



SORAK Development Agency

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Lusalira Trading centre-16km from Mubende, Kampala-Fort portal Road



Doughnuts displayed on the sunshine to fetch heat for required expansion before frying

Microcredit Project

Quarterly Project report

(April -June 2 021)

Introduction

This report presents the activities that have taken place during the second quarter of this project implementation. It is important to note that it has been yet another learning experience while at the same time making important changes and adjustments to ensure that the project continues and it is sustained.

During this reporting period, the project has been limited to routine activities of bread and doughnut production. We have been also involved in further products development and market expansion.

Activities during the 2nd quarter

1. **Repair of old SORAK car and Branding:** During this period The SORAK has a small car, which had a mechanic problem. This was however repaired to help in the distribution of our products. SORAK bread stickers were made and put on car, and was redesigned with stickers and rear seats removed to serve as a distribution van. This was intended first of all to distinguish our products from other market players. Secondly it would also help in making our product known and thus attract more buyers.



The branded old car to tentative alleviate transportation need

2. **Market expansion:** SORAK during this period expanded market reach to other areas other than the host and the neighboring 2 sub counties reached during the first quarter. Such areas included the refugee camp of Kyaka II, Kasule, Hapuyo sub counties of Kyegeggwa district. Other new areas reached are the Maddu subcounty of Gomba district.
3. **Acquisition of a diesel engine:** During the first quarter, use of electricity from Umeme – the largest electricity supplier proved challenging. It was not stable and very expensive. We hence bought a diesel engine. This has made our work constant and we are able to work at any time we want.



The recently acquired new engine to run the mixer, and sample of stickers developed.

4. **More products development:** SORAK in the last week of June decided to introduce new products. These are cookies and small doughnuts locally called daddies. These were introduced in order to address the consumer demands.
5. **Training of more youth:** More youth were introduced and trained in baking. These included 5 male and 3 females. We at the same time had other 3 youth leaving (2 female and 1 male). These went to start their own baking businesses. These were not given micro credit as SORAK had not started giving credit due to the slow business activity.

Results /changes observed

The following results have been obtained during this reporting period.

1. SORAK contributes to food security in the community and areas served. Buyers are given the opportunity to have our products which they use as food.
2. Provided skilling opportunities. Youth have had the opportunity to learn baking and the related worked. This has given chance to some to go and start their own related enterprises.
3. Provided employment opportunities-driver, sales persons and motorcycle riders. Currently a total 4 persons are engaged in sales ,2 riding motorcycles and 2 using the bread distribution van.

Challenges mitigation and recommendations for improvement

1. **COVID-19 second wave lock down:** Uganda experience a second wave of COVID-19 leading a 52 days initial lockdown running from 10 June and still running. This has greatly affected our ability to produce more due to low sales. There is general low level of economic activity as most of the potential buyers like schools are now closed. We are however working under all odds to ensure that we stay and keeping producing. We also extended our marketing to Kyakall refugee settlement that hosts many people hence filling the market gap. The financial position is stable because now we are able to make products from an average of 200 kgs of wheat per day which earns us gross

sales of 333\$ per day. We expect this to double after lockdown but also it will call for adding more machinery especially the mixer.

2. **Unfavorable weather to the expansion of doughnuts:** Our product needs constant heat at least above 35 degrees. We are currently relying on the sunshine to help our doughnuts expand. This has led to sometimes producing undersized products that discourage some of our potential buyers.
3. **Laziness and wastefulness of some youth;** Some youths are very lazy and not ready to adopt to the demands of a factory setting. These tend not to pay attention to measurements of some inputs. They some days produce poor products which end up unsold. They also waste materials like cooking oil, sugar yet these are expensive on the market.
4. **Theft of products by some trainees:** It was noted during this period that some trainees could take made products without the person of management. This has the potential of leading to collapse of the enterprise.

Mitigation

In order to address the challenges faced during this period, SORAK management has done the following;

1. Following Standard Operating Procedures you are recommended by Ministry of health. There is hand sanitizer and washing container to ensure that all trainees and staff remain safe from COVID-19.
2. Branding the car as a cargo car to allow free movement when all non-truck cars have been stopped from movement during lock down. When this can is branded it is allowed free movement because it is delivering food which is essential even during lockdown.
3. Using heat generated from the wood oven to support product expansion. We have using this source of heat though it cannot allow adequate quantities to be made. We have plans of buying room heaters to address the challenge posed by cool weather. We shall also encourage making of products like cookies and bread which do not need heat to expand during cool weather. And then make doughnuts during hot weather.
4. We will encourage staff to work more during hot /sun shine weather and less during cold weather
5. Now plans to produce products that are not affected by whether during bad weather.
6. Replacing lazy trainees with hardworking and self-motivated ones. Also, we plan to give specific daily tasks per person to ensure that all work as planned.
7. Reprimanding trainees stealing products including stopping them from training/working.If we get more money we shall also fence the factory, have one entry and exit and a security person will be employed to keep checking persons incoming and exiting.

Recommendations for improvement

1. Acquisition of better automated machines for baking and heat production
2. Acquisition of good means of transportation to deliver our products in the market in a timely manner
3. Construction of heating rooms to boast fast doughnut growth
4. Expanding and sustaining the market

Photos of the project during this period



Displaying doughnuts to the sun shine heat for accelerated expansion before frying, and frying of doughnuts in progress



A female bakery trainees and ring doughnut introduction late June 2021 as a new product



Cut roll bread making in progress

Next Steps:

Our next plan is indeed determined by the lessons and experiences we are learning on a continuous basis. Our micro credit activity has not yet been implemented due to the slowness in business activity. Yet we had anticipated to start micro credit around July 2021, then lock down came in.

We hope to popularize it where all activities are allowed to operate. We also feel that micro credit should resume when this bread production has stabilized which we think is attainable by the end of this year.