

**The role of microfinance services in reducing poverty among smallholder paddy farmers: a case of selected SACCOS in Kilosa District**

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Micro-Finance Institutions (MFIs) services are important engine in poverty reduction. However, despite a number of MFIs available in Kilosa District, the poverty reduction objective is far from being realized. Therefore, this study sought to analyze the role played by Savings and Credit Cooperative Societies (SACCOS) services in reducing poverty among small-holder paddy farmers in Kilosa District. Specifically, the study sought to identify the services offered by SACCOS with the aim of raising income, determine the accessibility of SACCOS' services to smallholder paddy farmers and determine the extent at which SACCOS has raised incomes and increase their living standards. It is a cross-sectional research design that employs both secondary and primary sources of data. Data was collected from targeted respondents in Kilosa District through structured questionnaires and interviews. The study employed purposive (non-probability) sampling technique to obtain key informants and simple random sampling was employed to obtain 93 small holders paddy farmers. The study's findings show that despite the challenges in accessing SACCOS' services, there is a positive significant rise of small-holder paddy farmers' income and their general living standards due to the access they have to the services offered by SACCOS. The study concludes that although access to the credits has improved the living standards of the people, their financial saving power is still far from being realized. The study recommends a campaign to educate the people on the importance of the SACCOS services which should be reviewed to reflect human needs. The study also recommends the introduction of more MFIs in Kilosa District.