

Abstract

Agricultural Value Chain Financing (AVCF) has emerged as a critical pathway for improving the productivity and resilience of smallholder farmers across developing economies. This study examines the influence of AVCF on the productivity of smallholder farmers in Nakuru County, Kenya. Using a descriptive quantitative design and data from 272 farmers, the study demonstrates that AVCF significantly contributes to improved input accessibility, strengthened market linkages, and enhanced farmer profitability. Regression analysis confirms a positive and statistically significant relationship between AVCF and productivity ($\beta = .166, p = .005$). Despite the benefits, participation remains limited due to capacity gaps, information asymmetry, and weak extension systems. The study recommends strengthening contract farming, digitizing value chain platforms, enhancing extension services, and promoting farmer aggregation to unlock the full benefits of AVCF.