



Equipping smallholder farmers with tools to improve animal management and biosecurity, will boost the production of safe, healthy food that improves nutrition, while preventing the spread of pathogens that threaten global human health.

Photo Credit: Marion Wagaki.

Reducing financing, market risks for livestock farmers

By Murimi Gitari

A **NEW** study has identified poor animal health, biosecurity and transboundary animal disease management among the reasons for low credit and market access by Kenyan smallholder livestock farmers.

The study conducted for the Transformational Strategies for Farm Output Risk Mitigation (TRANSFORM) programme found that most financial institutions consider lending to livestock farming a risky affair.

TRANSFORM seeks to strengthen the animal-sourced food system and enhance global health security by preventing emerging zoonoses, transboundary animal diseases (TADs), and antimicrobial resistance (AMR) in major animal agriculture value chains.

It is a partnership involving the Global Health Security Agenda (GHSA), Cargill, Ausvet, Heifer Project International, and the International Poultry Council (IPC).

The aversion to lending towards livestock initiatives, says the study, is partly informed by limited

knowledge of the livestock value chain and the link between biosecurity and productivity by the financial institutions, low adoption of livestock insurance as well strict terms for commercial bank loans that most farmers are unable to meet.

The study findings also show lack of awareness of financing facilities and processes by smallholder farmers and communal fear of losing personal assets given as collateral.

The study observed that while the government had set quality standards on livestock management there was minimal enforcement effort leading to lower adherence by farmers and providers of necessary services.

The report recommends the need for all value chain actors to be trained on biosecurity to facilitate compliance, enforcement and certification of farms to help them access more markets and credit from financial institutions.

It also proposes that financial institutions study the agricultural sector with aim of better understanding it, increase their risk appetite for agri lending and accelerate

the use of technology to help access data and measure impact to help them make decisions.

"This project has enabled us reach many farmers not only here in Kenya but other countries as well that are beneficiaries of TRANSFORM programme which has made a difference to the livelihood of these smallholder farmers," said Heifer International Kenya Country Representative Esta Kamau during a recent report validation workshop in Nairobi.

The forum brought together different market systems actors, including financial intermediaries and guarantors, to discuss how best to design interventions and access to finance that will improve animal health, biosecurity for smallholder farmers and farmer producer organisations (FPOs).

Participants also gained insights into the Development Fund Corporation guarantee mechanism and examples of previous success in facilitating access to finance in agriculture and smallholder farmers.