



Asset Based Financing for Smallholder Farmers Project

What is the Asset Based Financing for Smallholder Farmers Project?

The Asset Based Financing for Smallholder Farmers Project is helping 110,000 smallholder farmers in Western and Nyanza provinces of Kenya double their farm income per acre. More than 70% of Kenyans depend on agriculture for their livelihood. The majority of these farmers are women smallholders, yet for a variety of reasons, they are not as productive as they could be. Kenya is one of twenty partners in the U.S. government's support for Global Hunger and food security known as 'Feed the Future', which seeks to address the root causes of hunger, malnutrition and poverty and create conditions where food assistance is no longer necessary.



Photo: One Acre Fund

A farmer group in Webuye plants using techniques taught by project field officers. Smallholders make up the majority of farmers in Kenya, and improving their productivity is critical to increasing food security for the country

Project Duration and Budget

April 2012-April 2015
\$3.5 million

Who implements the Asset Based Financing for Smallholder Farmers project?

One Acre Fund

<http://www.oneacrefund.org>

Where does the Asset Based Financing for Smallholder Farmers project work?

Nyanza and Western provinces in Kenya

What does the Asset Based Financing for Smallholder Farmers project do?

The project takes a holistic view of the challenges faced by smallholder farmers in Kenya and offers practical, scalable and sustainable solutions to increase food security in the long term. The project is working to integrate smallholder farmers into the maize value chain in the following four ways:

- **Farm inputs:** Farmers receive quality seeds and fertilizer. These locally-sourced seed and fertilizer are delivered within two kilometers of where the farmers live. The farmers grow primarily staple food crops, such as maize and kales.
- **Finance:** Farmers receive their inputs as an in-kind loan, with a flexible repayment structure tailored to their income levels.
- **Training:** Local field officers provide extensive training to farmers in the fields where they live and work.
- **Market Facilitation:** Field officers train farmers on household storage practices, to minimize post-harvest crop loss. This allows farmers to access the market several months after harvest, when prices are high.

Its work builds on the progress that USAID's Kenya Maize Development Program has already made in upgrading the maize value chain in Kenya, and will work to target new areas.

How will the Asset Based Financing for Smallholder Farmers project make a difference?

The project's expected results will include:

- 31,130 Hectares of land under improved management practices
- 110,000 small holder farmers receiving input loans in the form of improved seeds and fertilizers, along with crop insurance, and chlorine solution for treatment of drinking water.
- At least 75% of participating farmers adopting best practices for maize cultivation.
- A gross margin of \$750 per hectare of maize of participating small-holder farmers.

What key challenges does the Asset Based Financing for Smallholder Farmers project face?

Even in the high-rainfall areas of western Kenya, smallholder farmers are under-producing. Farmers find it difficult and expensive to access improved seed and fertilizer, and when they do, they are not sure how to use these inputs most effectively. They lack ready access to markets, and don't store their harvests correctly. Increasing yields among smallholder farmers in the high and reliable rainfall areas of Kenya presents a tremendous opportunity to increase household incomes, decrease rural poverty, and increase national food security.



Photo: One Acre Fund

One of the main goals of the project is to increase maize yield of smallholder farmers.

For more information:

www.oneacrefund.org

Ravi Nayak, Grants Administrator
One Acre Fund
Tel: +254-708-259-248
Email: ravi.nayak@oneacrefund.org

Harrigan Mukhongo, AOR
USAID/Kenya
Agriculture, Business and Environment Office
Tel: +254 20 862 2245
Email: hmukhongo@usaid.gov

Updated July 2012