

To Our Investors and Supporters,

We hope you are well and gearing up for the holidays next month! It's hard to believe the holidays are coming as we delve further and further into summer here, just as it is hard to believe that we are already through half of our time in Magoma. We are checking in to let you know how this first half of our time has been going. As the fifth year of the project wraps up, we want to give you some strategic insight about our work this past year and the future direction of the project.

Included here are some highlights from the project's activities, an analysis of our goals and metrics, and a breakdown of our budget and expenditures. Note the general explanations of the 2Seeds Network and the Magoma Project as well.

Please continue to follow the Magoma Project throughout the coming year. As the project transitions into self-sustainability, we hope you will follow along as we watch our Partners confidently use the skills they have learned to bring the project to its full potential.

Thank you again for your generosity and support.

Yours truly,

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2Seeds Network

As you probably recall, 2Seeds Network is a US-based 501(c)(3) nonprofit working in the Korogwe District, the Handeni District, and Dar es Salaam, Tanzania. 2Seeds leverages the innovative spirit and leadership capabilities of young adults from across the world in order to incubate community based, self-sustaining, interdependent projects in Tanzania.

The 2Seeds Network believes that [developing human capital](#) is the key to catalyzing economic growth within extremely poor communities. Guided by our values, we are creating [a network](#) of independent yet interconnected agricultural development projects built on deep partnerships within and across communities. We strive to create environments in which people can achieve their full potential and solve problems together.

Magoma Project

Our work here revolves around the Magoma Project, which was started in 2010.

Located in a wide valley at the foot of the Usambara Mountains, Magoma is a bustling village center within the 2Seeds Network. With outlying smaller villages spread across the valley and surrounding foothills, Magoma is a busy place with a big community of smallholder farmers. For years, the village was struck with consistent droughts, with maize withering in dusty fields under the hot midday sun. In recent years, however, due to deforestation on the surrounding mountain slopes, Magoma has been plagued by a dual threat: continuing drought on higher ground and uncontrollable flooding in the low valley basin. This shifting environment affects all community members alike, as these farmers continue to plant their farms in uncertain conditions and are forced to get by at subsistence levels.

To address these challenges, the Magoma Project brings together all community members, young and old, to learn innovative techniques to secure their livelihoods. To do this, the Magoma Project operates through the village's primary schools, namely the Kwata and Kijango schools. These primary schools are truly the centers of the community, where everyone comes together regardless of religion, gender or status, whether as students, teachers or parents.

At Kwata Primary School, students and community members work together to run an integrated system of income-generating activities, including vegetable farming and livestock keeping, to raise funds for a school meals program. Through these activities, the Magoma Project addresses the immediate need of students' hunger, while also promoting best practices and bringing community members together with students and teachers to create a strong community support system.

At the same time, these activities serve as an important teaching tool. Teachers at the primary schools use the agricultural and livestock system to enhance their teaching, integrate hands-on learning into their curriculum, and promote curiosity, creativity and critical thinking skills.

The Magoma Project transforms primary schools into a place for innovation as students, teachers and community members learn essential skills, hone their capacities for critical thinking, and work together for a better future.

Purpose

The purpose of the Magoma Project is to empower the Kwata and Kijango communities with the knowledge and encouragement to become active agents of their own futures by creating an environment where problems can be solved and there is opportunity for second chances.

Mission

The Magoma Project's mission is to address community hunger by making schools community centers to nourish, teach, and empower both youth and adults.

Vision

The vision of the Magoma Project is a community of active agents that promote a food-secure society through practice in critical thinking and the transmission of agricultural, environmental and business education.

The Magoma Project envisions primary schools being used as collaborative and integrated spaces that offer accessible models for the community to:

1. Integrate critical thinking and physical labor to achieve food and income security;
2. Preserve local resources and re-create environmental conditions for a long-lasting community;
3. Use creativity as a tool to overcome challenges and enhance opportunities;
4. Ensure opportunity for second chances;
5. Collaborate to achieve community goals focusing on interdependency.

Impact

- Magoma in total:
 - Total inhabitants: 5,474 people
 - Inhabitants able to work: 2,100 people
- 2Seeds in Magoma:
 - **Total: 172 households**
 - Number of students regularly involved: 135
 - Number of teachers: 20
 - Number of parents regularly involved: 8
 - Number of adjacent members: 3
 - Number of experts: 4
 - Number of support partners: 2
- 2Seeds direct impact, currently: ~688 people (~13% of community)

2015 – 2016 Project Activities

Since our arrival, our partners have already seen such progress and development towards self-sustainability. We believe that together we can set the business up for continued success. We'd like to share some of the highlights and changes we've encountered so far.

Project Highlights

- Garlic Harvest.** One of the most tangible successes in the Magoma Project this year was the harvesting of garlic, which was planted on the *shamba* (farm) section of the Kwata Integrated System. Parent Leader Babu and the third-grade *shamba* team harvested 21 healthy kilos of this low-weight, high-value crop, which was then dried on our newly constructed drying racks. This was the first time garlic has been grown in this area because of the difficult soil and dry conditions, but was made possible by the drip irrigation system implemented last year.
- New Storage Facility.** While a storage facility may seem like a small change, this new building affords us many opportunities for the growth of the project that were previously unavailable. Before the *stoo* (storage room) was built, supplies were kept in the same room that was used as an isolation room for sick chickens. Built during the month of November, the new storage building has a room for keeping pesticides and farm equipment, a room for inputs like chicken and goat food, and a large room to both store harvested crops and to have an office space for record keeping. This will also allow us the opportunity to effectively manage increased production in the future as we now have a safe, collective space to store products and to keep inventory.
- Reinvestment Plan.** Together with Ground Team, we have been formulating a plan to ensure the Kwata Integrated System will be able to support itself without outside investments. In order for each sector to support itself, we have calculated a percentage of the profit that will be taken out each month and put towards a savings fund. For example, in order to purchase a new flock of chickens after the current chickens' production decreases, we need to start saving 65% of profit from egg sales to purchase a new flock come January. A similar plan will be implemented for each of the four sections, as our plan is for every sector of the integrated system to be able to support itself.
- Integrated System Maintenance.** In addition to building the Storage Facility, parent leaders have also performed a number of renovations to increase the integrated system functionality. There is now a new fence around the goat area, a bridge over the chicken runway, a new door for the entrance to the system, and stairs into the chicken coop. These renovations will allow for the system to physically withstand several years of wear.



Drying on newly constructed racks, the Kwata integrated System garlic weighed in at 21 healthy kilos.

- **Fish Harvest.** As the tilapia in the Integrated System’s fishpond grew, it came time in October to formulate a plan with parent leaders to harvest and sell the fish. In accordance with our personnel yearlong goal of increasing the capacity of our Partners to develop effective sales plans, parent leaders strategized to find the most profitable practices. In doing so, our Partners decided on a mechanism with which to harvest, taking into account a time, a price, and a timeline. In one week of October alone, we have harvested 4.3 kilos of fish, which generated a revenue of 21,500 Tanzanian shillings.

Challenges Facing the Project

- **Shamba Plan.** As we think about each sector being able to reinvest in itself (see Accomplishment #3 above), the sector in which we foresee this being most difficult is the *shamba*, or farm plot. In order to combat this, we are formulating a crop rotation plan that is to be implemented in the coming months. This means that on our plot of land, we will simultaneously be planting and harvesting four crops at a time. While implementing a new system will require more of the parent leaders’ time on the *shamba*, it is an incredible opportunity to educate parents, students, and the surrounding community about the importance of crop rotation for both the soil and the diversification of income.
- **Increasing Parent Communication.** One of the challenges we have faced as we work with all of the parent leaders, and a problem that is common in rural areas with limited phone service, is a lack of communication. For example, when the medication regiment changes for chickens or goats, parents remain unaware until the weekly *cheki chai* meeting. However, as we complete the interior of the storage facility, we will soon have a collective space to post announcements, plans for daily care, and a revamped record keeping system. This collective space is key to increasing communication among our Partners.
- **Increasing Production.** One of the largest goals of the Magoma Project this year is to increase production in each of the four sectors. As parents and students have come to master the skills necessary to carry out daily activities, we now are aiming to increase the amount of eggs, milk, fish, and crops to full production capacity. This will help us attain our goal of having the School Meal’s Program running consistently.
- **Lack of Markets.** As we think about increasing production in the system, there comes an additional challenge in the sales of these additional goods. For example, goat milk is relatively expensive for the average resident of Magoma. As we acquire more goats and



Parent Leader Babu and the third grade shamba team worked hard before and after school to harvest garlic.

produce more milk, we face the challenge of finding markets to sell said milk. We are confident, however, that our Partners have developed the necessary skills to create new sales plans to generate profit from increased activity on the different sectors.



Together, Project Coordinators, Ground Team, and Parent Leaders work to formulate reinvestment plans for the four sectors of the Integrated System.

Overall

Through our ups and downs, we and our partners have stayed positive and hopeful. We trust one another, learn from one another, and recognize what an excellent opportunity for exchange this experience is. In Swahili, we say “*Kwa pamoja tunaweza!*” meaning “Together we can do it!” This is a message we’ve taken to heart.

Project Finances

As you may recall, all of the funds covering project operations and our costs of living here in Tanzania were generously donated by investors like you.



Our initial goal was to raise \$8,000 each, giving us a total of \$16,000 to cover our year. As of November 19, 2015, we've raised **\$15,337.50**. This is **96% of our goal**.

Although we have met our fundraising goal, that does not mean we cannot continue to raise funds for the Magoma Project. We are grateful that you have trusted us with your contribution in the past, and we want to emphasize that every donation, no matter the size, makes an important difference in the work that is being done with our partners. Our work is never finished, and we appreciate any additional support that you may be able to provide.

Financial Accountability

Financial accountability is a cornerstone of our project work. During each of our monthly meetings with our fellow PCs, we check our numbers with our financial accountability partners. We compare pricing and expense trends, and ensure all of us are on the right track.

Every month, we budget our funds and track our expenses. This is useful not only to see where our money has gone, but also as a tool to project our status through the coming months for the rest of our time in Tanzania.

To give you an idea about where your invested money has been used so far, here are a few of our major expense categories. We've included sums from when we arrived through November, monthly averages, plus our forecasts through March 2016 (the end of our commitment here).

Project-Related Expenses

Category	Year to Date	Monthly Average	Forecast through March, 2016	Forecasted Total
Project Training	0	0	\$47 USD	\$47 USD
Project Travel	\$28 USD	\$9 USD	\$140 USD	\$168 USD
Project Supplies	\$487 USD	\$162 USD	\$698 USD	\$1,185 USD
Project Investments	\$1,110 USD	\$370 USD	\$4,628 USD	\$5,738 USD
Total	\$1,625 USD	\$541 USD	\$5,513 USD	\$7,138 USD

PC Living Expenses

Category	Year to Date	Monthly Average	Forecast through March, 2016	Year Total
PC Food	\$355 USD	\$118 USD	\$372 USD	\$727 USD
PC Transportation	\$132 USD	\$44 USD	\$163 USD	\$295 USD
PC Occupancy & Rent	\$553 USD	\$184 USD	\$698 USD	\$1,251 USD
PC Telephone & Net	\$293 USD	\$98 USD	\$326 USD	\$619 USD
PC Supplies	\$141 USD	\$47 USD	\$186 USD	\$327 USD
Total	\$1,474 USD	\$491 USD	\$1,745 USD	\$3,219 USD

Other Major Expenses

Category	Total
Round Trip Airfare	\$3,579 USD
Supplemental Airfare	\$0 USD
Visas	\$195 USD
Vacations	\$680 USD
Insurance	\$594 USD
Vaccinations	\$195 USD
Total	\$5,243 USD

The numbers above have been consolidated and simplified for the purposes of this report. If you are interested in seeing a more detailed breakdown of our project expenses, personal expenses, and budgets, do not hesitate to ask.

Monitoring & Evaluation: Goals & Metrics

Goals and metrics provide shared focus, structure, and motivation to everyone engaged in the development of 2Seeds projects. This includes our local Partners, our 2Seeds colleagues, and us. Our project goals are the guideposts that direct us towards the fulfillment of our projects' missions, and realization of our projects' visions. We use the 2Seeds monitoring and evaluation model to set goals and track metrics.

This August, 2Seeds worked with Project Partners to set Network-Wide Metrics to measure progress towards the self-sustainability of each business. These measurements of profitability, personnel power, and professionalization guide our work through the 2015 - 2016 year in setting our Partners up to continue business operations independently.

Business Goals

Group Revenue

Goal	August	September		October		Average	
TZS/month	TZS/month	TZS/month	% Change	TZS/month	% Change	TZS/month	% Change
650,000	419,000	434,250	3.5%	466,550	7%	439,933.33	5.25%
Status:	Group revenue has been steadily increasing as production increases as well.						

Group Profit

Goal	August	September		October		Average	
TZS/month	TZS/month	TZS/month	% Change	TZS/month	% Change	TZS/month	% Change
250,000	150,000	144,250	-3.9%	166,550	15%	155,400	5.55%
Status:	Group profit has been inconsistent as the business begins to cover expenses using business funds rather than outside funding.						

Dollar-a-Day (2,500 TZS/day)

Goal	August	September		October		Average	
# of Partners	# of Partners	# of Partners	% Change	# of Partners	% Change	# of Partners	% Change
2	0	0	0	0	0	0	0
Status:	Because we are not yet producing at full capacity, we have not reached this goal.						

Production: Eggs

Goal	August	September		October		Average	
Eggs/chicken/month	Eggs/chicken/month	Eggs/chicken/month	% Change	Eggs/chicken/month	% Change	Eggs/chicken/month	% Change
22	26	25	-3.8%	22	-12%	24.33	7.9%
Status:	Chicken production steadily increased as the KIS chickens hit their point of maximum production. As their lifecycle continues, decrease in production is natural.						

Production: Milk

Goal	August	September		October		Average	
Liters/day	Liters/day	Liters/day	% Change	Liters/day	% Change	Liters/day	% Change
2.5L/day	0.58	.63	8.62%	.65	3.17%	.62	5.9%
Status:	Currently, our milk producing goat is on the verge of giving birth, hence the low production numbers. As we acquire more goats in prime milk-producing state, we will be closer to attaining this goal.						

Savings Deposit

Goal	August	September		October		Average	
TZS/month	TZS/month	TZS/month	% Change	TZS/month	% Change	TZS/month	% Change
10,000	7,500	7,213	-3.9%	8,328	15.45%	7580.33	9.68%
Status:	The group savings deposit has been increasing as revenue increases.						

Savings Balance

Goal	August	September		October		Average	
TZS	TZS	TZS	% Change	TZS	% Change	TZS	% Change
500,000 by December	198,960	206,173	3.62%	214,500	4.04%		
Status:	Though not yet to our goal, the savings balance has been steadily increasing.						

Personnel Goals

We are also working to improve business operations by building the capacity of our Partners in their roles. Here are a few updates on our work together with key Partners.

- Mganga—Sales Coordinator:** Mganga has truly stepped into the position of egg salesman for the business. He is in charge of coordinating egg sales with buyers and has collected a group of reoccurring buyers who rely on purchasing from our business on a weekly basis. Through working with the daily care of the chickens at the integrated system, Mganga has gained knowledge for basic chicken keeping skills. He has recently mentioned that he wants to start his own chicken coop at home. He also said that he would like to learn how to make chicken food, in order to make it for the integrated system so that the business doesn't need to buy feed from Korogwe and arrange for the transportation of it to Magoma. These are two examples of how the work Mganga does at the integrated system inspires him to constantly be thinking about how he can put his knowledge to use in new ways.
- Mr. Bodo—Treasurer:** In the past two months, Mr. Bodo has been working closely with Senior Project Coordinator Hailey Chalhoub to further develop the skills necessary to calculate the profits

of each of the four sectors of the business (chickens/goats/fish/farm). This involves determining the amount of revenue, cost and profit from each sector, and then appropriately dividing the profit between the school meals program, Parent Partners, savings account and students fund. Perfecting these skills will not only allow Mr. Bodo to continue effective record keeping for the Magoma Project, but also to transfer these profit calculation skills into his other business. Implementing knowledge learned from the Magoma Project into other activities aligns with the education goal of the Magoma Project.

- **Haji—Secretary:** Haji continuously goes above and beyond with his commitment to the Magoma Project. As the volunteer handyman, Haji has taken on the following: building a bridge to cross over the chicken runway, repairing the broken fence enclosing the goat area, constructing drying racks for the garlic to rest on, and building two new doors to fences inside the system. Haji has spent endless hours outside of his designated responsibilities with the business in order to complete this task and does so with a positive attitude, saying, “I am always here for the purpose of 2Seeds.” One day, Haji had an impromptu meeting with the students of the goat team to reiterate best husbandry practices. This is another example of how Haji is willing to not only engage students, but how he goes above and beyond for the business.



Parent Leader Haji and the fourth grade Goat Team pose for a picture after a meeting where they talked about best practices and nominated new student leaders.

Professionalization Goals

The final focus of our yearly goals is to professionalize the business through the following means:

Input Planning and Purchasing System

This coming year, we are planning to give parent leaders more defined roles to accomplish every day tasks more efficiently. One of these roles will be a parent that is in charge of keeping track of inventory and ordering materials and inputs. Instead of ordering supplies as they run out, this parent will be responsible for ordering necessary inputs on a consistent schedule and arranging their delivery to Magoma.

System to Monitor Product Quality

Another one of the roles we will be implementing is a parent responsible for checking product quality and quantity. This parent will oversee the products from each of the four sectors and ensure that they are high-quality based on best practices preformed throughout the week.

Systematized Plan to Transport Products

Transportation of product is not currently an issue, as we sell locally in Magoma. With fish, egg and milk sales, products are all sold within the community. As we strategize about creating a crop rotation plan, we are specifically planning to plant quantities of crops that will be able to be sold in Magoma as well, in order to cut down on the necessity of transportation in that sector.

Financial System to Support the Business from Within

As we mentioned in the above project highlights, we have been formulating reinvestment plans for each of the sectors to support their own costs. For example, we will start saving 65% of egg sale profit in order for the chicken sector to be able to support its own costs. Moving forward, we are creating the same type of plan for each of the four sectors to be able to reinvest in themselves.

Sales Strategy to Market Final Products

We are redefining the Sales Coordinator role, consolidating all sales under the supervision of one parent leader. The sales strategy will differ for each product, but our main goal is to sell products on designated days of the week as opposed to haphazardly selling as we produce. This will decrease the room for error in sales and record keeping.

Collective Space to Perform Group Operations

With the completion of the storage facility, we have a fully operating space in which we can conduct all business operations. Along with having a space that allows for the storage of all of our inputs and products, as well as a safe place for record keeping, the storage facility has the potential to operate as an area that fosters collaboration and increased communication among Partners.

Social Media

Following the Magoma Project

This investor report reflects some of the foundations, framework, and progresses of our project. If you want a closer look, and to stay connected to our day-to-day operations and advances, connect to our project through our social media outlets.



We try to tweet frequently from our project site, as cell reception and internet connectivity allow. You can follow the Magoma Project here, <https://twitter.com/MagomaProject>. Don't forget to tweet @MagomaProject, and tag #2Seeds!



In addition, we periodically write blog posts about everything from important developments in the project, to our next quarter's goals, to our new friendships in Magoma. You can read our thoughts here, <http://theMagomaproject.wordpress.com/>



The hub of all of this activity is the Magoma Project's Facebook page, here <https://www.facebook.com/Magomaproject>. Like us, refer us to your friends, and follow our activity. We love staying connected.



See pictures from the ground of PCs and Partners on the Magoma Project Instagram here, <http://instagram.com/MagomaProject>.

Keeping up with 2Seeds

Please take a look at the 2Seeds Network's social media pages. You'll find content relevant to all of the projects, network-wide initiatives, corporate activities, recruitment, and more.



Frequent updates from the ground in Tanzania and from the US. You can follow the 2Seeds Network here, <https://twitter.com/2SeedsNetwork>. Don't forget to tweet @2Seeds Network, and tag #2Seeds!



Look to the corporate blog for posts about strategy, developments, and other content related to 2Seeds and its work. You can read the 2Seeds corporate blog here, <http://2seedsnetwork.wordpress.com/>.



Find pictures, links, and more on the 2Seeds Facebook page, here <https://www.facebook.com/2seedsnetwork>. Like it, refer it, and keep up with the progress of 2Seeds.



See pictures from the ground of PCs and Partners on the 2Seeds Instagram here, <http://instagram.com/2seedsnetwork>.