

Impact of the COVID-19 pandemic on farmers

Kenya report

October 2020

SCBF 

SWISS CAPACITY BUILDING FACILITY
Innovating Financial Inclusion

MSC 
MicroSave Consulting



The state of farmers during COVID-19

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Co-Funded by:

Swiss Capacity Building Facility

Kenya report



This report provides a detailed country-level view of the impact of COVID-19 on farmers* and their coping strategies. The report also provides recommendations for policymakers and financial service providers to support them.

- 01 Recommendations
- 02 Impact of COVID-19 on farmers
- 03 Coping strategies of farmers
- 04 Annexes

* The sample size is, clearly, too small to be representative and therefore the percentages throughout this report should be seen as indicative.

About this report

- Kenya's first COVID-19 case was detected on 12th March, 2020. The COVID-19 pandemic has left a massive impact on the lives of farmers in Kenya. With limited net worth and savings to fall back upon alongside a squeeze on their access to finance, farmers have faced severe disruptions that hurt their agricultural income. Farmers needed appropriate responses at all levels to support them in the aftermath of the crisis. This spurred MSC's research to assess the nature and extent of the effect of the pandemic on farming households and farming activities.
- The objective of the research was to assess the economic impact of the COVID-19 pandemic on farmers in Kenya to understand the extent of impact and identify areas that require short-, medium-, and long-term support. The specific objectives of the research were to:
 - Understand, assess, and to the extent possible, quantify the impact of COVID-19 pandemic on farmers, their family, and on farming activities;
 - Assess the impact of COVID-19 on farmers in terms of disruptions in their agriculture income and costs (including for inputs), input supply, marketing of produce, product ranges, and liquidity management;
 - Inform policy and regulatory changes to support the agriculture sector;
 - Understand the usage of communication channels and identify opportunities that can be utilized.
- This report presents the findings, analysis, insights, and recommendations on the impact of COVID-19 in Kenya on farmers.
- In this round, we conducted a quantitative survey with 30 farmers and qualitative interviews with 10 farmers across Kenya to assess their perspective on the COVID-19 situation and their response to it. We have synthesized the findings to provide recommendations and opportunity areas for policymakers as well as financial service providers to strengthen their efforts further. Please see [Annex 2](#) for the study design and [Annex 3](#) for the sample characteristics.

Study sponsor

SCBF and MSC co-funded this joint research proposed by MSC to understand the impact of the COVID-19 pandemic on needs, attitudes, perceptions, and behavior of farmers in Kenya.

At the time of data collection in September, 2020, the Government of Kenya had lifted the inter-county ban on movement, although night-time curfew remained from 9pm to 4am.

*The curfew has been extended till January 3,2021 with two hours of relaxation in starting time (11pm to 4 am) with effect from 28th September,2020.

Recommendations

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The pandemic has had a severe impact on the economic well-being of farmers; support is critical to restore agricultural income and reduce vulnerabilities

Measures to support the income of farmers

Key insights

- Farmers have continued to struggle with low revenues and profits caused by reduced demand and fluctuations in the price of the produce. Farmers, particularly those involved in the production of single crops or perishable produce counted losses as they could not access the markets. The situation has improved after the restrictions were relaxed.
- Besides the reduction in agriculture income, the decline in non-agriculture income-generation opportunities has put further pressure on household resources.
- While some farmers received food assistance in the initial phase of the pandemic, most have not received direct support from the government.

Recommendations

1

The government can support smallholder subsistence farmers, especially women-headed agricultural households, with a one-time emergency relief measure through cash assistance.

2

The government's stimulus package of KES 1.5 billion (~USD 15 million) for horticulture and flower farmers as well as private sector commitments for farm workers in the organized farm sector have been helpful. More donor support needs to be mobilized to reach smallholder farmers and unorganized farm workers. This can be done through various agriculture value chain partnerships to serve smallholder farmers.

3

The government may enhance procurement through the National Cereals and Produce Board. The minimum support prices announced by the government can help farmers minimize their losses as well as cushion farmers against price fluctuations in the market.

Measures to reduce the burden of expenses

Key insights

- Reduced income and rising costs of cultivation have significantly constrained the ability of farmers to invest in agriculture, thus aggravating their vulnerability.
- The increase in the cost of inputs and high operational costs for transport has proven to be a challenge. In the short to medium term, it has led to concerns about lower production and reduced yields. Some farmers have started questioning the viability of farming itself, especially for smallholder farms.
- Though the government introduced an [electronic voucher subsidy program](#), the proposed coverage of 200,000 farmers in the first phase is insufficient to meet the current needs. Farmers are not aware of mechanisms to access government support.

Recommendations

1

The government can expedite the coverage and expansion of the electronic voucher program across the country through effective identification and tracking of farmers who have been affected adversely by the pandemic.

2

The government may establish collection centers for farmers to transport and sell their produce. This will also enable the government to store supplies for future use, enhance food security, and reduce market manipulation and the resultant fluctuations in commodity prices.

3

The private as well as public sector can utilize mobile channels to provide information and advisory support to farmers. This will especially be useful to communicate pathways toward recovery to smallholder farmers.

Farmers need market linkages and credit—utilizing Kenya’s advancement in digital farmer services will allow farmers to recover faster

Measures to boost access to finance

Key insights

- Farmers have experienced a considerable decline in household income. With limited savings at their disposal, many farmers have turned to credit and sale of assets.
- Farmers need access to credit to meet cultivation expenses. However, they are severely constrained in their access to credit as they service existing loans. Unless the situation improves, they are likely to default. Moreover, stringent terms and conditions, collateral requirements, and high costs of credit further limit access to finance for smallholders.
- Less than a quarter of farmers surveyed received support from financial service providers—mainly in the form of loan restructuring. Most farmers remained unserved and indeed, did not receive any support.

Recommendations

1

Financial service providers can design agriculture credit products for farmers to help them continue with farm operations. Donors can extend support to FSPs for designing farmer-friendly financial products and services.

2

Financial service providers need to proactively reach out to farmers with existing debt facilities with options for loan restructuring and moratorium. Critically, FSPs must give farmers options for repayments that suit their revenues and cash flows. This will not only help farmers but will also protect the portfolios of FSPs.

3

Financial service providers can utilize digital channels to deliver financial services. Donors can support the digital transformation of FSPs to serve farmers with cost-effective delivery and client-focused services.

Measures to boost access to markets

Key insights

- Most farmers rely on brokers and middlemen to sell produce. With limited options to market the produce in a pandemic situation, farmers are more susceptible to market fluctuations.
- Farmers need support to develop long-term risk mitigation strategies to protect themselves against future shocks. They also need to build resilience through diversification of agriculture and more robust post-harvest operations, such as processing facilities to reduce losses.
- Farmers’ uptake of digital technologies is limited despite the presence of many DFS platforms.

Recommendations

1

The government can facilitate public-private partnerships to enhance market linkages that would help farmers sell their produce. Makueni County has invested in a [mango processing facility which has helped farmers to earn better income through value-addition and reduction in post-harvest losses](#).

2

Public and private sectors can promote the use of digital technology platforms to make agriculture market systems more efficient. This can be done through the provision of bundled services to improve production, increase access to finance, and enhance market linkages.

3

A public-private partnership may be used to build mass awareness campaigns for farmers. The partnership can help use digital channels to access agriculture advisory, connect with new buyers, and eventually, enhance profitability.



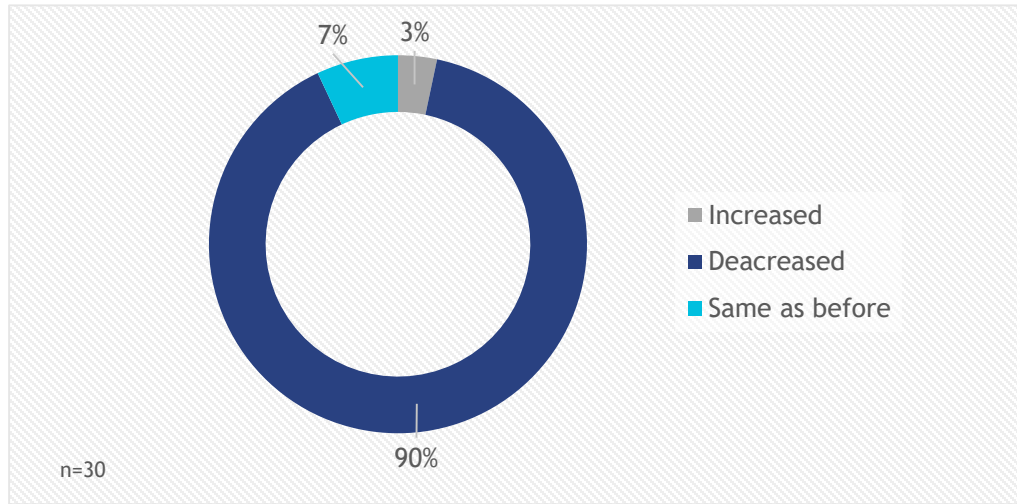
Impact of COVID-19 on farmers

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Farmers face a significant decline in household income due to disruptions in agriculture and other income sources

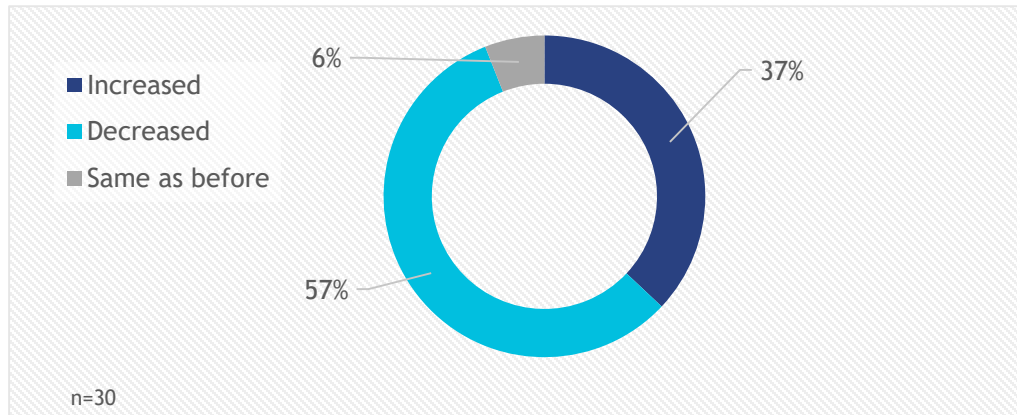
90% of farmers reported a decline in their household income



Decreasing demand for produce, falling prices, and increasing costs of inputs pose a threat to the survival of farmers

- Smallholder farmers in the survey reported an **average of 45% decline** in household income. Most farmers contacted during the study rely on small-scale production for both subsistence and commercial purposes. The pandemic has forced them to scale down production, which hurt their household income and significantly increased vulnerability.
- While farmers reported an average decline of 4% in household expenses as they adjusted to the reduction in income, reduced remittances, and **decline in non-farm income sources** have added to challenges in their economic recovery.

More than half of the farmers reported a decrease in household expenses



“At the onset of the pandemic, the weather patterns were favorable. We experienced a bumper harvest. Thus, since supply was high, the prices were lower than expected. I have used almost all the money that I received from the sale of the earlier harvest on household expenses.”

- A farmer from Nyeri

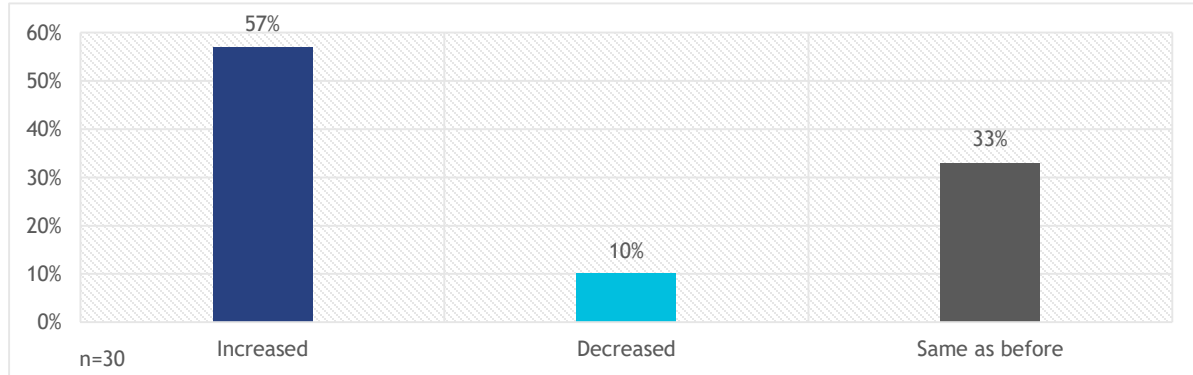
“My household expenses have increased since the children are at home since the schools closed. Although we consume the produce from the farm, we still require to spend on other necessities.”

- A farmer in Kisumu

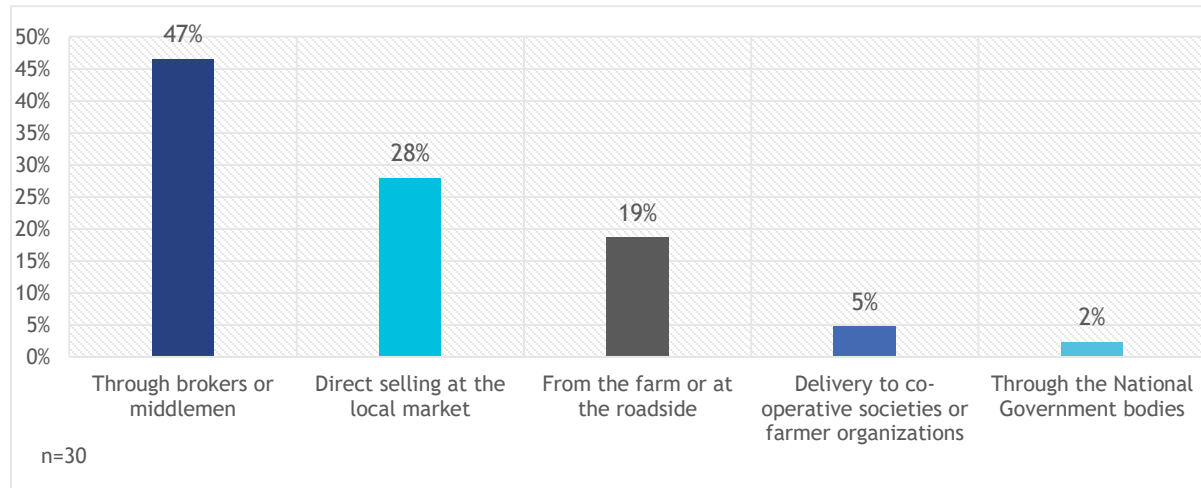
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The sale of agricultural produce improved after relaxations of restrictions but farmers still struggle with low demand and fall in prices of agriculture produce

More than half of the farmers reported an increase in the sales of farming produce after government restrictions were relaxed



Almost half of the farmers reported that they rely on brokers or middlemen to sell their produce



Relaxation of restrictions have restored transportation routes and access to markets, although demand remains muted

- 57% of farmers reported an improvement in sales of produce and livestock as against the situation in July, 2020. This is largely because the government has [lifted the ban on inter-county movement](#) enabling better access to markets. Smallholder farmers rely on brokers to sell produce, who can now access farms to buy the produce.
- Despite the increase in sales, farmers were affected by lower prices due to [lower demand and the reduced purchasing power](#) of customers.

“I sold my cow at KES 15,000 (~USD 150), which was minimal compared to what I expected, which was KES 40,000 (~USD 400). Most customers were complaining about the lack of money. This was the best price I could get in the market.”

- A farmer in Kirundi

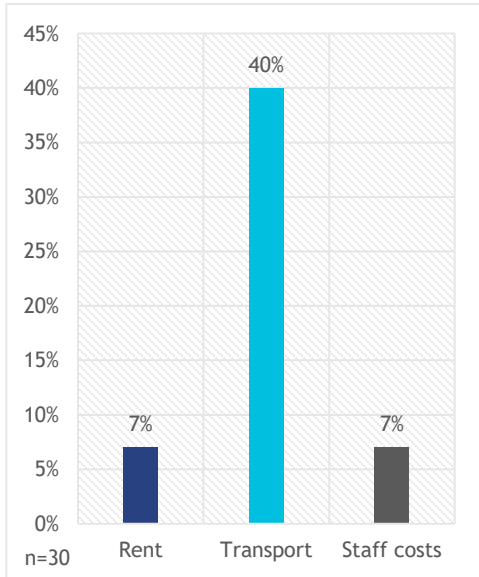
“At the onset of the pandemic, we were disconnected from the markets. Brokers or aggregators could not travel due to restrictions and the risk of infection. Most aggregators travel from urban areas where the risk of infection was high and continues to be so. We did not allow the aggregators to come to our farms.”

- A farmer in Bungoma

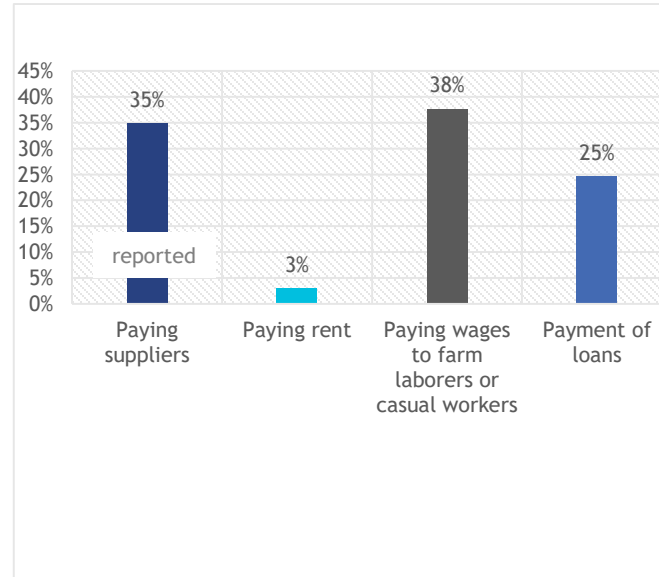
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Transport cost continues to remain high. Paying for supplies, wages, and repayment of loans are the main financial concerns

40% of farmers reported an increase in transport costs



Most farmers reported paying for supplies and wages as the most significant financial problems



Overall, most farmers were able to maintain input costs to earlier levels, except for transport. However, meeting expenses for agriculture activities remains challenging

- Farmers surveyed reported an average increase of 44% in transportation costs, especially for farms in remote locations. This continues to further depress profits.
- With reduced income, farmers face significant financial issues in meeting the cost of agriculture inputs. Hence, they have been cutting down on the area under cultivation. This has the potential to make them even more vulnerable in the short to medium term. Hence, the economic impact of COVID will continue much beyond COVID.
- The staff costs in farms fell on average by 68%, as most farmers opted to reduce the number of workers and hire them only when needed.
- In terms of rentals, most farmers use their own farmland while a few hire land for cultivation. The latter farmers reported an average increase of 27% in rentals.

“My farm is located far from the main town and the road network is poor, which makes it difficult to transport the produce. This situation worsened after the outbreak of the pandemic, although it improved again as the restrictions were lifted. However, the transport costs are still very high and farmers in my area have been struggling to get reliable transport. I own a tuk-tuk that I used to transport my produce. I realized I could also use the tuk-tuk to transport the produce for other farmers. This has provided me with another income stream.”

- A farmer in Nyeri

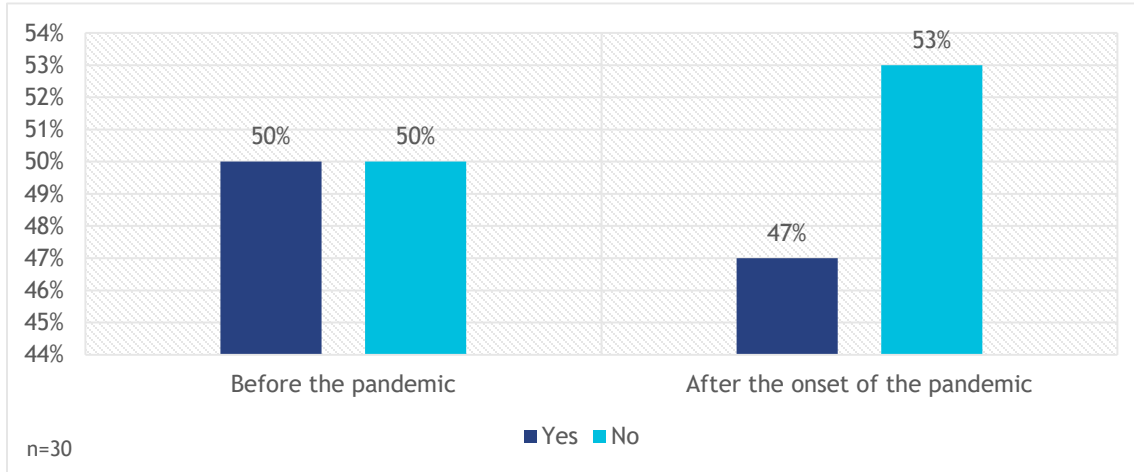
“I used to have two permanent workers who would help me on the farm, but I was unable to continue paying them. I decided to lay off one worker and retained one for security purposes. I will only hire workers for planting or harvesting work. For now, I rely on my children who are old enough to support me with some of the farming activities.”

- A farmer in Makueni

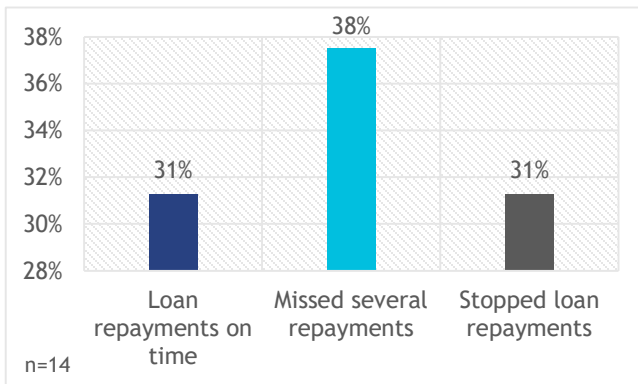
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High defaults on loan repayments have diminished farmers' access to credit—critical to restoring agricultural activities

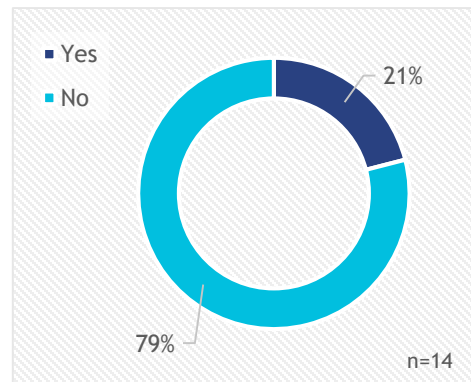
Less than half of the farmers surveyed had received credit after the pandemic



More than two-thirds of the farmers are struggling to repay their loans



Only 21% of farmers with loans have received support from financial service providers



The burden of loan repayment and reduced options for loans further compounds the liquidity challenges faced by farmers

- 47% of the farmers in the survey had accessed loans after the pandemic. Some farmers noted that they were unable to access loans due to stringent conditions—especially collateral. Therefore, they had to opt for credit from informal sources, including family and friends.
- Most farmers who had existing loans reported that they were struggling with debt repayments due to constrained cashflows. A few had received support from financial service providers in the form of restructuring of repayments and moratorium on repayments.

“I am a member of Meru Central Dairy. They also operate a SACCO. We sell our milk to the dairy and the SACCO lends to us and deducts repayment from the payments toward milk.”

- A farmer in Meru

“Before the pandemic, I used to borrow digitally from lenders, such as KCB, M-PESA, and M-Shwari regularly. I tried to borrow recently but was not successful.”

- A farmer in Bungoma

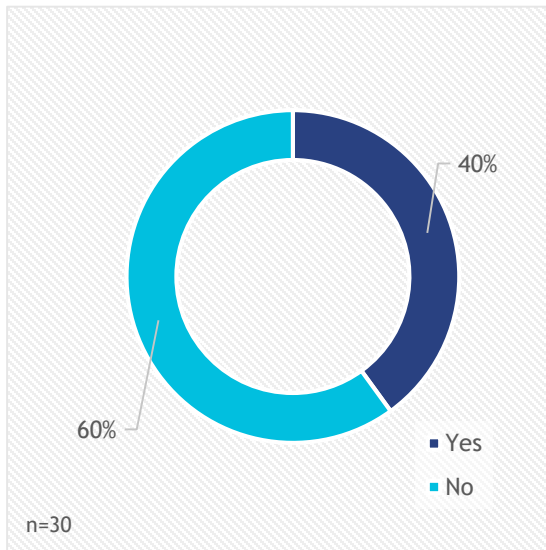
“I approached a microfinance institution and applied for a loan. I was asked to provide collateral and had to submit my vehicle's logbook to access the loan.”

- A farmer in Makueni

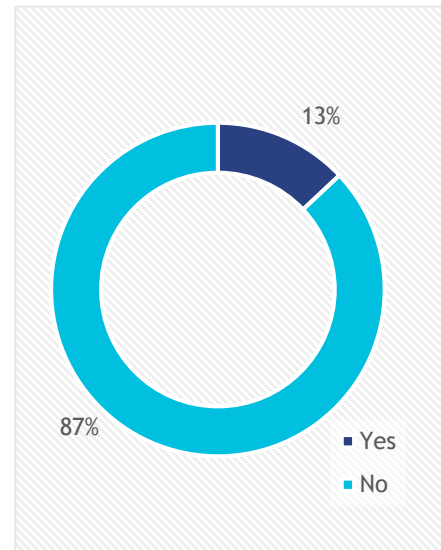
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Uptake of digital technologies is limited to agri-extension purposes

40% of the surveyed farmers own smartphones



Only 13% of farmers have used digital agri-extension services



Despite potential to improve access to agriculture information and access to markets, use of digital technologies is limited

Farmers are yet to explore the potential of digital platforms. While farmers reported limited use of digital content mainly for improving agriculture practices, none reported using online channels to sell their produce during the pandemic. The main barriers for limited uptake were:

- Lack of awareness: Farmers lack information on digital farmer service platforms and are unaware of their potential. Low digital literacy is also a reason for the low uptake
- Limited access to an appropriate device: Some farmers cited that they did not have smartphones, which limited the use of these channels
- Financial constraints: Farmers also reported that they had limited buy airtime and data to access digital platforms

“I used to transport my produce to the market but since the onset of the pandemic, I have sought brokers or aggregators who come to buy from the farm. I am not aware of online channels since I am illiterate and need training before I can use them.”

- A female farmer in Kimaeti

“I have not adopted new channels for marketing. I am on Facebook and I have thought of marketing my produce through this channel. However, I fear being conned.”

- A farmer from Ruiru

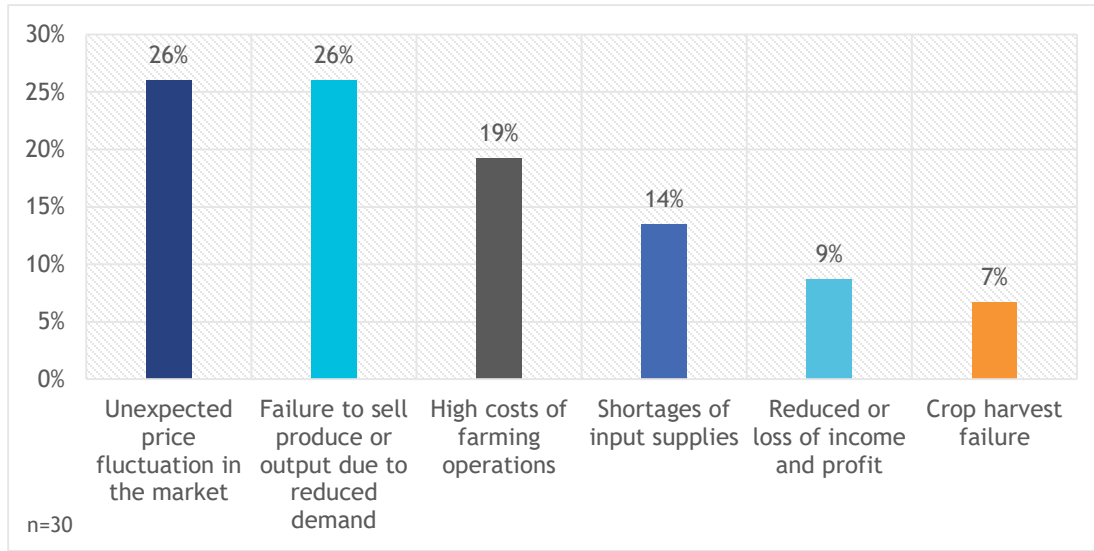
“I normally receive messages from the Ministry of Agriculture. They send information on how to prepare land, plant the crops, and apply pesticides on crops.”

- A farmer in Kiambere

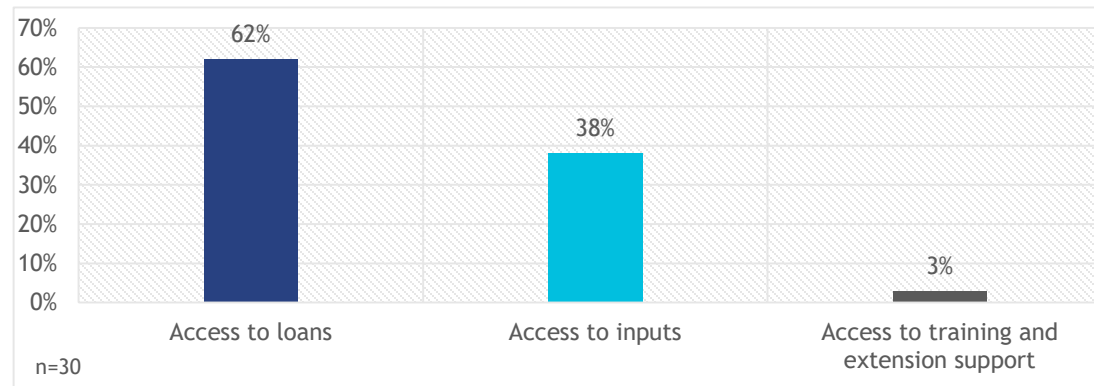
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Farmers have become more vulnerable to risks since the onset of the pandemic

More than **half** of the farmers have been affected by market-related risks



Almost two-thirds of the farmers surveyed cited the need for credit to recover from the effects of the pandemic



Farmers face diverse risks and do not have sufficient coping mechanisms

- Fluctuations in prices, reduced customer demand, and low income have affected farmers. At the very least, they need access to credit to effect a turnaround.
- Access to inputs has also been constrained. This has affected the ability of farmers to plan farm activities.

“The biggest risk has been lack of funds to purchase pesticides that I need so that I can protect my potato crop from pest attack. I have to apply the pesticides once in three or four days and I am yet to buy pesticides due to lack of funds.”

- A farmer in Elgeyo Marakwet

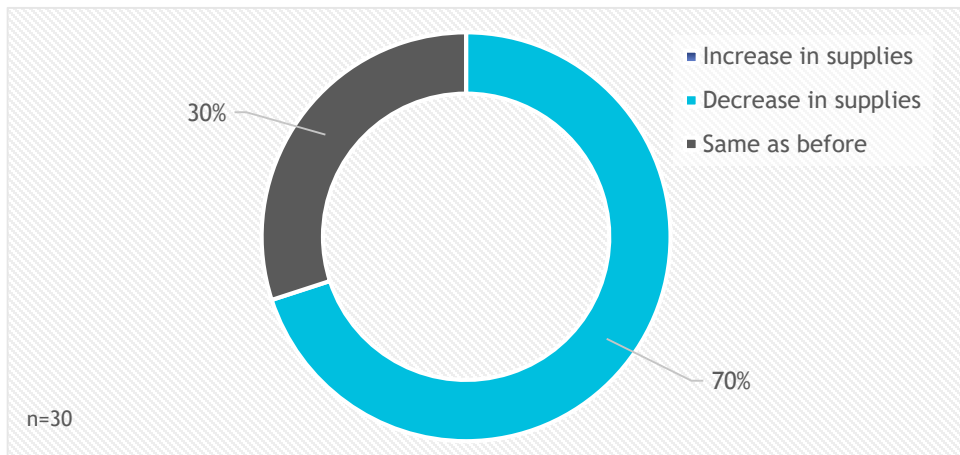
“Many people relocated to rural areas since the onset of the pandemic and have been engaging in farming activities. This has led to a surplus of food, which in turn has had an impact on the prices in the market. As I lack funds, I cannot rent a tractor and have to resort to using draught animals to plow my land.”

- A farmer in Kirundi

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Access to inputs remains a challenge for most farmers due to limited availability and high prices

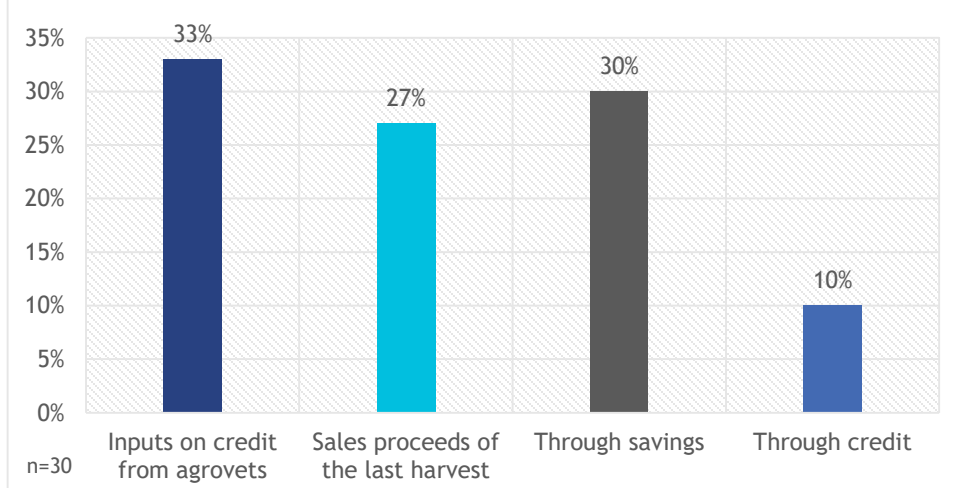
70% of the surveyed farmers had challenges in accessing inputs



Farmers seek access to affordable inputs to increase production

- Import and curfew restrictions imposed by the government disrupted supplies of farm inputs. As the government relaxed the curfew in July, 2020, the supply of inputs improved. However, given the earlier shortages, input prices have risen due to shortages and the [high cost of transportation](#).
- Farmers in the survey reported that they had difficulties in access to affordable inputs and were concerned about lower production and reduced yields.
- Most farmers in the study reported that they purchased inputs through credit, especially from agro-dealers who had more flexible terms compared to formal credit providers. A few farmers indicated they relied on local solutions to replace the use of inputs, such as fertilizers, for example, the use of manure.

43% of the respondents purchased inputs on credit



“Since the onset of the pandemic, the prices of the farm inputs, such as pesticides and fertilizers have increased thus making it difficult to earn enough to meet the costs of farming.”

- A farmer in Kapkochumari

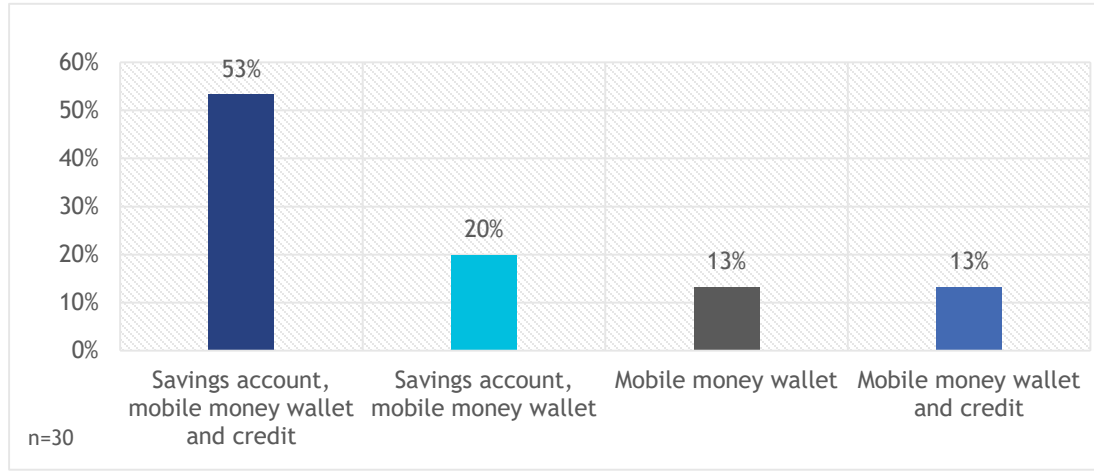
“I am a member of an agri-tech aggregator. They have arrangements with our local agrovet to supply us with fertilizer and seeds on credit. We pay back in small installments within six months. However, if you are unable to pay, you also have the option to pay with the produce.”

- A farmer from Bungom

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Although farmers can access formal financial services, their usage, however, remains limited to transfers, savings, and credit

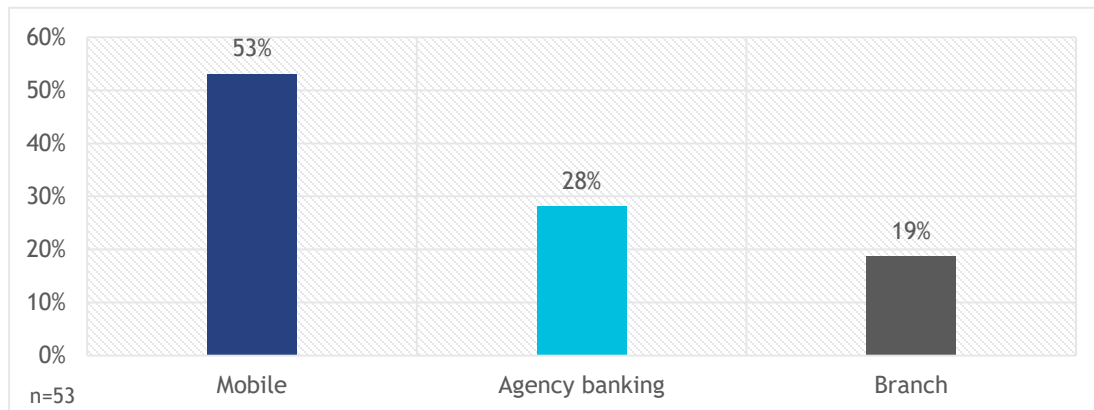
More than half of the farmers reported the use of multiple formal financial products



Most farmers have experience with formal financial products; however, they prefer to use the mobile money wallet

- In Kenya, mobile money has accelerated access to financial services, particularly for excluded groups that include smallholder farmers. In the study, all the farmers surveyed reported the use of mobile money to make payments. A few farmers indicated that they also borrow digital loans—mainly for consumption purposes, such as to pay bills.
- In terms of channels, over half of the farmers in the survey reported that they preferred to use mobile money compared to other channels due to ease of usage and convenience. Farmers in rural and remote locations found it harder to access services from bank branches. Some use mobile money wallets to save.
- Farmers indicated that they needed products for long-term savings and risk management. However, they had limited awareness of formal mechanisms to cater to such needs and did not use them.

53% of farmers prefer to use mobile money wallet for transactions



“I rely mostly on mobile money transactions. I do not have a bank account and I do not see the need for one since I save in M-PESA and borrow through M-Shwari. The only issue is that I cannot save for a long period since the money is easily accessible and I risk spending it.”

- A farmer in Kirundi

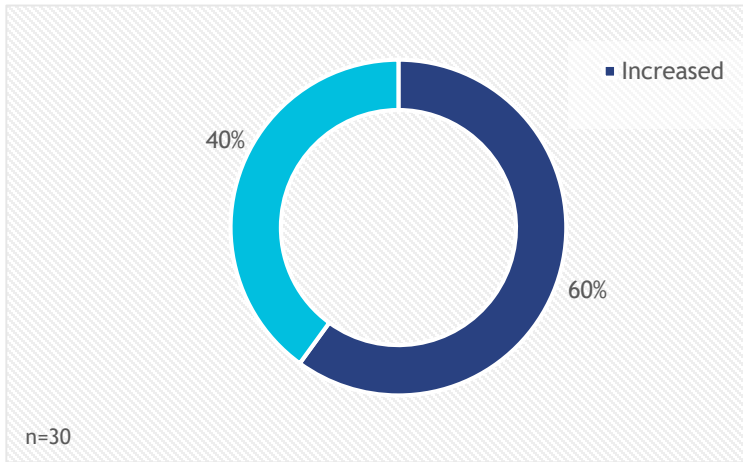
“My farm is located deep in the interior. I do not use a bank account since the branches are located in the trading center far from my farm. It means I would need to hire a motorbike and pay transport of KES 100 (~USD 1) to go to the branch. Agents are more accessible. However, in some instances, they do not have float or cash.”

- A farmer in Bungoma

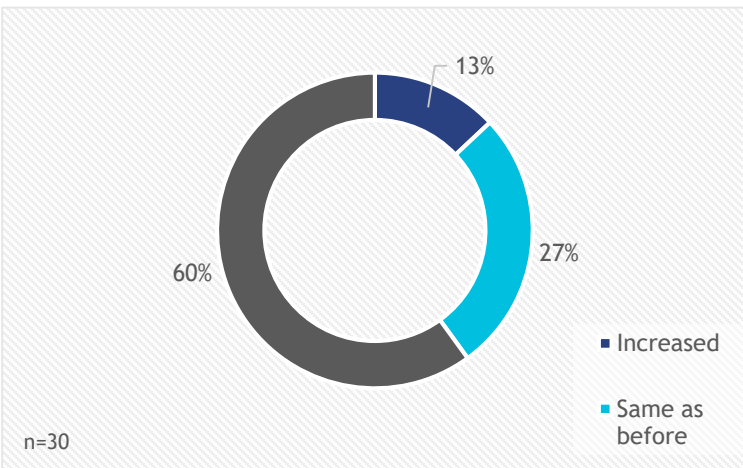
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Farmers have increased the use of mobile money to make transfers and payments

60% of the surveyed farmers reported an increase in the use of mobile transactions



60% of the farmers reported a decrease in cash payments



There is a noticeable behavior change as farmers opt to use digital payments over cash

- The use of cash fell while the use of mobile transactions picked up. Since the onset of the pandemic, the government has encouraged [the use of digital transactions instead of cash](#) to limit the spread of the virus. To this effect, the Central Bank of Kenya [waived the fees for small transactions less than KES 1,000 \(-USD 10\)](#) on mobile money to encourage higher use. This effectively stimulated the wider ecosystem and [led to an increase in mobile money transactions](#).
- As farmers use more digital transactions, they became increasingly aware of the benefits. Therefore, there is opportunity to develop new products and services that leverage on digital channels for farmers. In the study, we noted various ways in which farmers use digital products and channels:
 - Use of mobile money to make payments and transfers, for example for group contributions and purchase of inputs
 - Savings in mobile wallet—many farmers reported that they now save their money through M-PESA or M-Shwari
- The present situation offers the chance for providers to develop services to support farmers to use mobile money transactions for additional use-cases beyond transfers, payments, and savings.

“I am a member of a women’s group, we used to meet once a week. But we have not met since the time the government banned meetings. We communicate with each other through the phone and also send our contributions to the Treasurer through M-PESA. The chairlady sends a M-PESA to confirm receipt of contribution or repayment of the loan.”

- A farmer from Bungoma

“I have an account at Equity Bank but I rarely use it. I prefer to use M-PESA for most of my transactions since the mobile money statement can be used to access loans from other institutions.”

- A farmer from Machakos

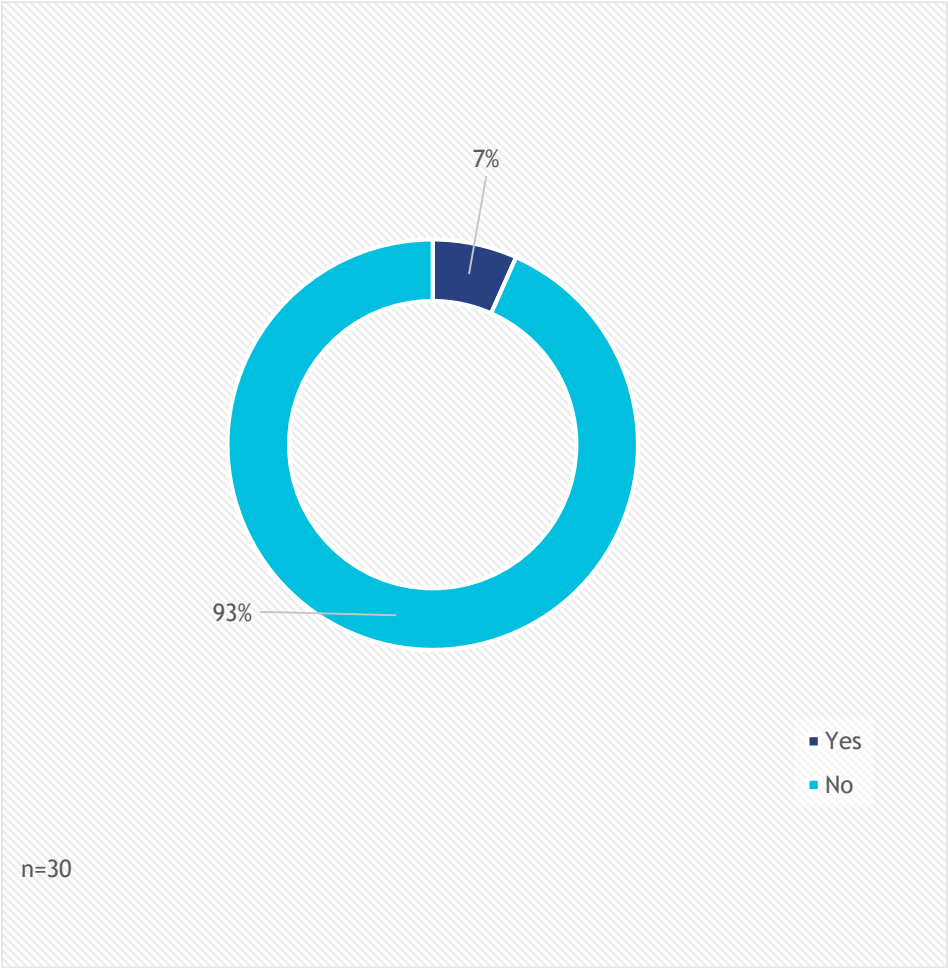
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Coping mechanisms

Only a handful of farmers have received direct support from the government to cope with the effects of the pandemic

Only 7% of the surveyed farmers reported had received direct support from the government during the period



Farmers require support from the government to recover during the pandemic

- Most farmers knew that the government has put in place measures to support citizens to recover during the pandemic. However, only 7% had received aid in the form of food.
- Most farmers indicated the need for support from the government to gain access to concessionary loans with favorable terms and access to inputs, which would allow them to invest in farming activities.
- Farmers need critical support to access affordable inputs. Many farmers requested help, especially to acquire higher quality seeds and fertilizers as they seek to increase their productivity levels and yields.

“I am aware that the government distributed food and aid like blankets. Mostly these were provided to the elderly in our county at the onset of the pandemic. However, the food aid supplies were low compared to the needs of people.”

- A farmer in Makueni

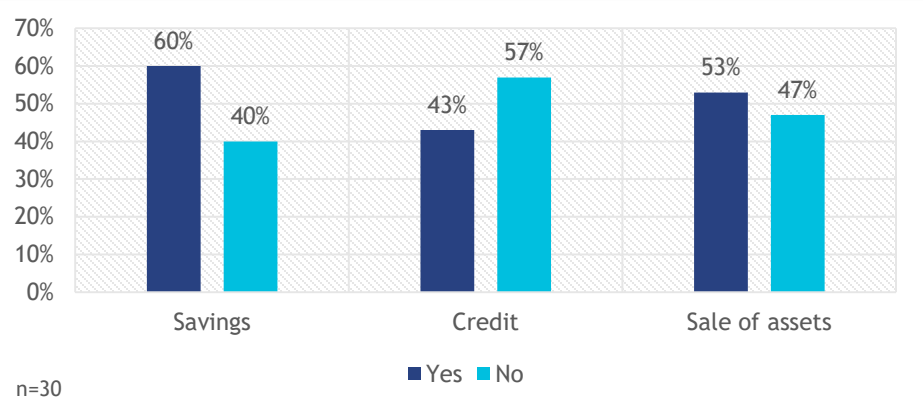
“I would like to access affordable inputs, such as fertilizers and higher quality seeds. These will help us enhance yields. I am, however, worried since the government announced that it is considering reopening the schools soon, I will have to pay school fees for three children, which will be a heavy burden for me since my income has reduced and I do not have enough savings.”

- A farmer from Trans Nzoia

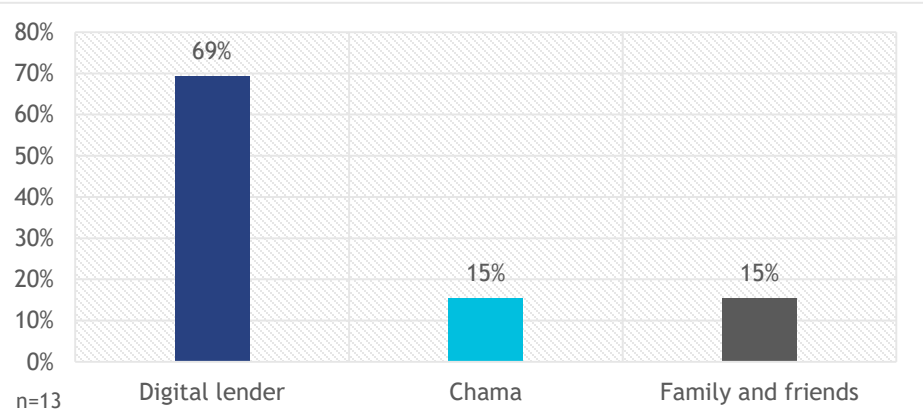
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Farmers resort to savings, credit, and sale of productive assets to manage their household expenses

60% of the farmers surveyed reported relying on savings to meet their household needs



69% of the farmers reported borrowing from digital lenders for household expenses



Farmers use a combination of savings, credit, and sale of assets to meet their household needs

- Many farmers reported using savings to meet their household needs. A few were worried since they had almost exhausted the savings and sought alternative solutions.
- Many farmers save in the form of productive assets and sell them when they need money. When they saw their incomes fall, they sold assets, such as chicken, goats, and cows to meet their needs.
- A report by [60decibels](#) indicated that most farmers were opting to mix strategies to manage; 69% of farmers had adopted two or more coping strategies as the financial situation worsened in September.
- Digital loans also provided relief for many farmers, indicating an important use-case in smoothening consumption. Farmers also continue to rely on family and social networks to provide support to manage household expenses.
- Farmers require support from the government and non-government organizations to cushion their households against the effects of the pandemic.

“I normally save 40% of my income after every harvest. I make a decent profit on every cow or sheep I sell. I had to withdraw KES 45,000 (~USD 450) from my savings to meet my expenses for the next two months. I am not sure if I will be able to sustain beyond the two months if the situation persists”

- A farmer in Kipyoko

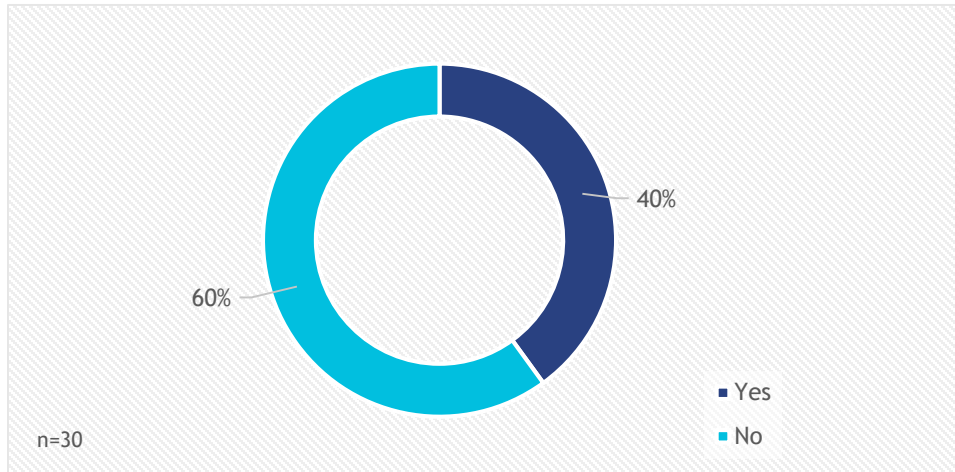
“At some point during the pandemic, I was forced to borrow through Fuliza. I borrowed KES 1,300 (~USD 13) to buy food for the family and medication for my children. I do not have any savings at the moment. I have some maize in stock that I intend to sell later when I get better prices.”

- A farmer in Kakamega

* The sample size is, clearly, too small to be representative and therefore the percentages throughout this report should be solely seen as indicative.

Farmers are diversifying into new farming activities and businesses

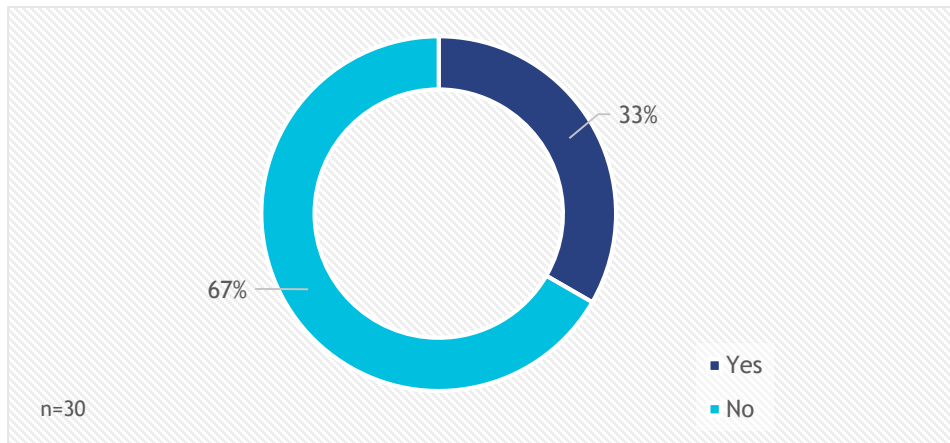
40% of the surveyed farmers had diversified into new farming activities since the onset of the pandemic



Farmers seek ways to diversify their income sources

- Most farmers surveyed sought additional ways to increase their income sources through diversification. Diversification into new farming activities was a key option for most of the farmers, especially in the production of non-perishable cereals, such as beans and green gram.
- Some farmers relied on existing businesses apart from their farming activities while others sought non-farming opportunities, such as day labor or services to other farms. A few farmers were also starting new businesses during the pandemic.
- Overall, farmers require support to develop long-term risk mitigation strategies to protect themselves against future shocks.

A third of the farmers reported that they rely on other businesses to supplement income



“I have resorted to planting beans to diversify my farming and increase my chances of getting profits.”

- A farmer in Kapsenger

“Apart from my farming activities, I also operate a *boda boda*, which has helped me supplement my income during this period.”

- A farmer in Kipyoko

“I decided to start buying maize from my fellow farmers and store it for some time. I will trade the stock when prices improve so that I can make some profit.”

- A farmer in Kabenes

* The sample size is, clearly, too small to be representative and therefore the percentages throughout this report should be solely seen as indicative.



Annexes

Annex 1 Unprecedented support at the time of an unprecedented crisis

Government



- In May 2020, The Kenya government issued a KES 53.7 billion (~USD 537 million) economic stimulus package. It covered eight areas including agriculture, among others.
- Out of the KES 53.7 billion (~USD 537 million), the government prioritized KES 3 billion (~USD 30 million) for the supply of farm inputs in a bid to cushion 200,000 small-scale farmers in 12 counties in the country in the first phase. At the time of reporting, the e-voucher program is being implemented in partnership with Kenya Commercial Bank (KCB) and Safaricom. The e-voucher system is intended to reduce pilferage and ensure purchase of farm inputs by farmers. Only vulnerable farmers with five acres of land and less are eligible for the support in the form of an e-voucher worth KES 20,000 (~USD 200) per acre.
- The government also allocated KES 1.5 billion (~USD 15 million) to assist horticultural and flower producers to continue accessing international markets.
- The Ministry of Agriculture laid out protocols and guidelines at the onset of the pandemic to minimize interruptions within the food supply chain. These include:
 - Designation of alternative market spaces for food vendors and farmers, such as stadia.
 - Monitoring of prices of key commodities and food in major markets each day
 - Enforcement of recommended sanitary measures in market places, such as cleaning and sanitizing of markets after operations.
 - Encouraging the use of digital technologies for food procurement and home deliveries to minimize interactions.

Private sector commitments



- Bayer East Africa has committed to donating seeds to 200,000 smallholder farmers from 10 counties in Kenya. The seeds worth KES 93 million (~USD 930,000) will be distributed through the company.
- Alliance for a Green Revolution in Africa (AGRA) has been supporting the Government of Kenya through data analytics. The organization has also provided support for the digitization of training for village-based advisors.
- The Waitrose & Partners Foundation has unlocked GBP 200,000 (~USD 270,000) from its Global Fund to protect farming communities overseas adversely affected by the current COVID-19 pandemic. This includes GBP 88,000 (~USD 115,000) to help Waitrose's suppliers in Kenya to develop healthcare and sanitation measures to prevent the spread of COVID-19 and protect farm workers.

Note: This is not an exhaustive list of the measures taken to provide relief against COVID-19; Details are based on information available till September, 2020
Source: Government of Kenya; Ministry of Agriculture, Livestock, Fisheries and Cooperative; others

Annex 2 Assessing the economic impact of COVID-19 on farmers in Kenya

The objective of the research



- Understand and quantify the impact of COVID-19 on farmers
- Inform policy and support subsequent efforts to rebuild the agriculture segment
- Assess the impact of COVID-19 on:
 - Farmers' income including challenges, risks, and changes in digital behavior
 - Access to inputs and market for produce
 - Access to credit
- Explore options to minimize threats and maximize opportunities
- Understand the current use of communication channels and identify opportunities to be utilized
- Understand the role of COVID-19 and its impact on entrepreneur's networks and trust
- Assess private and public sector support services

Approach



- We adopted a two-pronged approach:
- A qualitative and quantitative sample selected from the clients of Acre Africa
- Quantitative survey administered by Acre Africa
- A qualitative panel of 10 farmers interviewed by MSC staff

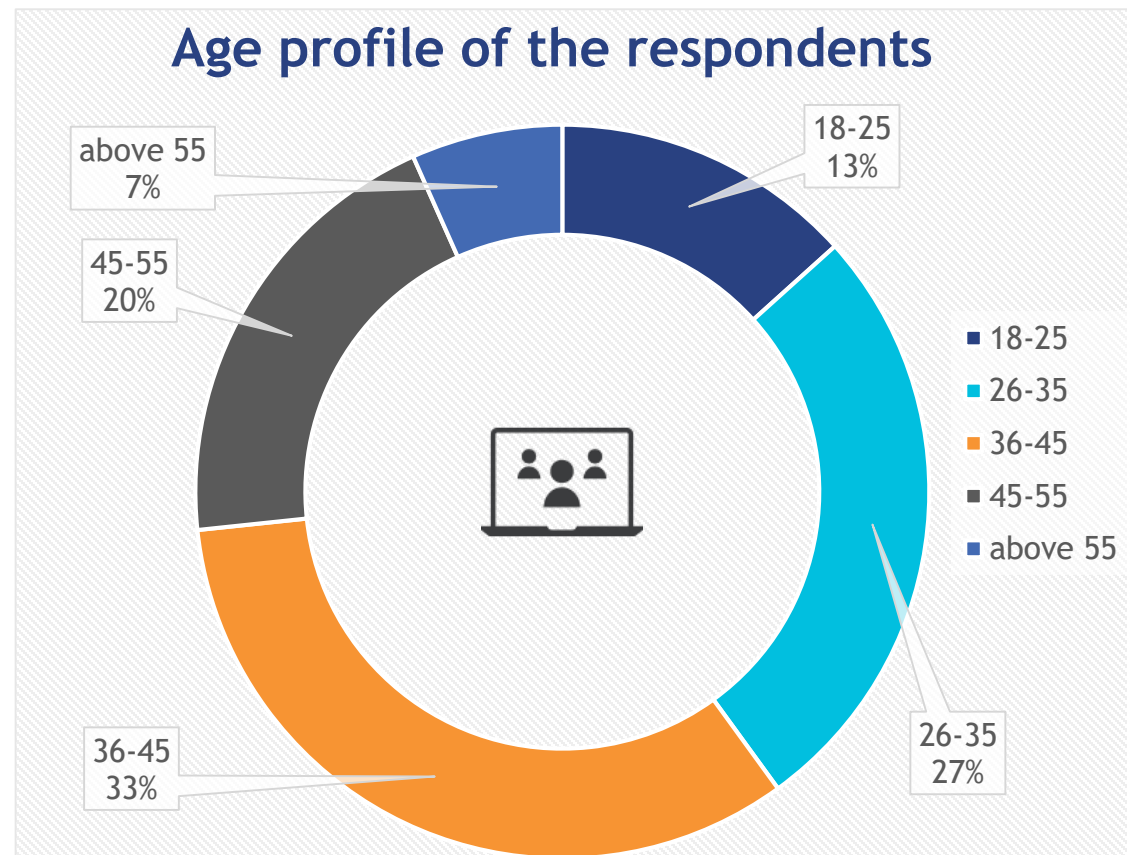
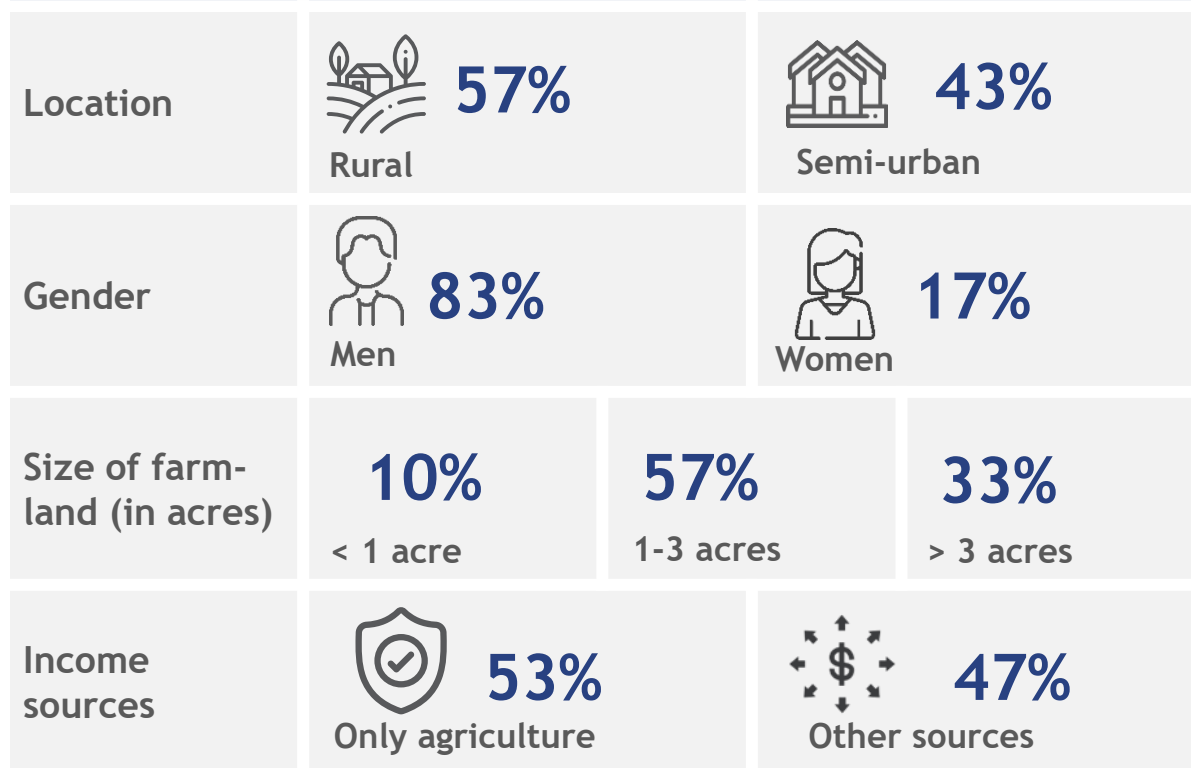
Research coverage



- Research country: Kenya
- Locations: Rural and semi-urban areas
- Quantitative sample size: 30 respondents
- Qualitative sample size: 10 respondents

Annex 3 Respondents' profile

Quantitative research: Sample profile of 30 farmers



Qualitative research:

- Sample of 10 farmers interviewed
- Women farmers 70% and men 30%
- Age profile: 26-35 years-60%; 36-45 years- 20%; 46-55 years- 20%

Note: Please note - The above sample size is not representative of farmers in Kenya

MSC is recognized as the world's local expert in economic, social, and financial inclusion



International financial, social & economic inclusion consulting firm with **20+** years of experience



180+ staff in **11** offices around the world



Projects in **~65** developing countries

Our impact so far

550+
clients

>850
publications

Assisted development of digital G2P services used by **875 million+** people

Implemented **>850 DFS projects**

Developed **275+ FI products** and channels now used by **55 million+** people

Trained 9,000+ leading FI specialists globally

Some of our partners and clients



This is SCBF...

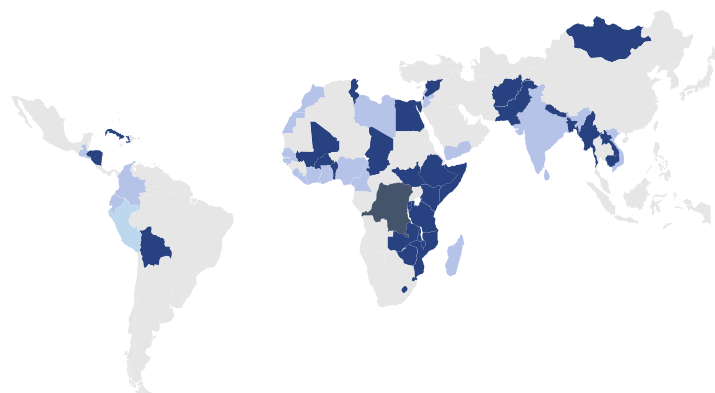
- SCBF co-funds **technical assistance (TA) grants** to develop client-centric **financial products, channels and services** for the low-income clients in developing countries
- Target end-clients:** low-income populations; particularly, women, smallholder farmers, micro, small and medium enterprises (MSMEs) and rural populations
- Goals:** Build resilience, economic empowerment, and access to essential services



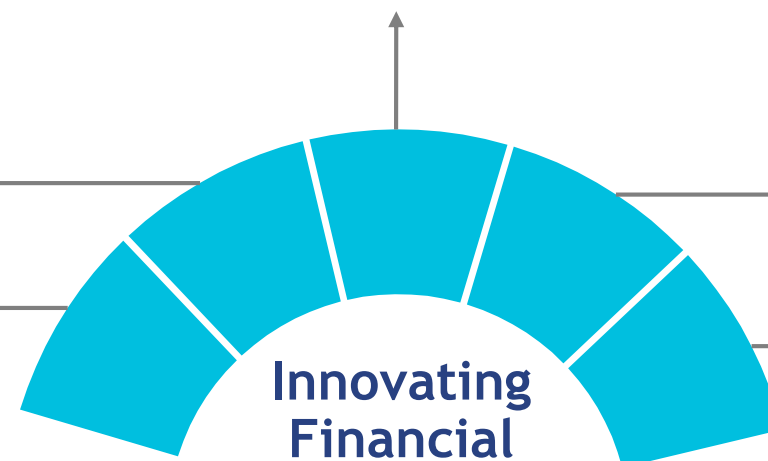
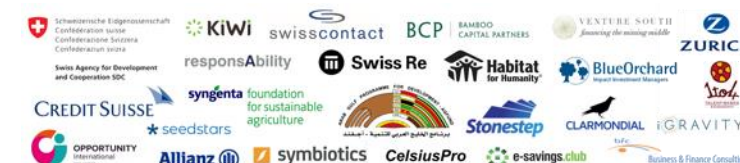
Outreach

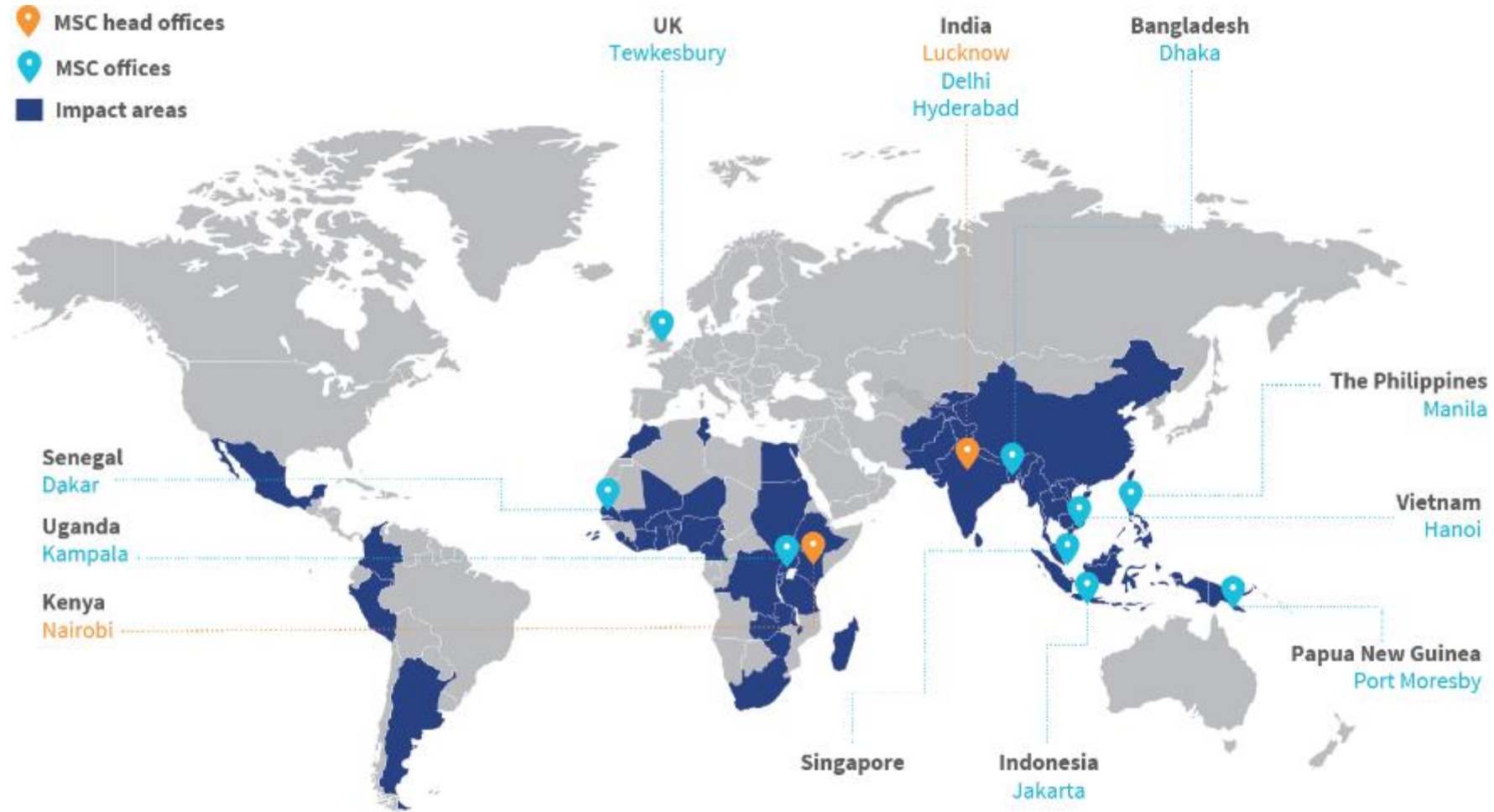
2.1M+ Low-income clients	91+ Partner Financial Institutions	43 Countries
59% Low-income women	36+ Technical Assistance Providers	55% Rural clients

Eligible Countries



SCBF Members





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