



Making a case for smallholder farmer resilience

Insights from FinAccess 2024

FINAS - May 2025



• • • The case for smallholder resilience...

Do we sufficiently **understand** smallholders?

What **categories** of smallholders are there in Kenya?

How do they interact with finance?
What role does finance play?

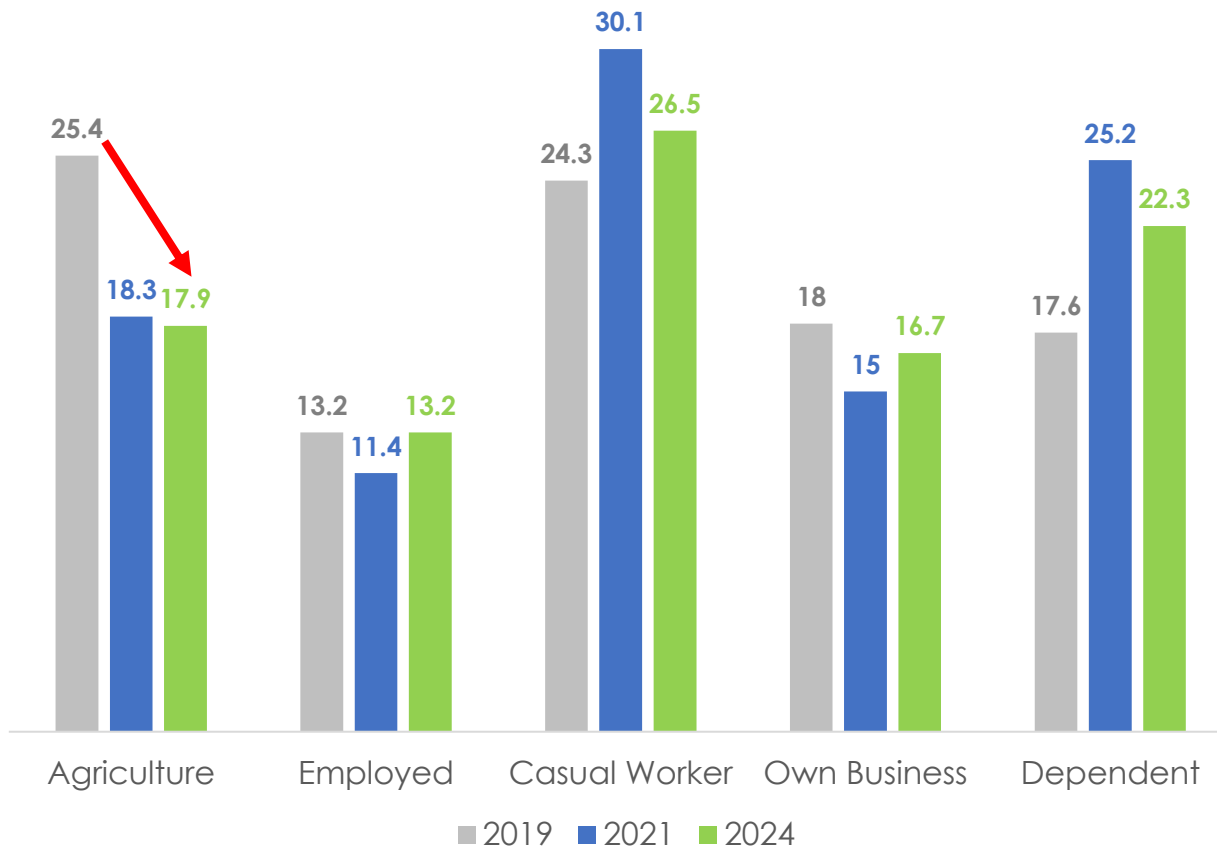
Is it time we **blended finance for resilience & finance for growth** when partnering with farmers?



Who's practicing agriculture?

As an income source or
for subsistence

Agriculture as a livelihood declining?



	Actual population numbers		
	2019	2021	2024
Agriculture	6,367,068	4,999,677	5,049,276
Employed	3,316,837	3,125,084	3,722,249
Own business	6,104,715	4,086,839	4,707,015
Casual	4,527,169	8,221,541	7,469,292
Dependent	4,414,148	6,874,537	6,263,233
Other	375,030	-	931,004
Total adult population	25,104,968	27,307,678	28,142,069

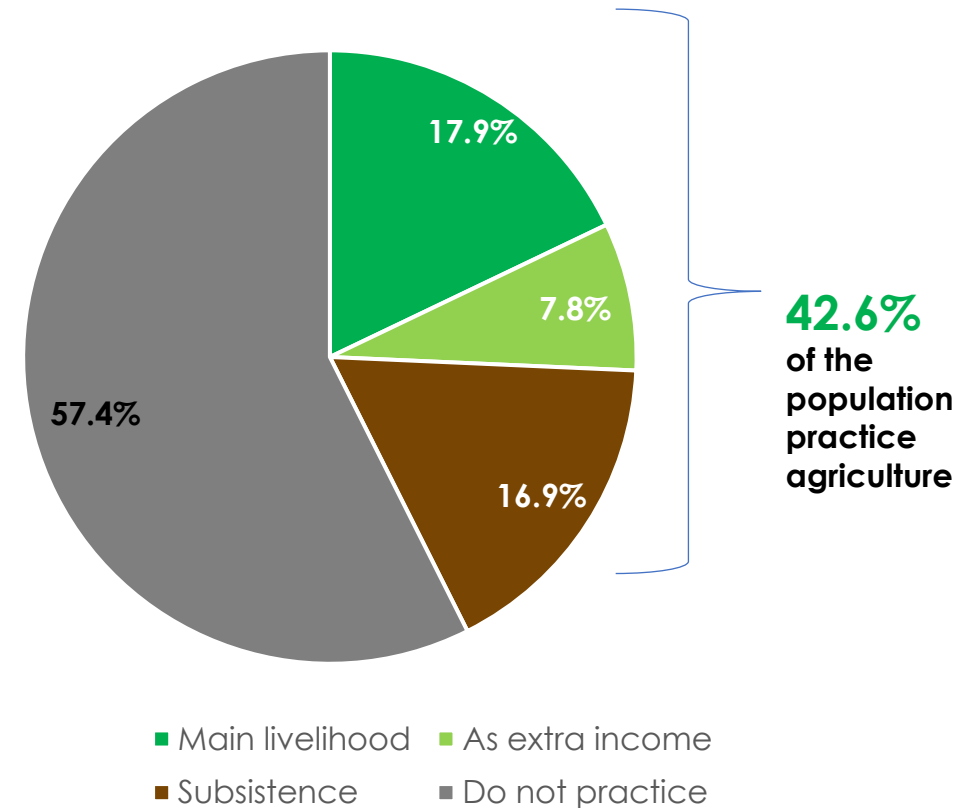
- Smallholder farmers/smallholder farming key in a resilient Kenya, and Kenyan economy

Small holder farmers account for 70%+ of Kenya's rural households livelihood

Agricultural sector survey 2024 KNBS

Contributes 20% of national GDP, food systems (and by implication environmental sustainability)

% of 18+ population

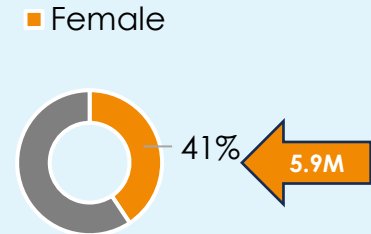
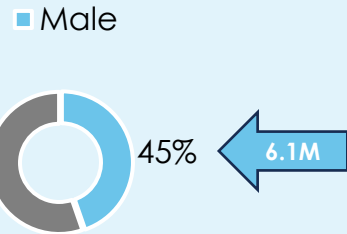


FinAccess 2024 Base; 18+ population = 28,142,069

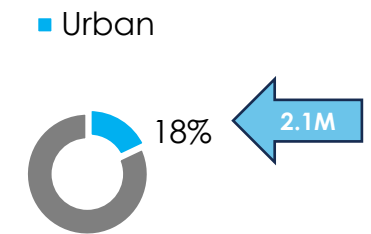
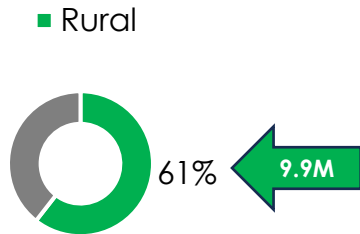
Who are Kenya's farmers?

(% of demographic who practice agriculture)

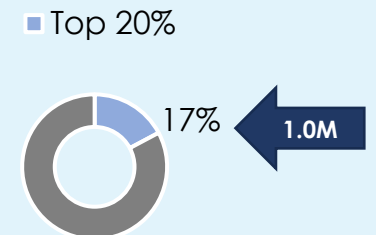
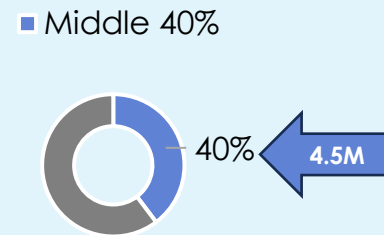
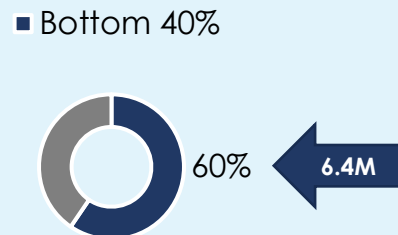
GENDER



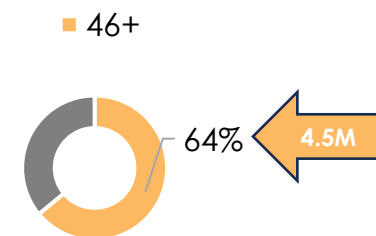
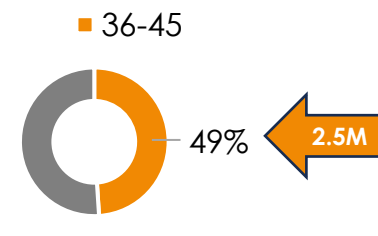
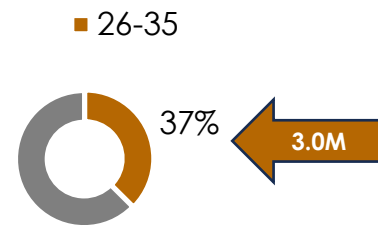
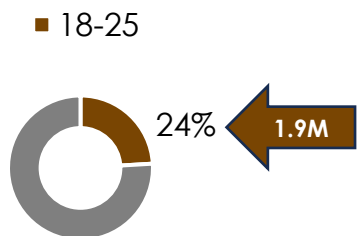
LOCATION



WEALTH QUINTILE

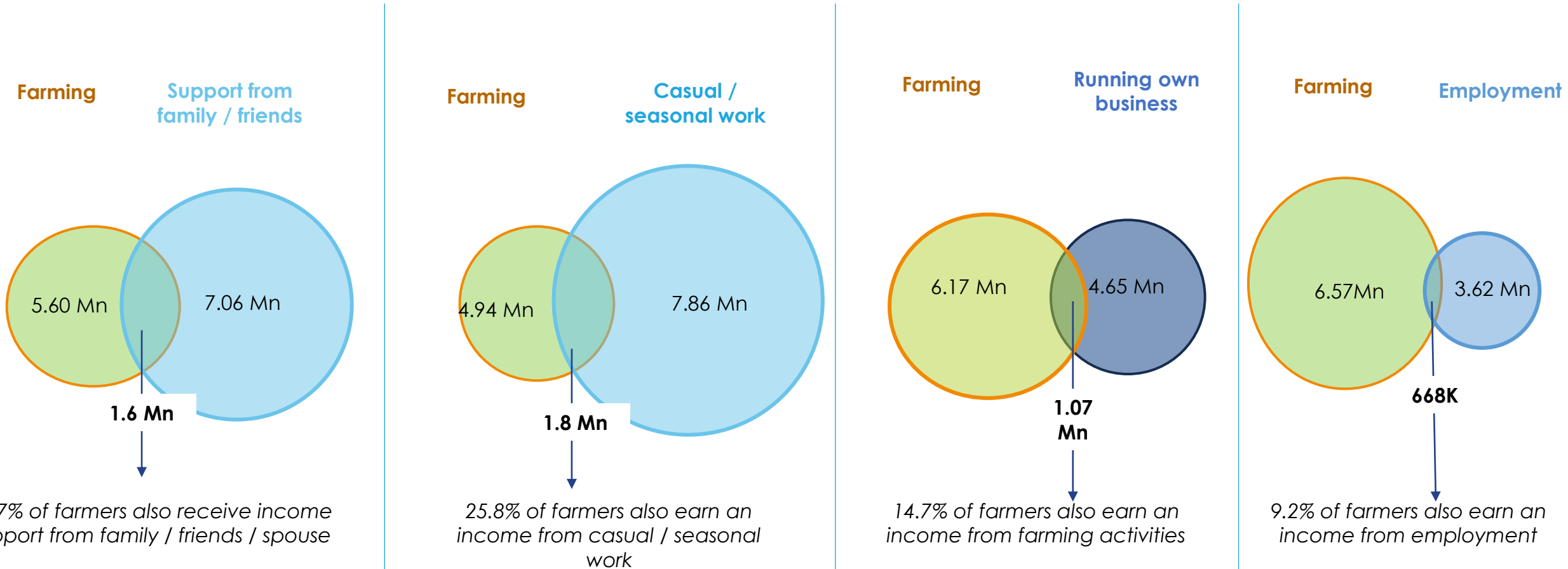


AGE GROUP



Does finance depict an understanding that farming is but one of households' diversified portfolio of livelihood strategies?

OVERLAPS BETWEEN FARMERS AND OTHER INCOME SOURCES: 2024 (18+)

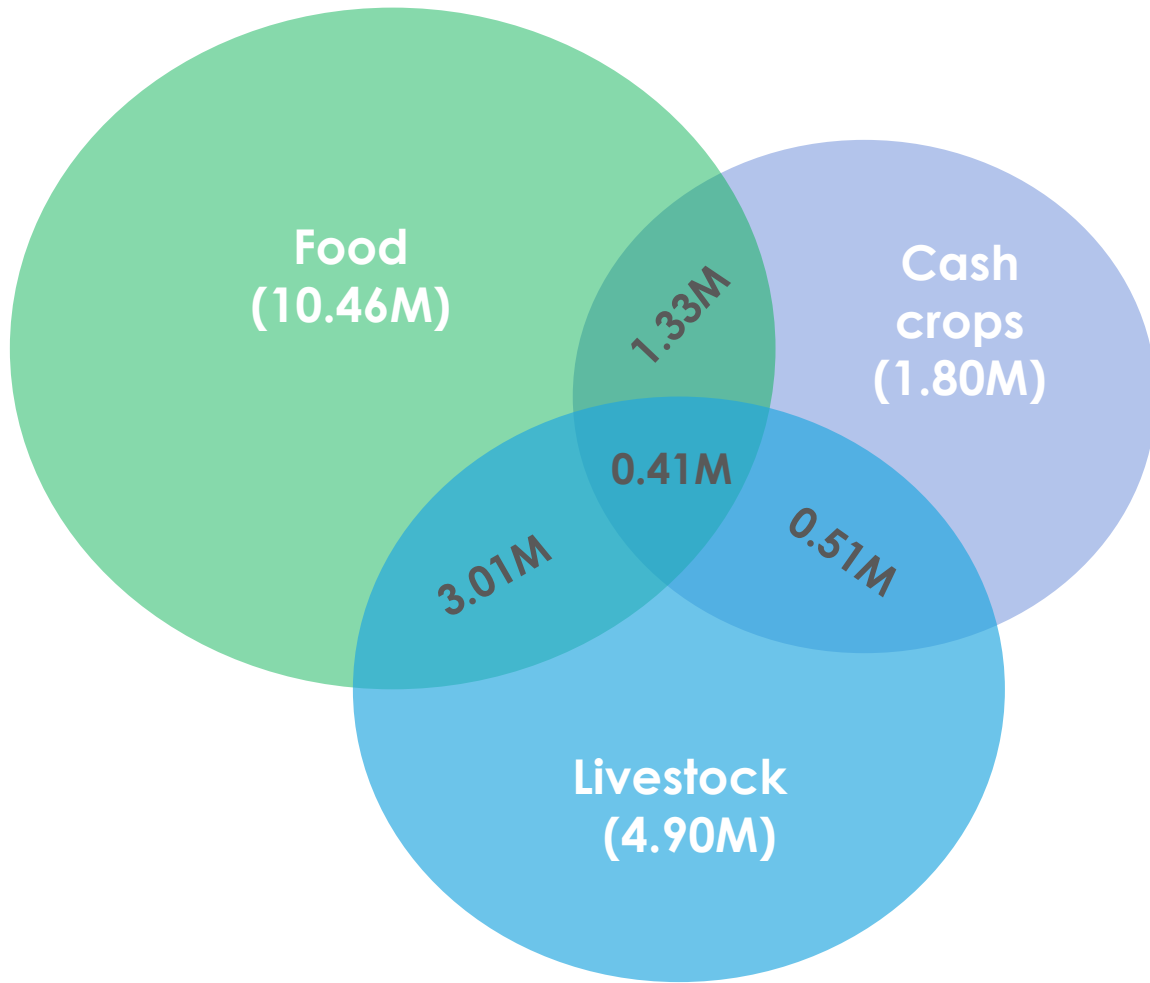




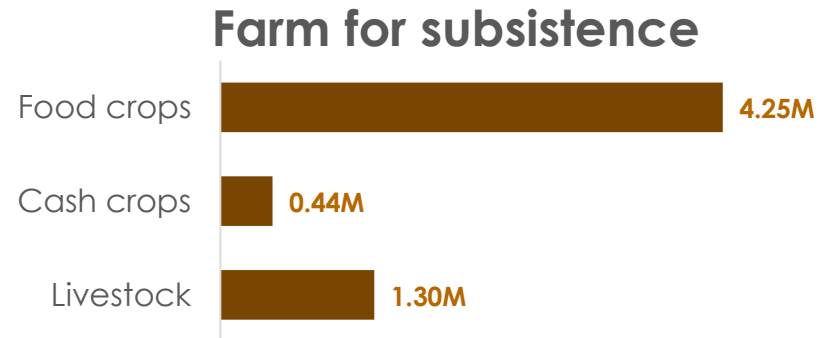
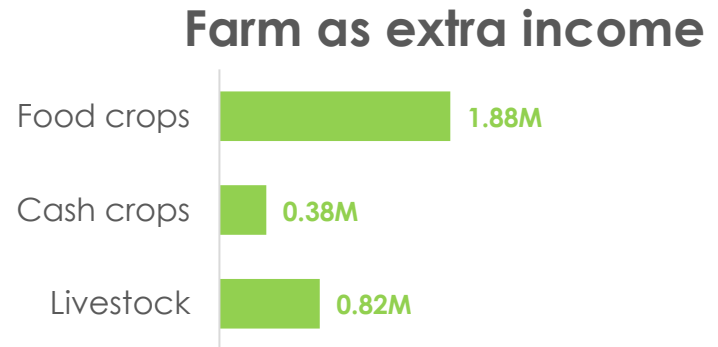
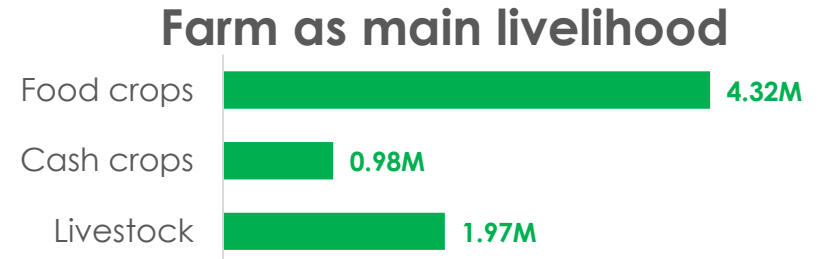
Farmer segments

Crops grown

What do farmers in Kenya grow?



Food crops includes cereals, legumes, tubers, vegetables, fruits, nuts, fodder, herbs.
 Cash crops includes tea, coffee, miraa, cotton, sugarcane, tobacco, pyrethrum.
 Livestock includes cattle, goats, sheep, pigs, poultry, bees, fish.

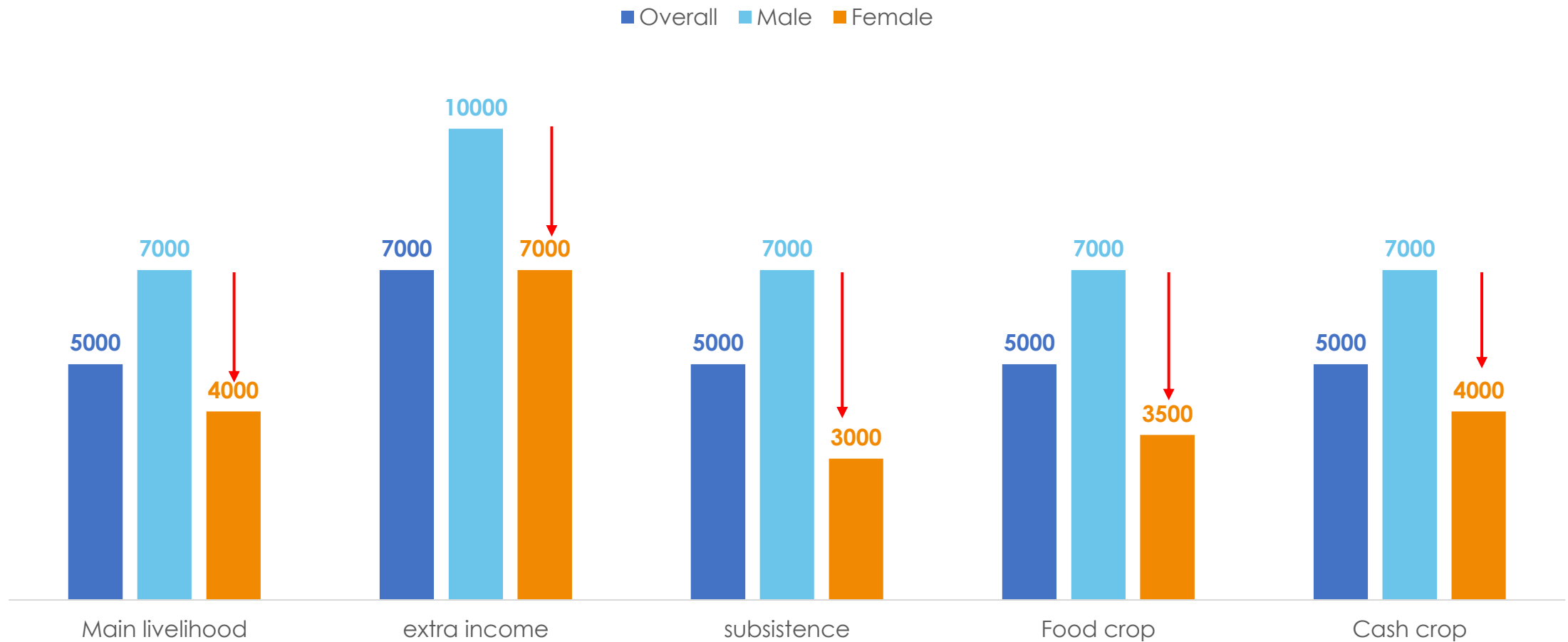


All farmers = 11,988,979 , main livelihood = 5,049,276 , extra income = 2,176,463 subsistence = 4,752,322



Income and digitisation

- What are farmers' median incomes by gender? Male farmers have greater income compared to women farmers

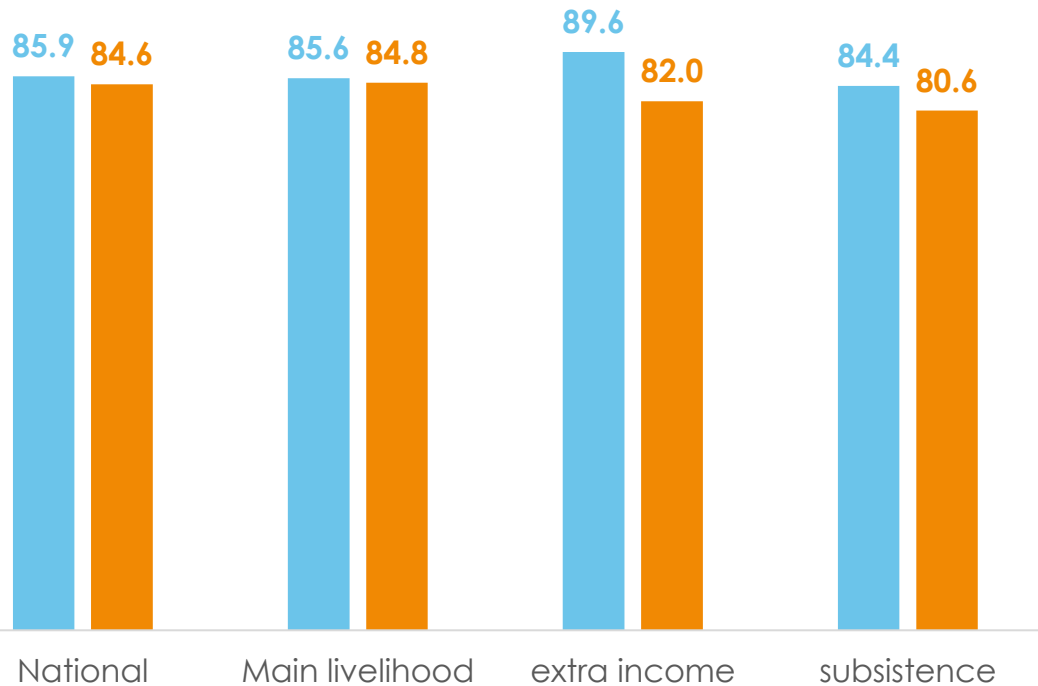


Base; main livelihood = 5,049,276, extra income = 2,176,463 subsistence = 4,752,322 food crop = 10,461,239 cash crop = 1,801,397

- **How do they fare in the phone ownership? lower smartphone penetration among farmers whose main livelihood is farming especially women (29.8%)**
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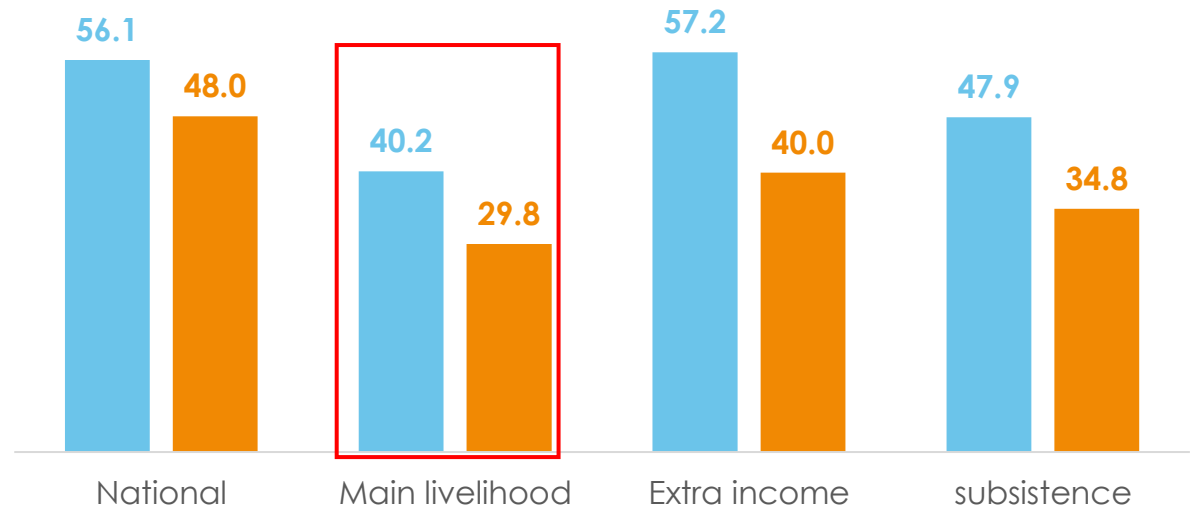
Phone ownership

■ Male ■ Female



Smartphone ownership

■ Male ■ Female



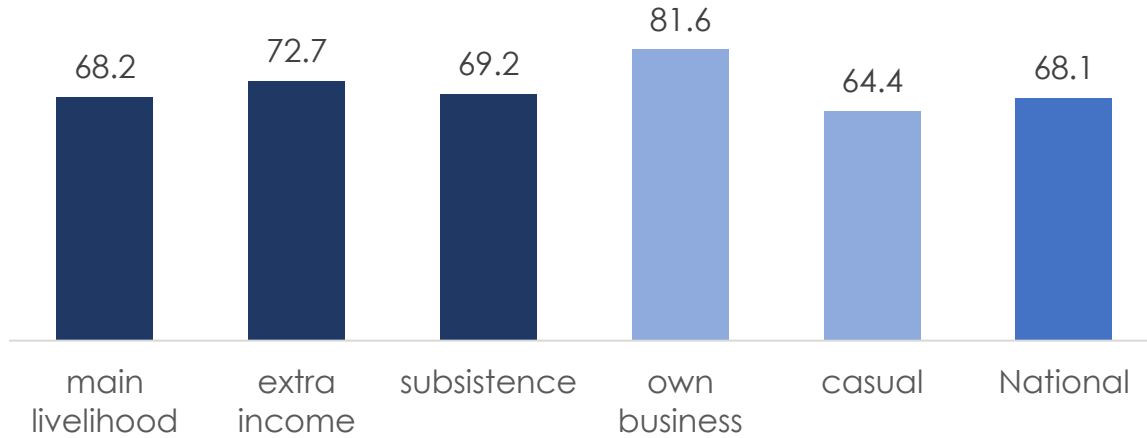
Population 18+= 28,142,069 , main livelihood = 5,049,276, extra income = = 2,176,463 subsistence = 4,752,322



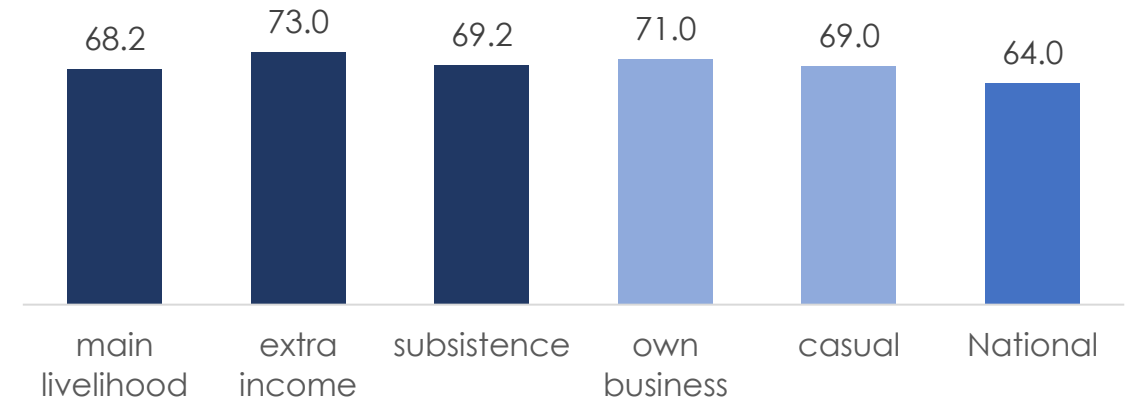
Usage of finance

Access to resilience tools and productive credit

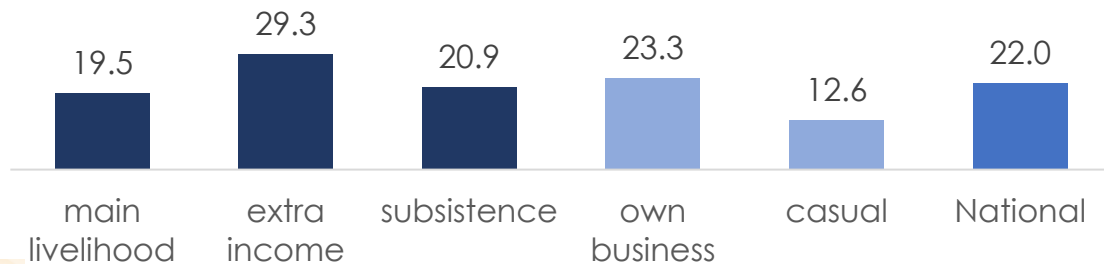
Overall saving



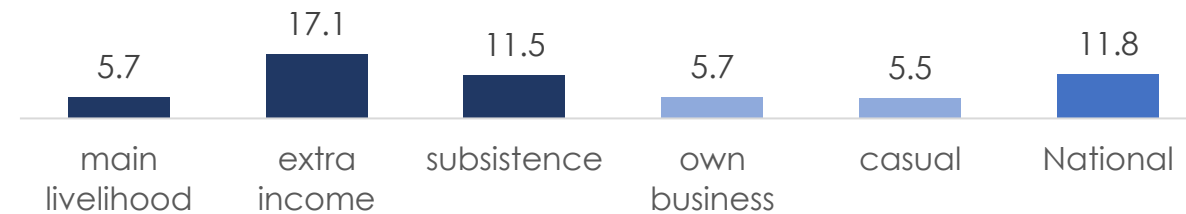
Overall credit



Insurance



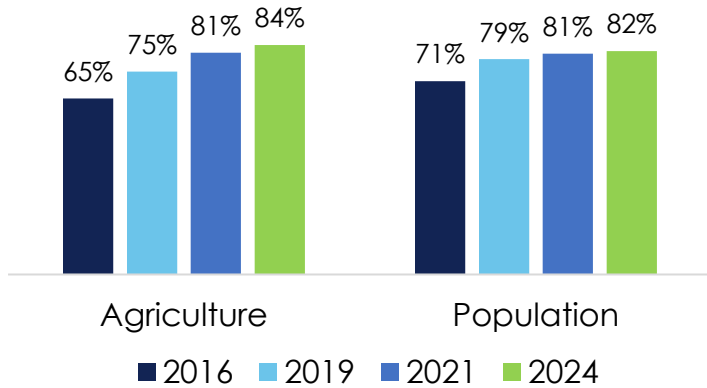
Pension



FINANCIAL PORTFOLIOS of FARMERS (Main Livelihood) : 2016-2024

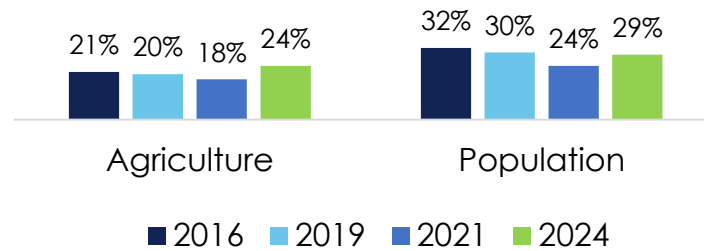
products currently used; 18+

Mobile money



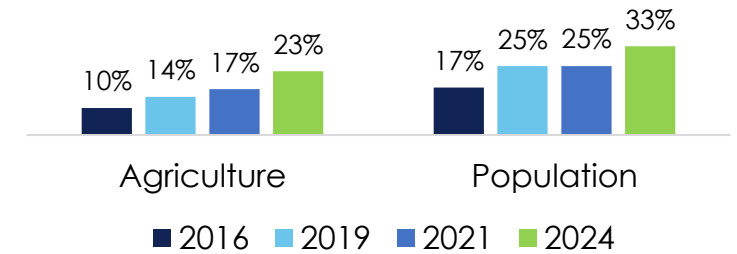
Traditional bank

(excludes mobile banking, mobile money overdraft fuliza/boostika)

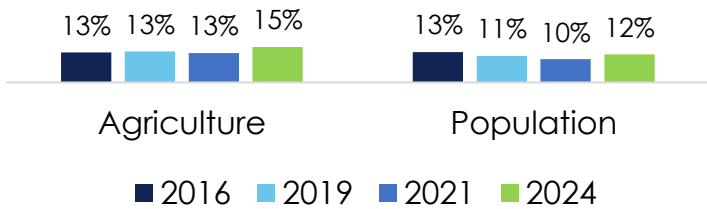


Mobile banking

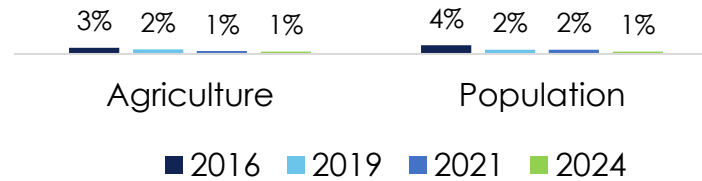
excl. Fuliza



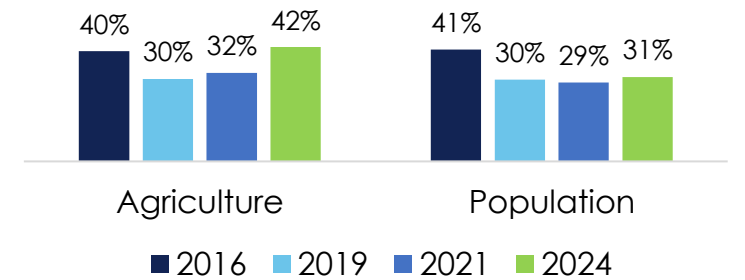
SACCOs



Traditional MFIs



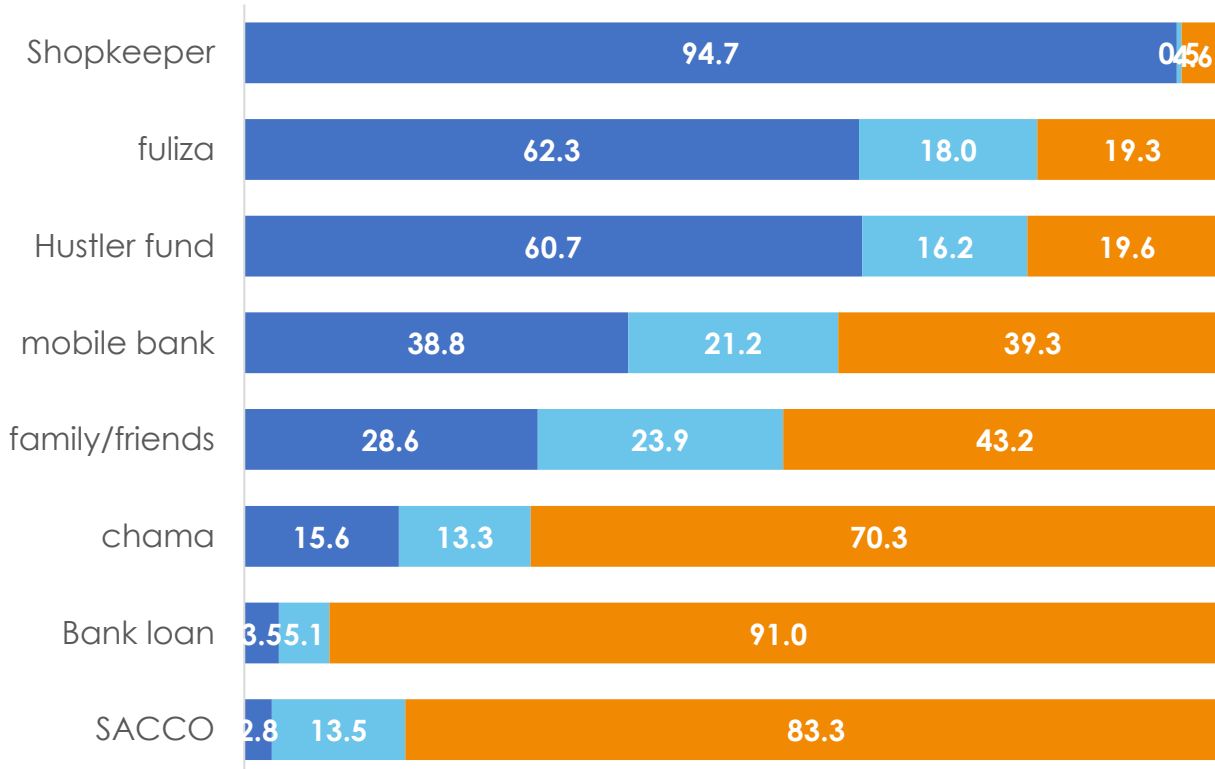
Informal groups



Reason for borrowing and goal for saving

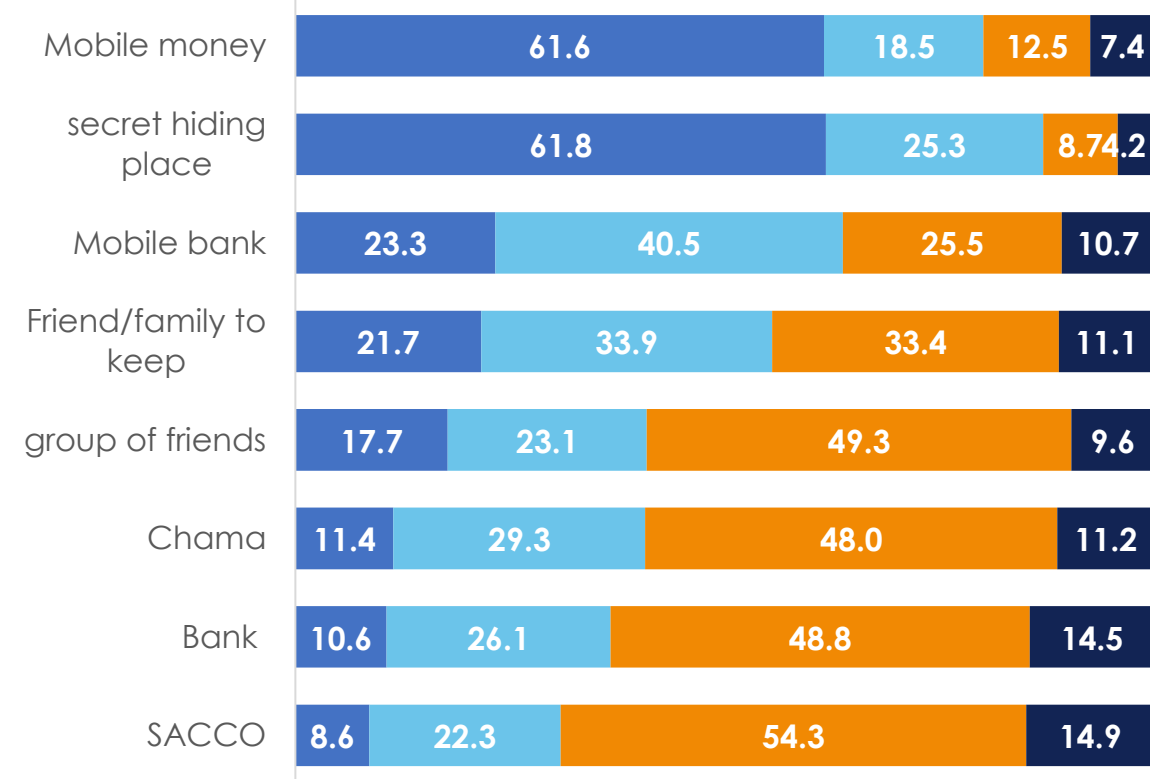
Taking credit (% of users)

■ Day to day ■ Emergencies ■ Investment



Saving(% of users)

■ Day to day ■ Emergencies ■ Investment ■ Safekeeping

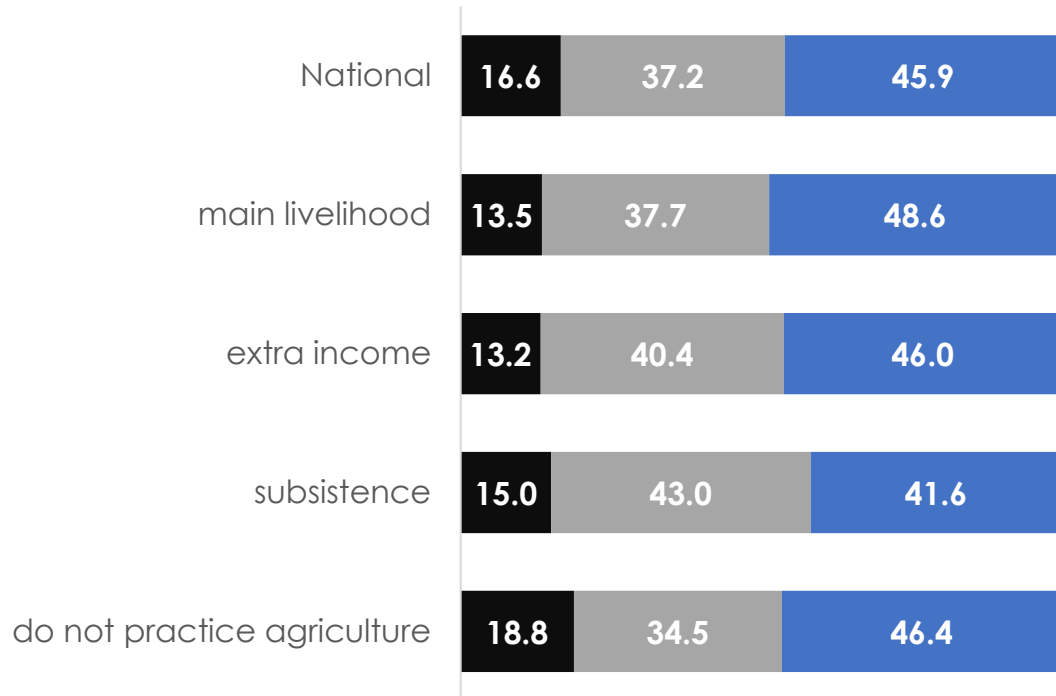


Saving base: Mobile money =1.69M, secret hiding place =0.887M, mobile bank =0.547M, friends/family to keep=0.154M, group of friends = 0.365M, chama = 1.31M, bank =0.569M, SACCO=0.455M

: Debt default; farmers have lower debt default compared to the rest of the population

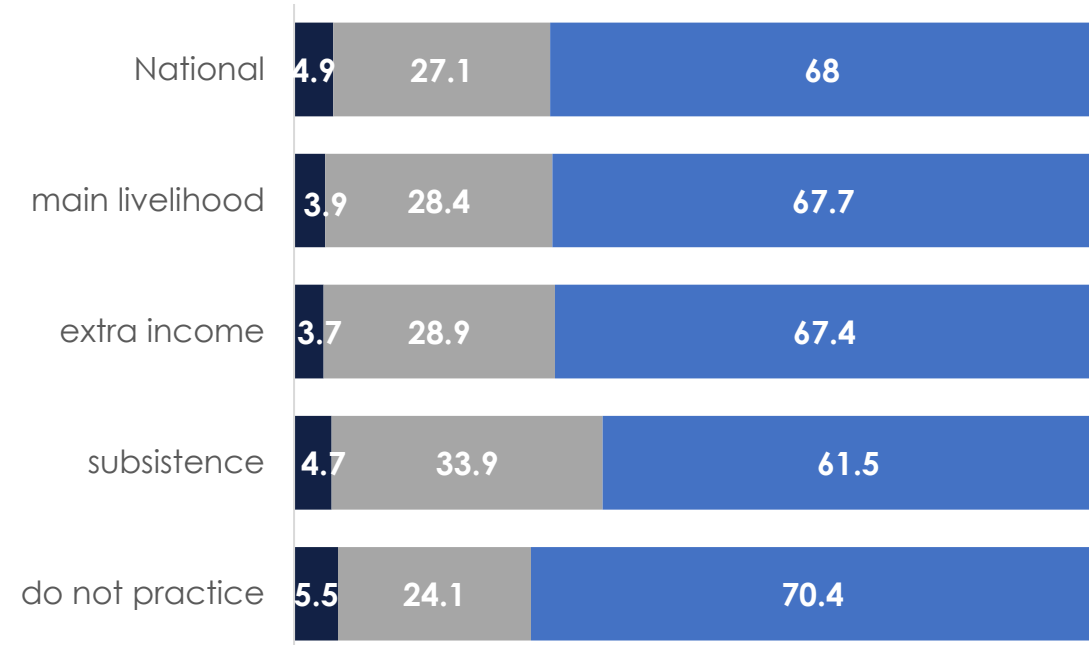
Debt default all loans (% of borrowers)

■ Didn't pay ■ Paid late ■ Did not miss payment



Debt default excluding Hustler fund (% of borrowers)

■ Didn't pay ■ Paid late ■ Did not miss payment

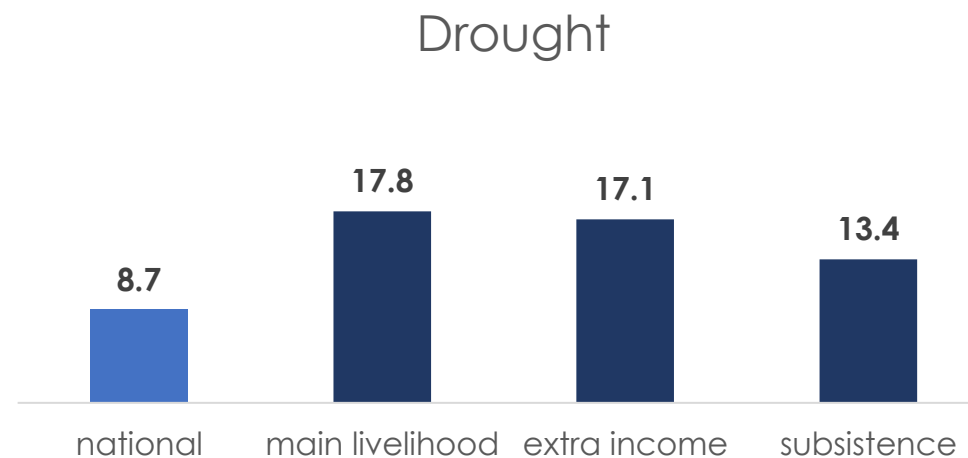
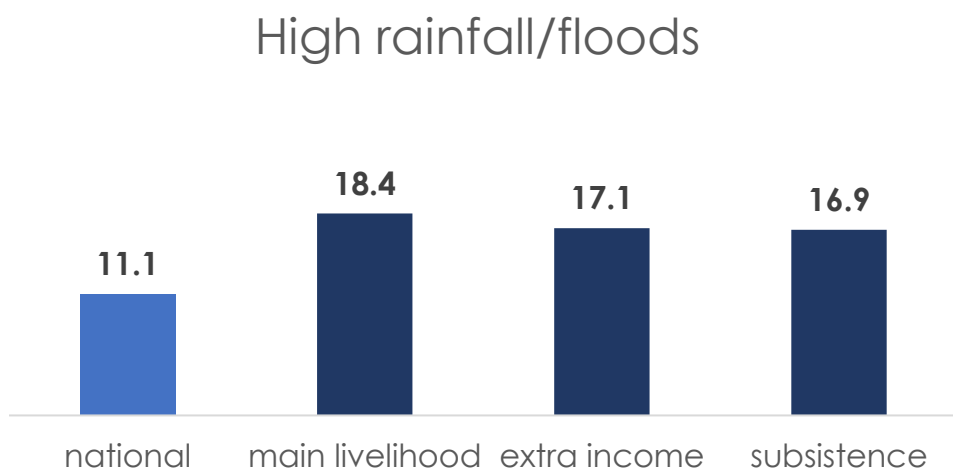
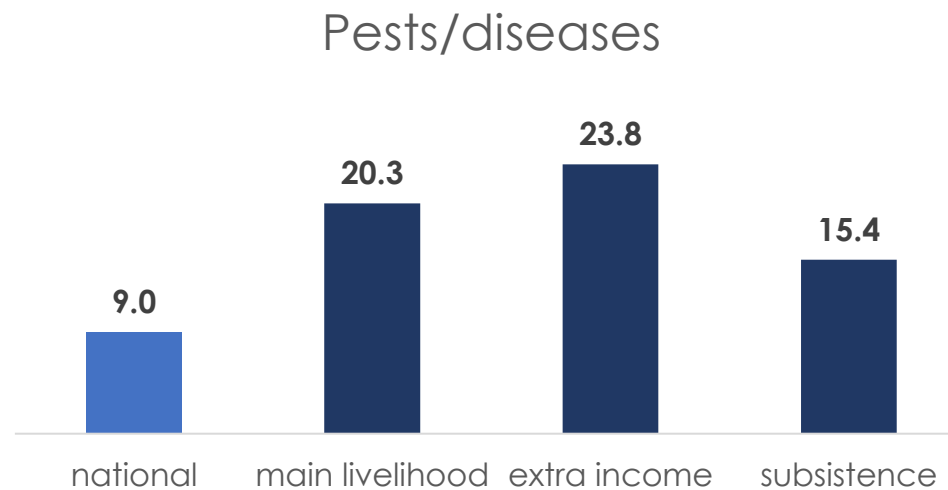
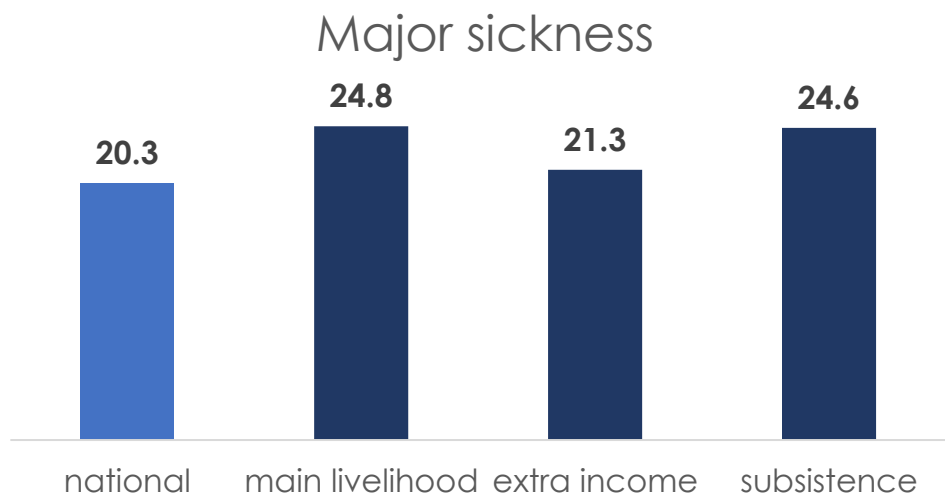


Population borrowers= 18,653,935; main livelihood=3,548,935; extra income =1,633,321 subsistence = 3,372,048; do not practice agriculture = 10,099,632



Shocks experienced, food vulnerability

Top shocks experienced by farmers



Base; Population = 28,142,069 Main livelihood= 5,049,276 , extra income= 2,187,381; subsistence= 4,752,323

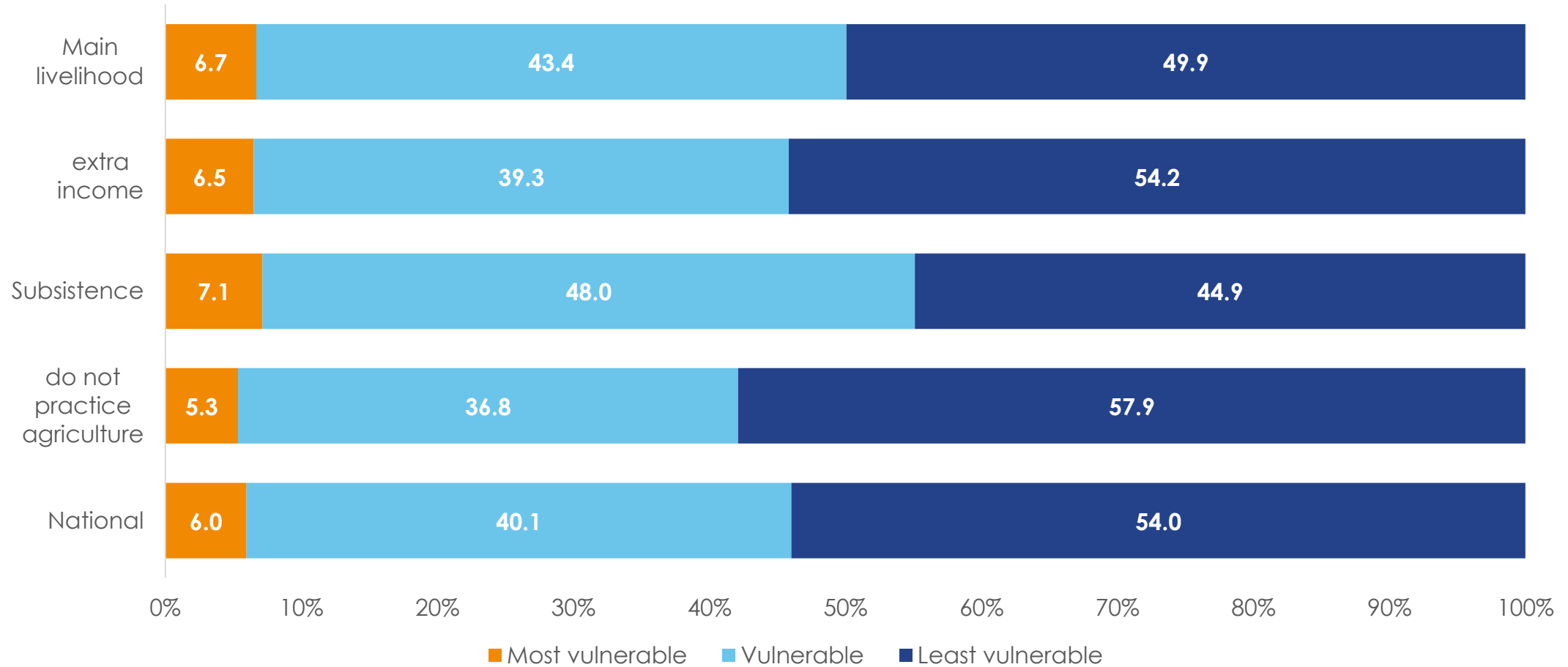
How farmers finance shocks



Base; Population = 12,363,846 Main livelihood= 2,814,771; extra income= 1,216,301 ; subsistence = 2,529,635

Prone to shocks and vulnerabilities

Most vulnerable - gone without food often in the last 12 months
Vulnerable - gone without food sometimes in the last 12 months
Least vulnerable - never gone without food in the last 12 months

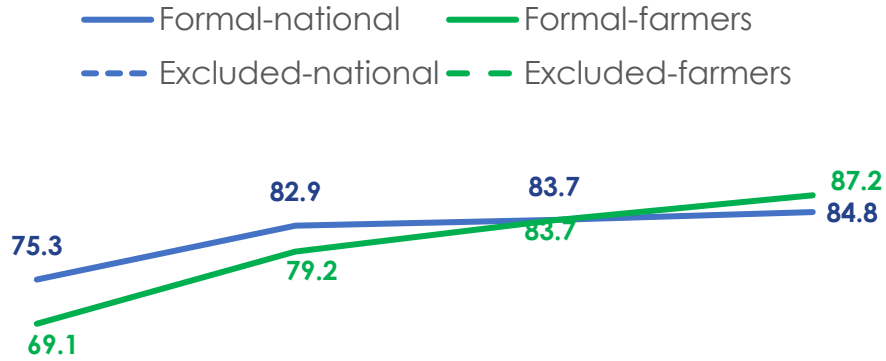




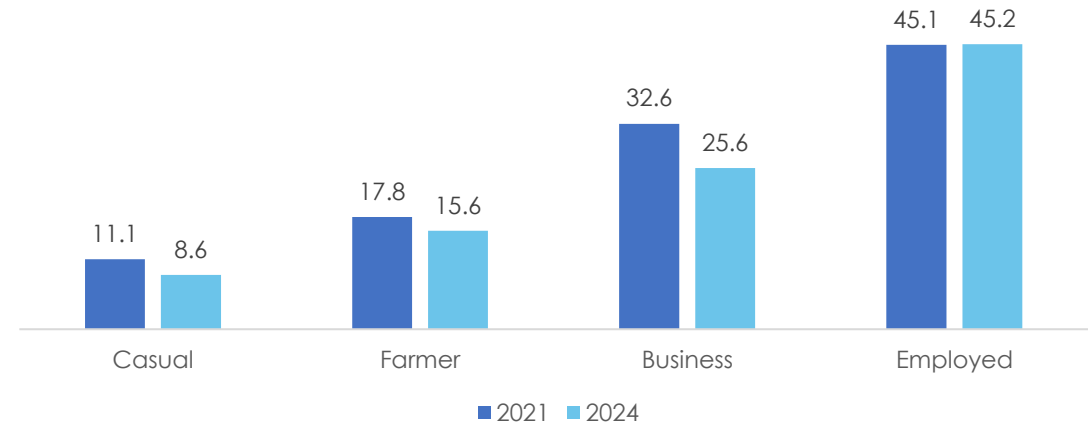
Financial inclusion vs financial health

Smallholder farmers and farming fares worse on financial health even as inclusion increases.

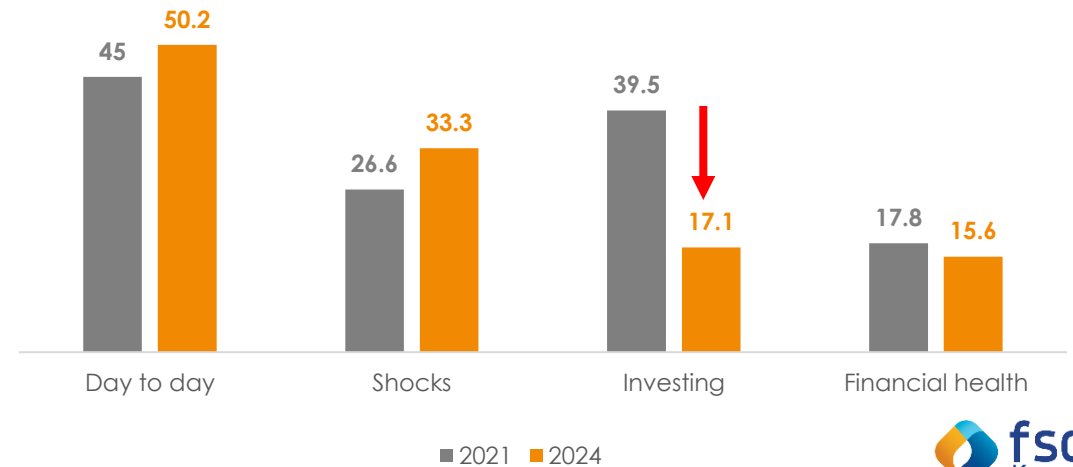
Financial inclusion



Financial Health by main livelihood groups



Farmers- financial health by domain





Time for a Paradigm Shift?

Fundamentally, we must understand **where value lies for resilience** to design long-term financial solutions (trends, data, dependencies, roles, markets, sectors, etc.)

How do we prioritise **local markets and infrastructure** to help farmers & communities withstand shocks?

Expand our collective thinking beyond “Agriculture finance to **“Food System Finance”**”

Shift from short-term profit to longer-term objectives. **Financing for resilience is not orthogonal with financing for growth.**

A Tale of two farmers





Creating value through **inclusive finance**

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