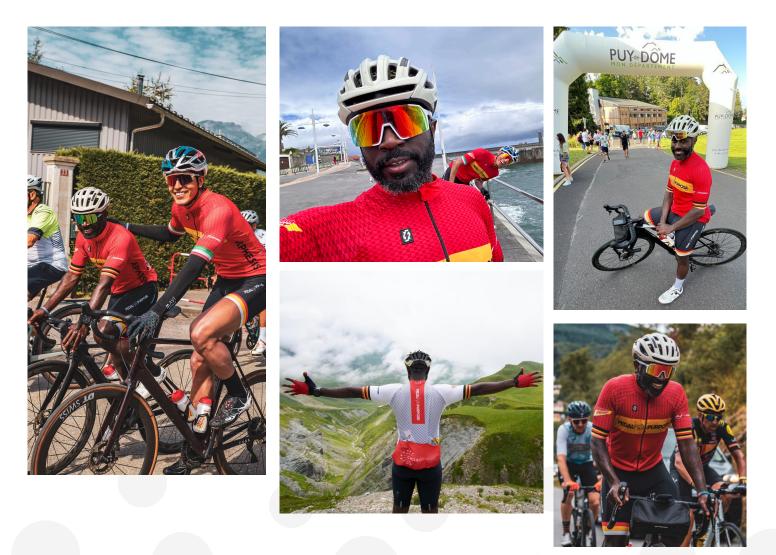
## Highlights from 2023

## Pedal for Purpose Tour Fundraiser

We ride, so our farmers can ride!

For 22 days, our founder Muyambi was riding a bicycle through the terrains of the Tour de France route that started in Bilbao, Spain, and concluded on July 25th in Paris.

His goal was to raise awareness and funding needed for Cycle Connect to connect its farmers to bicycles and other income generating tools. He met many new amazing supporters that really believe in our mission to reach farmers in the last mile and incredibly achieved a remarkable goal! We were able to raise almost \$100,000 in funding – an amazing achievement, thanks to all the donors and supporters who rode this journey with us.



#### **Testing Irrigation Pumps**

We are excited to test yet another climate smart tool!

The introduction of irrigation pumps presents an opportunity to alleviate many climate challenges met by farmers such as low yields due to dependence on rainfall patterns. Prolonged dry seasons also mean that farmers cannot sustain agricultural production forcing them to earn seasonally.

With access to irrigation pumps, farmers can ensure productivity all year round and seize the chance to diversify into high-value crops like vegetables and fruits to supplement their families' diet and the overall community.

As part of our strategic initiative to research climate smart tools, we are happy to report that various irrigation pump models are currently being tested with select clients, with the intention of subsequently running a bigger pilot study in 2024 and assessing suitability to add them to our product portfolio.



#### **One New Product in Our Portfolio**

This year, our team successfully tested and added a new asset, the Maize Thresher – a product that many of our female farmers were excited about. With the thresher, clients no longer need to spend money on hiring physical labor to separate the maize kernels from the cobs with their bare hands. Usually this process is not only hard but also time consuming.

With the thresher farmers can work more efficiently, thresh maize faster, minimize labor costs and reduce post-harvest loss.



Oweka Patrick was excited to acquire his first asset from Cycle Connect this year. He shared his thoughts on why he chose to invest in a maize thresher.

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There is a high return on this machine during harvest season. In a day, I can thresh up to 60 bags for \$1.07 each bag. Many farmers grow maize here, so the demand is high and I don't have to be highly skilled to operate the machine."

Patrick's next goal is to buy a motorcycle that will help him transport the machine to the client's gardens. That way, it's easier to acquire clients, beat competition and expand his network.

## **Reflecting on our Learnings: June Retreat**



#### **1. Embracing Change**

"Change is hard at the start, messy in the middle, wonderful at the end."

The retreat underscored the significance of embracing change as an essential part of our organizational journey. Staff members recognized that the initial stages of any change initiative can be challenging, often marked by uncertainty and discomfort.

However, by acknowledging this inherent difficulty and continuing to persevere, the middle stage, which may be chaotic and confusing, leads to a transformative and rewarding outcome. This learning emphasized the importance of resilience and adaptability as we navigate the evolving landscape of rural agriculture.

#### 2. The Power of Mindset

"The biggest asset in the world is your mindset."

We all agreed that our attitudes, beliefs, and outlook profoundly impact our individual and collective success. By cultivating a growth mindset and maintaining a positive outlook, staff members discussed tips on how to overcome obstacles and drive innovation in their roles.

## **3. Looking Ahead: The Cycle Connect Journey**

Looking ahead at Cycle Connect's journey, we identified three key focus areas:

- 1. Product Development: Such as climate smart product offerings to better serve the evolving needs of rural farmers.
- 2. Digitization: Recognizing the importance of technology in improving accessibility and efficiency of training of farmers.
- 3. Regional Expansion: The potential for expansion of our impact into new regions.

## 4. Shared Dreams and Mutual Support

Perhaps the most heartening learning was that, as Cycle Connect staff, we all share dreams and aspirations. We discovered that by supporting each other's goals, not only as colleagues but also as individuals with unique dreams, we can create a synergy that strengthens our collective mission.

It's safe to say that we all came out of the retreat with a renewed sense of unity and collaboration, reinforcing the idea that our shared values and vision as Cycle Connect can drive us towards even greater success.



# **Stories from the Field**



#### Simon Opira,

a Credit Officer in Gulu district has been serving last mile farmers at Cycle Connect for three years now. In this interview, Simon shares insights into trends and changes he's observed in the agricultural sector in 2023, among smallholder farmers in northern Uganda.

## What major trends or changes have you observed in farming practices or techniques over the course of the year?

I would definitely say that, with the penetration of Cycle Connect, there is a gradual shift from crop farming with the hand hoe to oxen and plow cultivation which has led to significant improvement in yields. Farmers are also eager to own the asset because we provide free training on how to handle the oxen.

I have also observed that some farmers use their oxen to pull their crop produce to the local market using cartage, allowing them to save on transport costs that they spend on motorcycle taxis.

Farmers get super creative once they get an asset. They use it to create as many sources of income as they can. For instance, oxen are hired out to plow others' gardens besides using them for their own gardens. The same applies to other assets which have helped farmers send their children to better schools, seek medical care, and pay fees on time and consistently.

### What are the most pressing needs or challenges that farmers expressed during your interactions with them this year?

The biggest challenge farmers expressed is the inadequate funding to access the tools they need. Most farmers complained that they have limited access to credit services making it very difficult for them to acquire modern agricultural machines and high quality seeds. They were however thankful that they can rely on Cycle Connect for assets on credit.

Among other challenges expressed were poor storage facilities, forcing farmers to sell the produce cheaply out of fear that their output will be spoiled quickly. Remoteness and bad road networks were another concern for farmers as they make transporting farm output difficult and inevitably more expensive.

#### In terms of technology adoption, what innovations have farmers embraced or do you see them embracing in the future, and how have these innovations improved their productivity or sustainability?

In the near future, I see many of our farmers adapting to simple irrigation systems because many of them have been affected by the unreliable weather over the years. This year alone, after experiencing a long dry season, it rained so heavily causing floods and making roads impassable.



As Cycle Connect, we are looking forward to ensuring that there is constant crop production (thus earnings throughout the year) through the provision of water pumps. In fact, some farmers have suggested to us to add hurling machines for rice, maize and other crops to reduce time spent harvesting in the garden.

Savings cooperatives or groups will continue to act as a pathway for farmers to get into a better financial standing. For example, I am working with a group that acquired bicycles from Cycle Connect and is now looking forward to getting an oxen group loan. This will boost group member finances and act as an additional source of income.

# Where we are going 2024

At Cycle Connect, we are building safety nets to income and livelihoods. In 2024, our commitments are geared towards testing new partnerships to support group lending, digitizing farmer training and developing more climate smart tools that will equip farmers with a strong first line of defense against climate change effects.

In 2024, we have set out to:



#### Reach over 1000 farmers





Add a female centered climate smart product

Test new partnerships

## **Special thanks to our Partners in Mission**



Looking back at 2023, we see we have made strides in improving our farmers' incomes through provision of suitable income generating assets. We took a fresh look at how we define strong performance, and we renewed our commitment to our goals as a social business.

Looking ahead, we will continue to strengthen partnerships that help make our farmers and their families more resilient and enable them to flourish. Cycle Connect is grateful for your continued support. You're empowering last mile entrepreneurial farmers to create sustainable livelihoods!

We envision a world where everyone living in the last mile has the means to thrive, not just survive.

PARTNERS IN OUR MISSION

