

## The Successes and Gaps of Financial Linkage and Inclusion in Banana Farming

In Taveta Sub-County, banana farming has long been a lifeline for many families, yet most smallholder farmers, especially the youth, have struggled to access the funds needed to adopt improved technologies. The introduction of tissue culture banana farming promised better yields and disease resistance, but the high cost of seedlings, nearly KSh 150,000 per acre, placed this opportunity out of reach for many.

Before the DMDP programme, implemented by MESPT, many farmers depended on traditional bananas and informal lending systems that offered little support. *“It was hard to get money to buy tissue culture banana seedlings because they were very expensive,”* recalls David Ndesamburo, a young farmer from Mboneni Ward. Financial institutions were equally hesitant, viewing smallholder farming as a risky venture due to long crop maturity periods and unpredictable weather. As a result, youth farmers like David were trapped in low productivity cycles and could not scale their ventures despite their determination.

When MESPT began implementing the DMDP programme in Taveta, financial inclusion became one of its key focus areas. Mary Mwangi, Assistant Project Officer at MESPT, explains that the programme recognised a gap in financial knowledge among farmers.

*“We realized that adoption of tissue culture bananas was low because of the high cost of inputs. To close this gap, we organised financial literacy training and financial linkage meetings to improve farmers’ creditworthiness and link them with financial institutions,”*



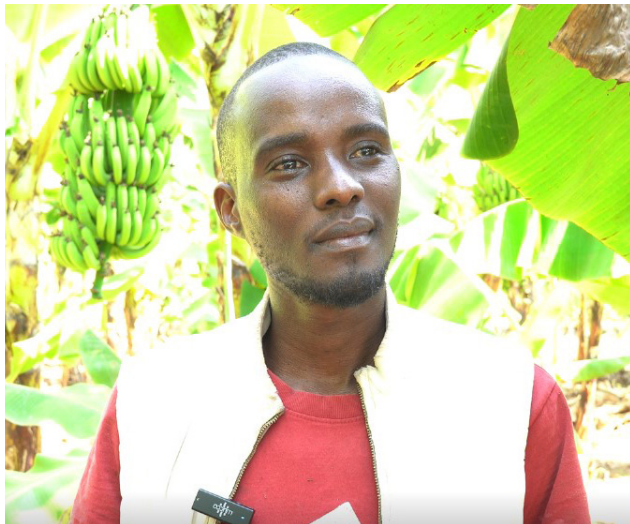
Mary Mwangi, Assistant Programme Officer MESPT

Through these trainings, farmers learned basic budgeting, savings, and loan management, building confidence to approach banks and cooperatives for support. To make the model practical, the programme introduced complementary crop farming, encouraging farmers to intercrop beans within their banana orchards during the initial six months before the banana harvest. This innovation provided a short-term income stream that helped farmers service their loans and manage daily expenses.



Beans intercropped with banana

For David, the training and financial linkages changed everything. His story mirrors that of many other young farmers who have since gained access to finance and turned small banana plots into profitable agribusinesses.



*David Ndesamburo, youth farmer in Taveta Sub county*

*“After the training and being linked to a financial partner, I was able to get a credit loan and purchase the seedlings. I planted, got a good harvest, and started generating income. My advice to fellow youth is that if they face challenges getting capital, they should reach out to MESPT. They will be linked to financial partners and be able to afford the seedlings.”*

A vital partner in strengthening financial inclusion under the DMDP programme has been Wanda Agriculture Services, an aggregator that connects production and finance in the banana value chain. Titus, the Operations and Production Manager at Wanda, recalls that demand for bananas had outpaced supply. Wanda organised farmers into smaller farm estates, each managed by lead farmers, to ensure proper oversight and accountability..

Through this credit model, 375 farmers accessed a total of 241,000 seedlings. Farmers were allowed to start repaying their loans after harvest, easing pressure on them during the growth period.

*“We had a higher demand than what farmers could supply. To correct that, we partnered with a tissue culture seed merchant to provide seedlings to farmers on credit. We collect farmers’ bananas, sell them, deduct the credit amount, and then give the balance back. It reduces the risk of default and helps farmers manage easily.”*



*Titus, Wanda Agricultural services Operation and Production Manager*

This partnership not only solved the problem of input financing but also created a ripple effect in job creation. “We’ve created over 15 permanent jobs and engage casuals during harvesting where we have six processors and five loaders,” Titus adds. “We harvest twice a week, averaging about 12 tons weekly.” The programme has also indirectly employed casual workers in planting, weeding, and post-harvest handling.

The financial linkage initiative has had visible results. Farmers who once relied on informal borrowing now have access to structured credit systems and better financial discipline. With improved financial literacy, they can plan their production cycles and make informed decisions about investments. For the financial institutions, the initiative has built trust and confidence in smallholder lending, proving that farmers can be reliable borrowers when given the right knowledge and support.

Still, challenges remain. Some farmers continue to struggle with collateral requirements, while others face repayment difficulties due to fluctuating weather conditions and market prices. Continuous mentorship and refresher training on financial management are needed to sustain the gains made. *“We’ve seen real transformation, but financial discipline must continue being reinforced to make this sustainable,” Mary notes.*

Despite these challenges, the partnership model between MESPT, Wanda Agriculture Services, and the farmers has demonstrated that well-structured financial linkages can transform farming from subsistence to enterprise. Farmers are now part of formal financial systems, youth participation has grown, and the culture of borrowing responsibly is slowly taking root in Taveta’s banana sector.

Looking ahead, Wanda plans to sustain the model even beyond the DMDP programme. *“We plan to continue engaging with farmers by providing them with better markets and credit support, even for new farmers,” Titus says.* The goal is to keep tissue culture banana farming accessible and profitable while maintaining financial inclusion as a cornerstone for agricultural growth.

As the DMDP project gradually transitions out, MESPT remains confident that the systems and partnerships it helped build will continue to support farmers in accessing capital and managing their agribusinesses responsibly. Through financial literacy, partnerships, and innovation, banana farmers in Taveta are becoming not just growers but financially empowered entrepreneurs.