

## **Agricultural financing sends a down-to-earth farmer reaching for the skies**

Gabriel Ducu, a friendly, down-to-earth father of three lives just a few kilometres from Loro-Oyam Trading Centre in Oyam District. The 34 -year- farmer is an amazing story; having started small and unsteady.

Ducu's journey started amidst great difficulty: the money he had was anything but sufficient to buy seeds, open up land for cultivation and pay labour costs. He was only able to kick off with less than an acre on which he farmed tomatoes, cabbages and onions.

"Financing of the farming activities was a problem since I had no way of getting money to buy the seedlings," he says, his face showing the stretch and strain that comes with unpleasant reminiscence. "Sometimes transport and labour for cultivation were a problem too."



Ducu also had difficulties financially providing for his wife and children. "How to even get transport when there was need to go to the bigger hospital in time of sickness were a challenge," he states. "Housing was a huge challenge too." Luckily for him, the universe had conspired in his favour.

The manager Loro-Oyam SACCO mobilized the community on the importance of savings, loan planning and shared loan opportunities that the SACCO was offering. With this knowledge, Ducu begun his savings journey from the proceeds of the harvest in 2015, this ranged from UGX100,000-UGX200,000 after every three months upon harvest and sale of vegetables.

"In 2015, I bought cabbage and tomato seeds and planted on one acre of land. The harvest turned out great and gave me an income of UGX2,000,000."

Progressively, using part of his savings with the SACCO, Ducu accessed a loan of UGX2,500,000 and planted 4.5 acres of pineapples in 2019. In 2020 amid the COVID-19 pandemic, his sales of the pineapples yielded UGX7,000,000.

Since Ducu embraced savings and farming as a business, his disposable income increased just as his ability to provide for his family and amass property.



"I have been able to build a two-bed-roomed house for my family, he says with obvious pride, a smile across his face, I am also a proud owner of a motorcycle."

"These are important changes to me as I am now able to easily transport myself," he explains, making it clear he is not taking them for granted. "I am able to maintain the family since they have land to cultivate, and I no longer rent."

The taste of early success has, without a doubt, enhanced Ducu's goals in life and he appears to be a man seized of lofty aspirations.

"I aspire to be the main supplier of pineapples in Oyam district," he says thoughtfully, his face, that of a man looking far into the distance.

"That loan facility from Loro-Oyam SACCO, coupled with my savings have greatly boosted my capital for expansion of agricultural activities." For a man who was previously identified as "down-to-earth" it does seem he is now reaching for the skies.

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### **SACCOs triggering entrepreneurship: Small beginnings, short steps and a long leap to the millionaires' table**

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Zainah Namuganza is a life lesson: That people shouldn't despise small beginnings. Life was already tough as things stood and everything about her was small and hardly inspiring. A single mother of one, in a small village known as Inomo, in Oyam District, living in a small single room that she called home, at night and her business premise during the day – she ran a beauty salon. When a business day stretched a bit into the night, it meant that home and business were competing for space.

Zainah was struggling to fend for herself and her child but hoping against hope that one day she would exceed the limitations imposed upon her by her circumstances.

Businesses need adequate capital to start, to survive and to thrive, but Zainah did not have anything anywhere near 'adequate'.

"I started with UGX100,000 in 2015," she says. "I bought one chair, a mirror and eight packs of braids; and set up a saloon in the room I was living in."

The 29-year-old recognized that she would have to invest more in her business if it was to thrive, but for that, she needed a loan, but in Uganda, loans do not come easy. She was newly settled in Inomo village, so it was no surprise that she did not enjoy public trust;

despite having joined a Village Loans and Savings Group (VSLA), they hesitated to give her a loan.

"I belonged to a saving group," she says. "But when I needed money, they refused to give it to me." Eventually they did, but it appeared a bit begrudgingly and even then, they gave her only UGX500,000 later that year, short of the UGX1,000,000 that she had requested. With this, Zainah found ways to make do with what she had.

Zainah continued to pursue her business dreams amidst limited capital and started saving to grow her capital base with as low as UGX20,000 a week that grew steadily every single day and even much more on days when she earned a lot more. By 2019 she had grown to a monthly saving of UGX1,000,000 with Loro-Oyam SACCO. Her resilience and consistency in the business world has over the years earned her the trust of everyone around her. She has since benefited from low interest loans of 2.5% a month and financial literacy trainings.

"I had a small salon at the start," she says. "But it has now grown big, to the level of having a training wing where we train young girls to plait hair. I am planning to open a school for tailoring and hairdressing to empower young women, since they have a lot of problems. Many of them need to be independent, but they do not have money."

Zainah's success illustrates the importance of unsecured loans, a departure from the more traditional where's-your-collateral approach, if the lower echelons of society are to be redeemed from the claws of poverty and wretchedness.

"Loro-Oyam SACCO has changed my life," she says, smiling thoughtfully. "They did not say that this girl doesn't have a loan security; they simply started to give me loans. Had they been too stringent on loan conditions, I would have stayed the way I was, for I was new in the area, having just come from Apac to do business and start a new life in Loro Town Council."



Zainah's is just one of many incredible tales of Loro-Oyam SACCO beneficiaries that feel like a cold, refreshing glass of water on a hot day: unlikely tales of small beginnings, short steps, and long leaps. For from a one-room rental unit that doubled as her salon and house, Zainah has earned a place at the millionaires' table in Loro Town Council.