6. **Cooperatives and Farmer Groups:** Joining farmer cooperatives or groups can provide access to collective financing. These organizations often negotiate better terms and facilitate credit for their members.

7. **Member SACCOs (Savings and Credit Cooperative Organizations):** SACCOs like Teachers, Dairy, or Traders Saccos are excellent avenues for agri-loans. They provide tailored financial services to farmers and tend to offer favorable terms

8. **Community-Based Financing: Some communities have established local financing mechanisms to support farmers.** These may include savings groups, cooperative societies, or community-based microfinance institutions.

9. **Value Chain Partnerships: Collaborate with value chain actors, such as processors, traders, and exporters.** Some partnerships offer credit to farmers as part of their business model.

10. **Development Partners Aid:** International organizations and development partners often provide grants, loans, or technical assistance to promote sustainable agriculture.

11. **Digital Loan Platforms: Innovations in digital finance have transformed access to credit.** Platforms like Musoni provide specific agriculture-focused loans, such as the "Kilimo Booster" loan, which can be accessed remotely through village-based loan agents

12. **Creative Finance Methods:** Explore innovative financing options, such as crowdfunding platforms or partnerships with private investors.

NB: Each source of funding has its own advantages and conditions. Accessing credit involves understanding the terms, repayment schedules, and the purpose for which you need the funds. Exploring multiple options and choosing the most suitable one for your specific needs is essential.

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REPUBLIC OF KENYA

KALRO
Kenya Agricultural & Livestock Research Organization

NAVCDP
National Agricultural Value Chain Development Project
Transitioning from Subsistence to Commercial Farming

FINANCING FARMERS IN THE CASHEW VALUE CHAIN IN KENYA

Why do cashew farmers need finance?

Funds empower farmers to invest in their farms, enhance productivity, and participate effectively in the cashew value chain. Specifically, cashew farmers require financing for several critical reasons:

1. Initial Investment: Starting a cashew orchard involves costs such as purchasing land and equipment.
2. Seedlings and Inputs: Cashew trees take time to mature and bear fruit. Farmers need funds to buy quality seedlings, fertilizers, and pesticides for optimal growth.
3. Land Preparation: Clearing land, preparing the soil, and planting cashew trees require resources. Financing ensures that farmers can adequately prepare their land.
4. Irrigation and Water Management: Cashew trees may need supplementary water supply, especially during dry seasons. Financing helps set up irrigation systems and manage water resources effectively.
5. Pest and Disease Control: Cashew trees are susceptible to pests and diseases. Farmers need funds to purchase pesticides and implement preventive measures.
6. Harvesting and Processing: Harvesting cashew nuts requires labor and equipment. Financing helps cover labor costs and facilitates efficient processing.
7. Storage and Transportation: Proper storage facilities are essential to maintain cashew nut quality. Financing supports the construction of storage units and transportation to markets.
8. Value Addition: Farmers can add value to their cashew nuts by processing them into kernels or other products. Financing enables investment in processing machinery and facilities.
9. Market Access and Marketing: Accessing markets and promoting cashew products require financial resources. Farmers need funds for market research, branding, and distribution.
10. Climate Resilience: Adapting to climate change and implementing sustainable practices often involve upfront costs. Financing supports climate-smart agriculture and resilience-building efforts.

Sources of finance for cashew farmers

There are several sources of financing for farmers and agribusinesses. Farmers should be aware of and explore these sources to boost agricultural production. Some of the sources of finance include:

1. **Personal Savings**: Using your own savings is a common way to fund start-up expenses in agriculture.
2. **Farm and Business Profits:** Reinvesting profits from your farming activities can serve as a source of capital.
3. **Government Support:** Both national and county governments provide funding for farmers, including subsidized loans, grants, or credit facilities specifically designed for agricultural purposes. Farmers should keep an eye on government programs that support farmers.
4. **Commercial banks:** These include banks such as Equity Bank, KWFT, KCB, Cooperative Bank, Barclays, Rafiki Bank, and Faulu offer agricultural loans with varying interest rates and terms. Farmers can apply for customized loans through these banks.
5. **Agricultural Financial Institutions:** Institutions such as the Agricultural Finance Corporation (AFC) offer loan products to farmers across Kenya, providing affordable