**SORAK Development Agency**
**Registered NGO: No: 4343: INDR92033978NB**
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Lusalira Trading centre-16km from Mubende, Kampala-Fort portal Road


sales Assistant at the factory canteen

# Microcredit Project

## Quarterly Project report

## (July -September 2021)

## Introduction

This report presents the activities that have taken place during the third quarter of this project implementation. It's 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 making of bread and doughnut production. We have been also involved in making new products namely cookies and market expansion. This is aimed at ensuring that we make constant sales.

## Activities during the 3rd quarter

1. Making of doughnuts and bread
2. Marketing and distribution
3. Repaired open spaces in order to retain enough heat in the factory. This was after discovering that doughnuts had been not expanding as expected due to lack of enough heat inside the factory. Open spaces were allowing in a lot of air circulation making it difficult for the doughnuts to expand and be ready for frying in time.
4. Mobilization of women and youth and training them to get ready for credit. We shall implement this starting January 2022

## Results /changes observed

Increased demand of our bread and doughnut products due to continued making and looking for more buyers.

## Challenges mitigation and recommendations for improvement

1. **COVID-19 second wave lock down;** This has greatly affected our ability to have enough market. This is due to continued closure of schools which form the majority of our market.
2. **Increasing prices of inputs;** This is becoming a serious challenge. The government increased taxes on products including fuel. And once fuel prices increased transportation costs for raw materials namely wheat, cooking oil, sugar among others has been increasing since the beginning of 2021. For instance, a 50kg bag of wheat which was at 126,000 Ugx in June is now at 137,000 Ugx, a 20 litre jerrican of cooking oil which was at 112,000 Ugx in June is now at 141,000 Ugx.
3. **Limited capital;** We have learnt that we need to have much more wheat and cooking oil in stock to produce bread and doughnuts to satisfy local needs. Enough stock of raw materials will enable us to produce more products for more sales.
4. **Limited means of transport** to promote sales. We are still operating with 2 motorcycles. We suspended the use of motorvan due to high cost of fuel prices.

5. **Increasing fuel prices** for motorcycles and the engine running the mixer. A litre of petrol was at 3400Ugx in June and now it is at 4500 Ugx due to increase in tax. This is limiting our capacity to grow and make savings for growth.

## Mitigation

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

1. Kept production and low levels until the business situation normalizes. This is expected to happened when lockdown is lifted.
2. SORAK is trying to reduce on the size of products being made in order to remain producing and meeting production costs.
3. SORAK is considering looking for more funds for more inputs/ raw materials

## Recommendations and next steps

Acquisition of better automated machines for baking and heat production

1. Acquisition of good means of transportation to deliver our products in the market in a timely manner
2. Construction of heating rooms to boast fast doughnut growth
3. Expanding and sustaining the market.
4. Organizing beneficiaries such as youth and women by informing micro credit opportunities that they can take on.

**Photos of the project during this period**



Products in the factory canteen ready for sales



Factory supervisor verifying quantities packed before delivery to the market.



Formerly open spaces that have been closed with iron sheets to retain enough heat in the factory for proper doughnut expansion