FACTORS AFFECTING THE DEMAND AND SUPPLY OF AGRICULTURAL PRODUCTS IN KENYA

(CASE STUDY OF KENYA FARMERS ASSOCIATION)

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DECLARATION

I hereby declare that this project is my original work and it has not in part or whole been submitted elsewhere for a diploma, degree or in any institution of higher learning for examination purposes.

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Supervisor

This project has been submitted for examination with my approval as university supervisor

MARIE WANJERI MUGO

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ABSTRACT

Supply and demand is perhaps one of the most fundamental concepts of economics and it's the backbone of a market economy. Demand refers to how much is desired by buyers. The quantity is the amount of a product people are willing to buy at a certain price. Supply represent how much the market can offer. The quantity supplied refers to the amount of certain goods' producers are willing to supply when receiving certain price. The general objective of this research study is to investigate the factors that influence the demand and supply of agricultural products in Kenya market. The specific objectives of the study are: to find out how demand and supply affect economic growth, to investigate high increase in price of various commodities whenever the demand is high and to find out why sometimes there are high demand of goods in the market and sometimes the demand is low and the supply is high. In consideration of the findings, the researcher concludes that the demand and supply of agricultural products in the Kenyan market is influenced by various factors specifically Rain, Improved communication network, Capital, Training programmes/Trade fairs, Research and development (R&D), Drought, Inflation, Lack of Capital, Poor road network and lack of farming Skills. The researcher recommends that KFA should organize more training programmes for farmers through organized trade fairs in the agricultural shows across the country as this will contribute a lot in the improvement of farming skills hence increasing the supply of agricultural commodities. The researcher also recommends that the government should put up more research and development institution to enhance on the development and improvement of hybrid seeds for quality farm products. The government should improve on communication network specifically road to facilitate the movement of perishable products from the farmers to the market place to reduce loses can come as a result of damages caused to the farm product taking long to reach the market.