

Long rain season report - 2014



"Everything starts with food"
- Charles, Momentum farmer



Momentum began its work in Siaya County, Kenya in the Fall of 2013. Since its inception, Momentum has followed a business partnership model with smallholder farmers as the basis of driving sustainable development in a self-help empowerment model.

Momentum began conducting in-depth research about the area and established local collaboration in order to mobilize 110 farmers in Siaya during November 2013 to be ready for its pilot program for the long rain season in first half of 2014. Farmers were organized in groups of 10. Momentum offered "loan bundles" consisting of certified farm inputs and quality training in agricultural techniques as well as business skills.

This performance report gives an overview of the pilot project results as it has come to a complete fruition with crops harvested and loans repaid.

When I walk around the villages in Siaya, I cannot help but think: "These farmers have arable land and should be able to produce enough food to feed their families. Why are they struggling to put food on the table?" Unfortunately, hunger is no stranger to these farming families as most struggle to grow enough food from their land. With this in mind, I started Momentum to overcome the challenge of food insecurity.

We have now completed our 2014 long rain season pilot program. My expectations prior to commencement was to see true dedication from the farmers and for them to understand our business model. Business partnership is the key word for our operations in Siaya because establishing such a relationship between the farmers and Momentum puts the farmers in the driving seat to transform their own lives. If the farmers did not embrace this self-help concept, the project would fail. I would say 90-95% of our farmers understand that we are in this together for the long-term. That is the reason for our existence - and it works! It amazes me how swiftly the farmers adopted this business partnership approach and transforming their views about their land beyond just subsistence farming.

I feel extremely proud when I drive around the villages on boda boda (motorcycle) to meet the farmers and listen to their feedbacks. They talk openly about what works and what needs improvement. They treat me and the team as their partners and some even introduce me as "Christian, our boss" – a clear sign of trust in me, my team, and our partnership. There's certainly room for improvement but we are off to a good start. The farmers are now producing more from their land than ever before. I am impressed by their readiness to adapt and change.

Christian Hoff, Founder of Momentum Trust

Significant improvement but a long journey ahead

Momentum worked with 11 groups of 10 in the 2014 long rain season. Quality farm inputs on two main crops in Kenya - maize and sorghum were distributed .

As part of thorough research conducted in the area, each farmer was asked about her/his historic maize output in a typical planting season. Momentum conducted a follow up survey on all farmers in the program after the finalization of the harvest and drying of the maize in order to ascertain the level of improvements.

As maize is the staple food in Kenya, most farmers grow maize as a subsistence crop. The graph below shows the crop yield from a farmer's typical harvest without Momentum's intervention versus the first output from Momentum's pilot program.

The result shows that the average

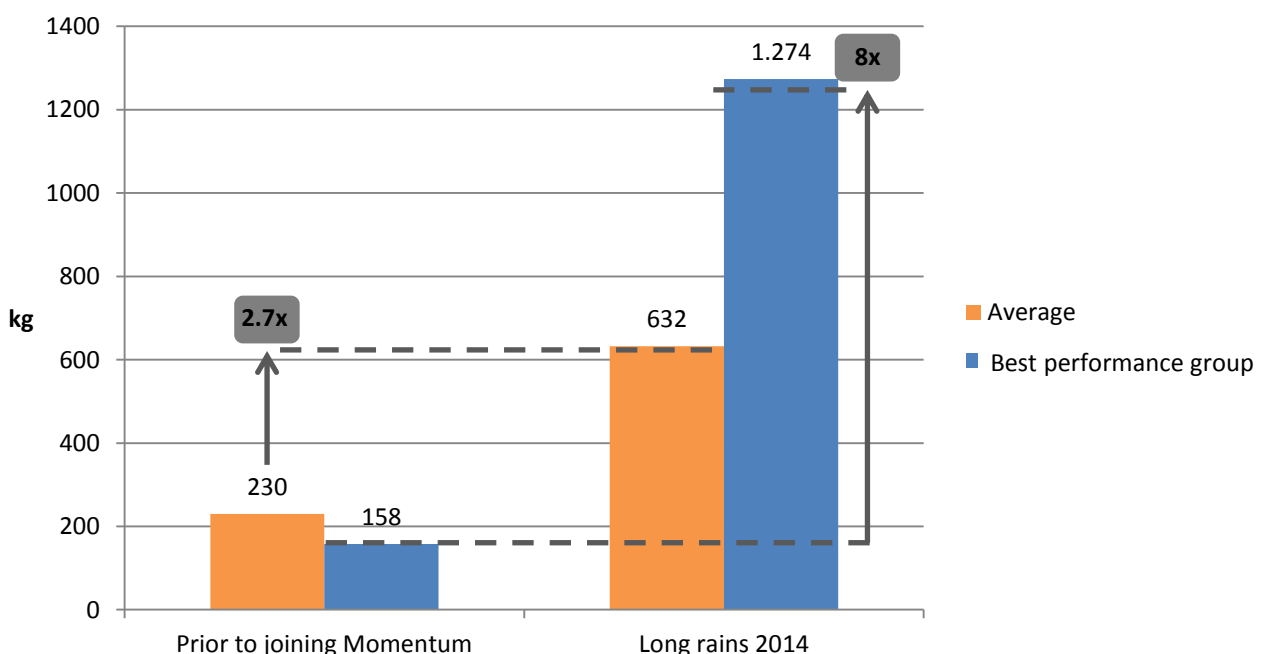
Momentum farmer has improved output by 2.7 times, with the best performance group achieving an astounding 8 times increase. The large output variations between groups and individual farmers indicate that the task of ensuring more farms fulfilling their maximum potential still lies ahead for us.

In addition to meeting food security goal, Momentum is also determined to transform farmers' view about their land from subsistence farming to an avenue for generating income via selling excess crops due to significant crop yield improvement.

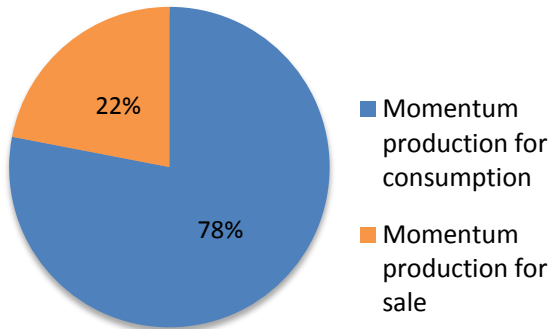
"I am changing my life through Momentum"
- Jacinta, Momentum farmer

The total maize and sorghum production result for 2014 long rain season was more than 35 tons. Although 22% of the overall production was sold, 36% of Momentum farmers were actually accounted for this sales.

Maize output per acre



Total Momentum production - sale and consumption



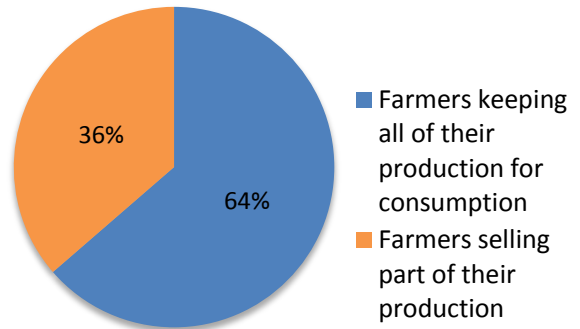
This is equivalent to 40 farmers selling almost 8 tons of produce, whereas 70 farmers sold none. Once again the variations are large.

When we asked farmers about selling part of their excess production, many replied that they prefer to keep all of their maize in case the next season's harvest fails. This indicated farmers distrust in the reliability of rain pattern and regard their excess food stock as contingency plan.

In short, while the farmers are becoming more food secure, they are still a few seasons away from generating significant income via selling excess maize and sorghum. Consistent harvest improvement and soil fertility management are required to fulfill the income goal. Nevertheless an average increase of 170% in crop yield is a solid start.

Additionally, there is a general sense that the farmers are changing their own views of farming from subsistence living to potential income opportunity. For many of these lifelong farmers were brought up to treat farming the family plot as a household chore instead of a livelihood. Very few had any formal training in

Who is selling? - sale and consumption



agriculture. The most typical knowledge transfer was 'learning by doing' from older family members. One is surprised to learn that some of the oldest farmers in the project have farmed for more than 50 years without any understanding of why they have always done things a certain way. But they are "*changing with the changes*" and welcome the new knowledge brought into their communities by Momentum.



What are the farmers saying?

Conslate

"My harvest was of a level that I have never before reached. I am planning on investing the money that I will get from selling two bags of maize (1 bag = 90kg) in starting a business. I have tried before to start a business to generate more income for my family, but every time I've put "business" money aside I've ended up having to use it for food. With this harvest me and my family are food secure, so I can put my efforts into starting a business"



William

"When I think about being a Momentum farmer, I think about change and knowledge. I have experienced a big change in a short time, going from 1 bag to 6 bags in one season. Even with the poor rains."

"After the last harvest, one of my sons came home with a gift. He brought two children, twin boys. He was married just about a year ago. To congratulate him I gave him one bag of maize. My son hesitated to accept it and asked me how I would live if I gave him all that food, but I took him to my storage and showed him my harvest, and I could see how it impressed him"

Jacinta

"Thinking about farming as a business is new for me. After joining Momentum I have learned that I can work on a small piece of land and get a lot of output, which can make me earn a living. Now I see it as an option to educate my children through farming. I want to send them to school, as far as they are willing and able to go, based on what I can make the soil yield"



Making progress through group efforts and business partnerships

When farmers experienced harvest improvements of up to 700% in just one season, two things speak voluminously. First, is the point of departure of the farms. Secondly, the empowerment impact of equipping the poor with proper knowledge and training.

Momentum utilizes agriculture and business training to help farmers realize the true potential of their land. Farmers feel empowered that Momentum view their contribution as a business relationship of equal instead of free aid development. Furthermore, farmers are actively engaged in the decision making process on the farm inputs they receive in the loan bundle.

Training commences as soon as farmers enroll in Momentum's program. Weekly trainings are conducted in groups of 10 in order to reinforce community collaboration and the collective responsibility to repay individual loans. This approach is the foundation of long term socially and financially sustainable farmer cooperatives in Kenya.

Farming conditions during 2014 the long rain season

Momentum farmers faced a couple of significant challenges during the season:

- depressed rainfall
- faulty seeds from a popular supplier
- striga weed

According to the Kenyan meteorological service, most weather stations recorded 75% of average rainfall with some areas in the country experiencing even less than

50%. To complicate matters, the rainfall distribution was unpredictable as rain fell heavily in March while April remained largely dry, leading to below average crop performance for Kenya. Despite seeing improvements in Momentum farmers, one can safely say that the level of output was well below its true potential.

The options between different types of certified hybrid seeds was left to the individual farmer choice although Momentum staffs offered guidance and advise. About 50 farmers opted for the highly recommended striga weed resistant seed type. Unfortunately, the faulty seed failed to germinate and resulted in some Momentum farmers, along with all other Kenyan farmers who opted for this particular seed variety, were adversely impacted. Momentum proactively responded by replacing the faulty seeds with another seeds variant as soon as the problem became apparent. However, the time lost between the first and the second planting meant that many of the farmers planted good seeds under poor rain conditions. Consequently, many of these Momentum farmers had subpar harvests. The Kenyan government subsequently ordered the seed company to replace all faulty seeds.

Striga weed, also known as witch weed, can be the bane of maize unless it is brought under control and managed. Close to 30 Momentum farmers reported significant striga weed problems, which impacted their production level.

The above challenges help to shed light on the relatively large production variations amongst Momentum farmers during the season. They also illustrate the uncertain conditions which all smallholder farmers endure.

The champion groups



Odheyo 2

700%! That is how massive the average yield improvement in 'Odheyo 2' farmer group was. While farmers in general have experienced improvements, some have taken an extra long stride forward in just one season. They are our 'champion groups' because they implemented the agronomy techniques taught during training, repay their loans on time *and* their significant increase in yield. Momentum gave all farmer groups an incentive before the season began, namely that the two best groups would be awarded prizes. 'Jembes' (hoes) for the best group and 'pangas' (machetes) for the runner ups.

Above the 'Odheyo 2' farmers are pictured with new jembes that will hopefully help them in their future farm work. In case they decide not to use their new tools for farming, they have already demonstrated that jembes can be used for dancing! The gifts were presented to the champions during a ceremony where all groups were invited to attend with the aim of all farmers benefitting from learning about best practices in Momentum groups. 'Segere 1' farmers were the runner-ups and are shown below with their new pangas.



Segere 1



Dancing with jembes

A champion farmer



Meet Charles Aput

Just as some groups stand out, some individual farmers stand out too. Meet Charles Aput (39). He harvested 14 bags of maize and sorghum from his 1 acre farmland, more than any other Momentum farmer during the long rain season. How? By *“doing what I was taught during trainings, and by concentrating”*. To Charles, concentration means devoting himself to farming, which is why he quit his job as a motorcycle rider. Since deciding to make farming his fulltime job, he has devoted time and efforts to ensure *“farming can provide a fast improvement of living standards”*. He has not regretted his decision. Food is no longer a problem in his family. He and his wife even sold some of their extra produce to cover their children’s school fees.

Today, in addition to being a Momentum farmer, Charles is also proud to be hired as a Momentum trainer.

“Being a trainer is an added opportunity to educate yourself. And it is a chance for me to try to make other farmers concentrate to achieve their potential”.

Charles is from a family of 6 brothers, of which only 2 are still alive, and he is the only one with an interest in farming. In a way he finds himself lucky because all of his father’s land is his to cultivate. He has plans to expand his farming activities to grow cabbage as a cash crop and plant a particular type of sorghum that a Kenyan brewery is interested in purchasing. With those improvements, income and food security will hopefully cease to be a challenge. Charles’ wife assists him in the management of the farm as neither is interested in hiring labor. As such, they show just how far one family can go in just one season by concentrating. As Charles puts it: *“If your stomach is full, you can accomplish things in life”*

The micro-loan repayments

Running a social business in rural Kenya means working with people who are largely unfamiliar with the concept of micro-loans. Throughout the last 50 years different organizations and NGOs had come and gone, delivering their services or goods on a handout basis. Often, if not always, the long-term sustainable impact has been hard to spot. Momentum brought a new concept of shared responsibility in sustainability development by letting farmers become co-owners of their own success and assume financial responsibility. The main characteristics of the micro-loan were as follows:

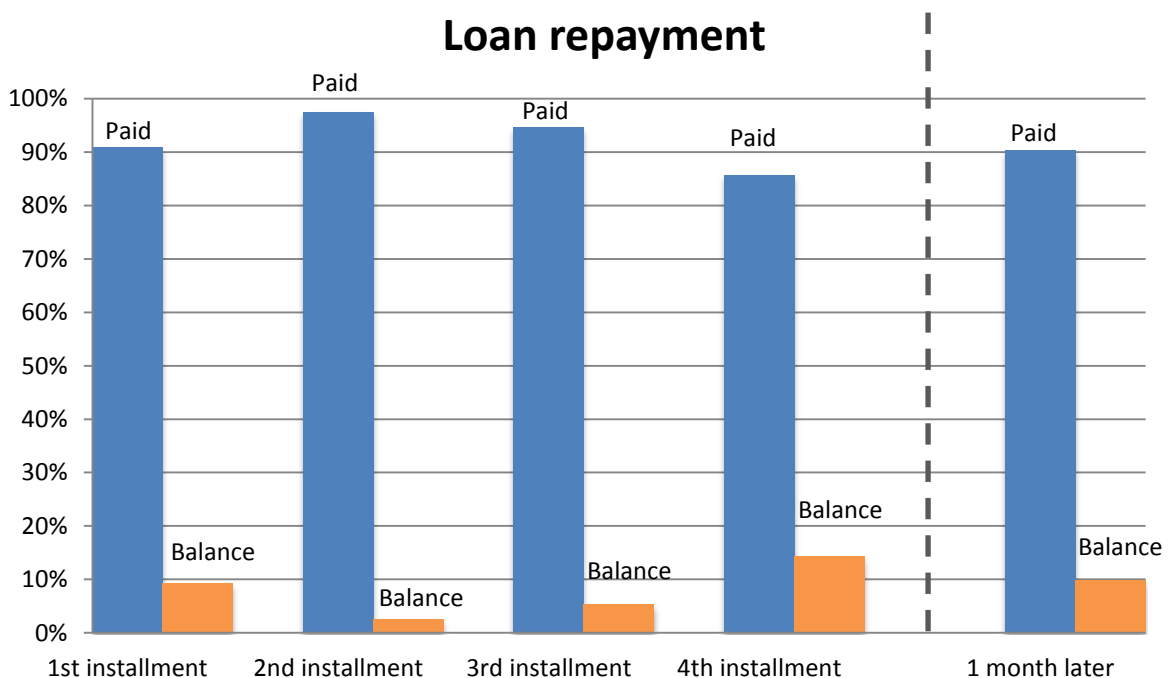
Total loan portfolio (KES)	715.000
Average loan size (KES)	6.500
Total number of farmers	110
Total acres of land utilized	95,25

The outcome of pursuing such loan-based arrangement with farmers helps to

establish a sustainable social business whereby one eventually does not need to rely on external funding. We have yet to achieve this goal but Momentum is taking important steps towards getting there. The loans offered to farmers are short-term in nature, replicating the season duration. For the long rain season, 6 different loan bundles were on offer. Farmers could choose between loans for 0.5 acre, 0.75 acre or 1 acre of land. For every plot size there were 2 bundles to choose from. Most of the loans were for 1 acre lands.

1 acre loans (total number)	75
0,75 acre loans (total number)	11
0,5 acre loans (total number)	24

The farmers' unfamiliarity with the concept of loans and financial planning made the loan repayments somewhat challenging for the Momentum team, bearing in mind that the majority of the farmers had never taken a loan prior to joining Momentum. Saving and planning



The loan repayment was split into 4 equally big instalments. Shown above is the split between repayments made on time, and outstanding balance in % at the deadline for each instalment.

were difficult concepts to understand in a setting where many live on a day-to-day basis. Momentum staffs had their work cut out when following up on repayments but it was necessary to prove Momentum's seriousness as a business partner. Still, the repayment data demonstrates that the overall loan repayments have been fairly on track. It is still too early to declare default on the outstanding balance, so the verdict on the final repayment rate is still out.

The road ahead

What's next? Needless to say, Momentum will continue to invest in small-holder farming families. Since the 2014 long rain season, Momentum has taken long strides forward. 400 additional new farmers were mobilized in Siaya and Kisumu counties for the short rain season (September-December) as Momentum continues to carefully scale its operation to ensure financial sustainability. The road ahead involves more tireless work with present and new farmers to move towards food security and better lives.

In 2015 Momentum will focus on improving the good work done in 2014 and focus even more on group work to enable each farmer to improve the lives of their family members. Momentum wish to carry on its good relationship with farmers and partners in Kenya and Denmark, and hopefully welcome new partners from other nations in the years to come. Momentum continues to focus on bringing innovative solutions to smallholder farming

families as they are at the core of Momentum's existence.

In brief, 2015 will be the year where Momentum will strengthen all its business relationships and mobilize more farmers.

A final word of appreciation

Many dedicated people were involved in making the first rain season a reality. To them Momentum owes a word of heartfelt gratitude.

The dedicated Kenyan staffs who have generously offered their expertise, knowledge of the local communities and local farming conditions deserve a big acknowledgement. So too are the brave Danish interns and volunteers who dedicated their time and labour to the project.

Momentum is deeply touched by donors that believed in our vision and generously funded the activities at a critical startup period. These crucial financial support have helped change the lives of many farming families and position Momentum on a self sustainable pathway. The Momentum team and farmers are deeply grateful.

The financial support came from: **Pilgrim Foundation, Andelskassen Oikos, and Oikos Foundation.**

Without the dedication of all of the above-mentioned people and organizations, none of the progress made would have been possible.

"I used to farm without knowing what I was doing. Now I understand. I know why I'm preparing my land, why I'm digging and what takes place in the ground after I've planted." - Florence, Momentum farmer

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What our farmers say about us...

“Momentum has completely changed how we used to do our farming. And even now people admire our farms and am sure for the first time I’m going to be food secure till another harvest. This was the first time I planted hybrid seeds and I swear never to go back to local seeds because harvest from hybrid seeds almost triple the one from local seeds”.

“The Business skills I obtained through the training have enabled me to test an idea before committing my money to it. In the past I used to copy what others did and believe it would work for me but it never worked. In the future I aspire to increase my acreage and produce cereals purely for local markets”.



Pamela Ochieng, Momentum Farmer

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