Meet Ruth

With access to credit that is tailored to her needs as a smallholder farmer, Ruth was able to turn her family’s life around.
Ruth remembers clearly when things changed for her family.

She used to spend her days working as a farm hand in her community in Kenya and her evenings fetching water and firewood and preparing the family meal. It was hard to afford food. "At some point, milk was a luxury," she explained. It was tough, but she was determined to keep her family in their one-room house, and her daughter, Mary, in high school.

The turning point came when she learned about Musoni, a local microfinance institution that works with Grameen Foundation. Musoni uses an all-digital model that allows its clients to receive and repay loans via mobile phones. The approach is effective in Kenya where almost 90 percent of people have access to a phone and farmers often cannot afford the time and money to travel to a branch office.

When Ruth first joined Musoni, she saved up the little she had until she was able to get educational loans for her daughter's schooling. The third loan she received, however, was really the break she needed for her family. This loan was a Kilimo Booster loan, developed by Grameen Foundation and Musoni, and designed for smallholder farmers. Kilimo Booster loans offer repayment terms that match a farmer's crop and cash cycles, giving farmers access to formal credit that many smallholder farmers are rarely able to obtain.

Since Kilimo Booster's launch in 2013, Musoni has disbursed more than $10 million in loans to more than 6,000 farmers. Now, it is partnering with Feed the Future Partnering for Innovation and Grameen Foundation to roll out an enhanced technology system that makes the loan application and credit evaluation process more streamlined so that it can reach even more smallholder farmers. The new system will also allow Ruth and other farmers to apply for loans and check their account balances directly from their phones instead of relying on loan officers to provide the information. A new training program will educate farmers on good agricultural practices and financial management – essential tools they need to transform their small-scale farms into sustainable agribusinesses.

Thanks to the program, Ruth was able to buy a cow and rent plots of land to farm, and has continued to expand her business with additional loans. "Now I am no longer a farm hand but I employ farm hands to help in my farming. I now cultivate my own land and Musoni is there to give me money to buy seeds and fertilizers and increase the productivity of my farm," she said proudly. Ruth has big plans for the future. She wants to buy two more cows to increase her income and a motorcycle to transport fodder for the cows. She also plans to build houses nearby for rental income.

Ruth is always happy to encourage others to join Musoni. Thinking back, she says, "We are living comfortably. We are well fed and well clothed. I now have piped water, electricity, and I also cook with gas. I no longer fetch firewood. I am also able to take care of my grandchild without any problem. If I remember where we were before and the difference now, I feel like crying, 'God is great.'"

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This story was originally posted on grameenfoundation.org and on the AgTechXChange by the Grameen Foundation.