

**ADDRESS BY
TAMARA COOK, CEO, FINANCIAL SECTOR DEEPENING KENYA**

**AT THE HIGH-LEVEL CLOSING CEREMONY OF THE KENYA NATIONAL
SEED SUMMIT 2024**

19TH DECEMBER 2024 AT THE EKA HOTEL – ELDORET

**Hon. Andrew Karanja, CS. Ministry of Agriculture
Dr. Kipronoh Ronoh, PS State Department for Agriculture
Hon. Ken Lusaka, Governor Bungoma County and Chair, Agriculture
Committee, Council of Governors (COG)**

Ladies and gentlemen,

First and foremost, I congratulate the Ministry of Agriculture and Livestock Development and particularly the **Transforming Ecosystems for Jobs in Agriculture through Technology and Innovation (TEJATI)** Program team for the successful planning, coordination, and conclusion of the **2024 National Seed Summit**. This feat is particularly impressive considering that the TEJATI Program was recently launched in November 2024 and is already making an impact by convening key stakeholders on the pertinent issue of seed systems in Kenya.

We would have hoped to be there in person but are pleased that we are able to join you virtually from a very rainy Nairobi.

Kenya's rich and diverse agricultural legacy has been built on the backbone of smallholder farmers that rely on traditional farming practices. Climate change, population growth, and the demand for higher yielding crops have placed immense pressure on our small holder farmers.

FSD Kenya launched the 2024 FinAccess household survey report on the 3rd of December with the CS Treasury, KNBS and the heads of all of the financial sector regulators. This round of the survey is particularly important as it had a special focus on farmers to better understand how they interact with various financial instruments, their financial health and unique challenges faced in accessing finance.

A few things stood out for me:

The good

- **17.9%** of adults in Kenya rely on agriculture as their main source of income. This is higher for rural communities where **27.3%** of adults obtain their main source of livelihood from agriculture.
- **87.2%** of these adults are formally included which is higher than the national average of **84.8%**.
- The majority (**47%**) of adults that rely on agriculture as their main source of livelihood use formal saving solutions.

The not so good

- The proportion of financially healthy farmers declined significantly from **17.8%** in 2021 to **15.6%** in 2024.
- The drop in financial health was mainly driven by reduced capacity of farmers in investing (for the future) i.e. **39.5%** in 2021 Vs **17.1%** in 2024
- Despite using formal saving mechanisms, a majority of farmers rely on informal sources of credit.
- There is higher food vulnerability among those practicing agriculture compared to the national average.

Particularly relevant for this audience is the fact the top 3 challenges faced by farmers include:

- Drought – **19.2%**
- High/ Increased cost of inputs – **17.3%**
- Pests and diseases – **16.6%**

The summit's theme - **Building a Harmonized Roadmap for Seed Sector Transformation** resonates, as the transformation of our seed sector is not just an opportunity but a necessity in addressing these 3 significant challenges faced by Kenyan small holder farmers.

Ladies and gentlemen,

FSD Kenya has been working to support the financial sector in developing innovative finance solutions to ensure enhanced access to inputs, know-how and climate smart-technologies to enhance small holder farmers' livelihoods.

As showcased by FinAccess 2024, finance by itself is not the highest-ranking concern for smallholders.

This important convening has brought together key stakeholders to define a roadmap to sustainable seed systems. Finance can however play a catalytic role in ensuring:

1. **Quality and Diversity:** Ensuring that farmers have access to high-quality seeds of a diverse range of crops. This diversity not only caters to different ecological conditions but also to nutritional demands, promoting food security and health across our communities.

2. **Innovation and Research:** Strengthening research capabilities to develop seeds that are resilient to climate changes, pests, and diseases. Public-private partnerships can be employed to foster innovation.
3. **Access and Affordability:** Making quality seeds accessible to all farmers, particularly smallholders, who form the backbone of our agriculture. This includes improving seed distribution networks, reducing costs, and providing financial mechanisms like subsidies or micro-financing to enhance seed affordability.
4. **Capacity Building:** Empowering farmers through education on modern agricultural practices, seed handling, and the benefits of new varieties. It's essential to cultivate a knowledgeable farming community that can make informed decisions about seed usage.

In conclusion,

The transformation of Kenya's seed sector is not merely about seeds; it's about securing our food future, empowering our farmers, and positioning Kenya as a leader in African agriculture.

FSD Kenya is fully committed to supporting TEJATI and the key resolutions of the Kenya National Seed Summit 2024 by supporting efforts towards developing finance solutions for a sustainable seed system.

Let us ensure that our seeds sow prosperity, resilience, and sustainability.

Thank you.

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