



SORAK Development Agency

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Micro Credit Project

Economic empowerment of girls, women and youth through micro credit driven entrepreneurship in Uganda

Quarterly Project report

(December 2020 /March 2021)

Introduction and Background;

As a means of mitigating the economic impact of joblessness, lack of skills resulting from COVID-19 pandemic lockdown on youth, girls and women livelihood, SORAK established the SORAK Bread bakery with the aim of providing employment as well as employable skills to youth, girls and women. SORAK also would make use of the existing shade that was previously constructed for lemon grass withering before distillation. SORAK would use lemon grass essential as flavor to the bakery products.

SORAK hence did some modification and acquired the necessary machines namely;

-the mixer, molders, slicer as well as construction of 3 wood fuel saving stones and the oven.

Others capital items like flying pans, trays, bread molds, digital weighing scale, work table, and wooden shelves were also acquired. SORAK also designed and procured packing materials from Luuka Plastics Limited -Kampala.

SORAK plan to strengthen the bakery inclusive of youth and women training in the first year and then, move to mobilize youth and women for credit in the second year.



Top from left: a mixer, work table and tray made for the bakery.



Bottom: from left A steamer, wood fuel oven under construction.



From left: construction of energy saving stove for frying, complete wood fuel oven with steamer in front and modification on bakery building on going



From left: bread molds and new oven that was constructed to replace the first constructed one mid December 2020.

After construction of all the basic required bakery components, SORAK lacked funds to meet the operational costs. SORAK needed funds to buy all the required inputs (raw materials for bread and doughnut making).

SORAK hence acquired a 2-year loan from Global Bridge Network (GBN), Japan worth \$5000. This money was used to meet operational costs namely; Payment of trainers' fees. Buying wheat, cooking oil, salt, sugar, and other bread making items.

The production of bread and related products hence commenced mid December 2020 and the project has been running since then. Details are presented in the table below;

Overview of Activities

Activity1: *Training youth and women in bakeries*

When: **December 2020** (two weeks)

What was done:

The training was conducting by on resourceful person got from Kampala- the capital city of Uganda. Trainer trained SORAK vulnerable youth in making of bread, cakes, doughnuts and other related confectionaries.

12 Youth (50% female) were trained and the training took two weeks making products for demonstration purposes and used 1000 kgs of wheat, 500 liters of cooking oils as primary ingredients

Trainees would make products, and also take them to the neighbor community as way of market research and testing. The marketing and market research reached a population of about 200 households inclusive of shop owners.

During the training period, the oven constructed first was demolished and replaced by another one made with steel and clay. The first one was small, and could burn over 90% of bread due to poor workmanship.



Left: First oven constructed and later demolished due to poor quality and capacity to burn enough bread;

Right: with doughnut in front another oven that replaced with first one

Important Outcomes:

- Youths learnt how to make bread and other products (including skills of properly measuring in mixing ingredients, operating machines, bread improver, oven, burning and frying etc.)
- Youths learnt how to conduct market research, marketing and customer care
- A very important point is that youth developed a SORAK bread product that was excellent and now liked and competing with other confectionary producers.





In the photographs above show the bread and doughnut making process: from preparing items, weighing, mixing in the mixer, molding/flattering, slicing and dough growing

Activity2: Making of bread and doughnuts

When: January 2021

What was done:

With effect from 3rd January 2021, SORAK bread begun marketing marketable products. SORAK currently makes two products namely bread and doughnuts. Bread of different sizes and shapes namely 1 kg, 500 grams, 120 grams, 40 grams rectangle, circular oval, and round shaped are being made.

SORAK retained a total of 9 youths who are involved in daily productions and each paid an average of 22,777UGX (6 USD) as a weekly allowance



Making round bread of 500gms and doughnuts in process

Outputs:

On a daily basis SORAK uses 125 kgs of wheat 20 liters of cooking oil which are the major ingredients for the products currently made.

-Each kilogram of wheat costs 2700ugx (0.75\$) times 125 kgs = totally 337,500ugx (93.75\$)

-A 20 litre container of cooking oil costs 129,000UGX (35.8\$)

Total cost on 2 major inputs is

-100kgs of wheat are used for doughnut making producing 120 dozen (a dozen is made up of 12 pieces of doughnuts)

- The other 25 kgs are used for bread making where 24.5 dozen (dozen is made up of 12 pieces of bread¹) are also produced
- SORAK employs 9 youths who are all paid a weekly allowance of 205,000 ugx (56.9\$)

Important Outcomes:

-SORAK bread products have been /enjoyed as good by people and are competitive with other related products which were already on the market.

These products include;

Round bread of 500gms, small bread 100gms, doughnuts and block bread of 1000gms and 500 grams respectively



Above Frying doughnuts, packed small bread of 100gms and block bread held by a marketeer trainee

Activity3: Daily marketing and distribution to customers

When: Daily bases from December 2020 to March 2021

What was done:

Marketing is conducted on a daily basis by way of SORAK team delivering products to customers on by 2 hired motorcycle riders.

Outputs:

All the products worth 422,500ugx(117.3\$) are distributed by two hired motorcycle riders.

-They move to an average distribution area of 30kms daily to and fro.

-30,000 Ugx (8.3\$) is spent per day on each of the hired motorcycle to meet hire fess, fuel, and the riders' allowance hence spending 60,000ugx (16.6\$) per day.

¹ See picture 1 where bread is packed in dozens(bundles)

Our products are sold to the following categories of buyers;

- 1- Individual homes
- 2- Retail shops
- 3- Restaurants that deal in tea selling
- 4- School canteens
- 5- Rural whole sell shops
- 6- Shops that sell soft drinks

Important Outcomes:

On a daily basis;

- SORAK sales 120 dozen of doughnuts at 5000 ugx (1.3USD) per dozen on wholesale price earning 600,000 ugx (166.6 USD) as gross revenue
- Sales 24.5 dozen of bread each at 5000ugx (1.3USD) earning 122,500 ugx (34USD)
- SORAK earns a total of 722,500Ugx (200.6USD) per day in gross sales.
- But this has to be ploughed back in purchases of inputs. For example we buy inputs, make products and sale. Then we buy again using the money got from sales.



Marketing team in the field both on foot and motorcycle selling ready bread and doughnuts (motorcycle is coming from delivery) And out products in Katalemwa secondary school canteen.

Results or Changes observed during reporting period regarding to SORAK's Strategic Objectives

This project is responding to SORAK thematic area of youth and women empowerment and specifically to SORAK's strategic objective 5.2 which is 'Increased incomes of women and youth'
*Strategic objective is planned in 2019.

This micro credit project is contributing to the incomes of a total of 9 youth who are directly making bread and related products. It is also providing income to another 2 motorcycle riders who are involved in marketing.

Others changes in related to the project includes 'increased demand for SORAK bread products. Our bread and doughnuts is liked due to the added flavor and the ingredient mixing such as SORAK's original lemongrass essential oil. It is competing in the market.

Challenges and Recommendations

Major Challenges/issues	Recommendations/Actions to be taken	Actions Taken and outcome
<p>-Lack of enough production capacity. We are producing little compared to what the market needs. This is due to lack of enough machines; delivery transport means and funds to have enough input stock.</p> <p>-Cost of electricity which expensive and also inconsistent. The electricity company is also very corrupt and always threatens cutting off power supply.</p> <p>-Lack of adequate allowance to the engaged youth and young women. The little paid is not enough and they have always asked for increased pay to at least an average of 40,000UGX (11\$) per person per week.</p> <p>-unstable and increasing inputs prices. By the time of starting a kilogram of wheat costed 2600UGX(0.72\$) and now costs 2760UGX(0.76\$) in a space of 2 months of our operation</p>	<p>-SORAK needs more funding to add on more machines especially a mixer.</p> <p>-SORAK needs a second mixer which must be diesel powered to both over electricity cost and irregularity challenges.</p> <p>-There need and SORAK plans to increase on production capacity. This will make staff more busy, productive, increase sales for justified increment in allowances.</p> <p>-SORAK will in future with increased funding undertake bulk buying. This will minimize the effect of price increase effects it will also maximize revenue generated.</p>	<p>SORAK to management has discussed with staff on the plans a head including securing more funds to procure the required machines, delivery transport means, worktable in order to accordingly enhance their allowances.</p>

Next step

Micro credit will come later as per our implementation schedule. The strengthening of the bakery and be able to make products for sale and later have the capacity to repay the loan requires that we have to retain some youth who have to work for an allowance.

Making and selling bread is one way of raising revenue to repay the loan. SORAK also plan to raise revenue from the credit once they start giving credit. therefore, SORAK start by strengthening the bakery gives a better position to begin extending credit to youth. SORAK very well know the process and time that can be taken to recover the money from our youth and women. So, at this moment SORAK need to build a strong financial basis which can be assured by a good performing bakery to support them for a long period of time.