Factors affecting the performance of the Agribusiness sector: case of selected economic infrastructure in Mt. Elgon District, Kenya

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Abstract:

The purpose of this project was to investigate the performance of the agribusiness sector in view of the existing economic infrastructure in Mt. Elgon district. In the ensuing research work that preceded the development of the report several findings were identified which provided the basis for understanding the operational environment that agribusiness enterprises in the region find themselves in. The results indicate that most of the businesses register dissatisfaction with the state of infrastructure that is directly related to production and distribution domains of agribusiness. Despite 52% of the study population contending that they have ready access to the main road servicing the area, they still find difficulties in taking their goods to the market owing to the bad state of the road especially in the rainy seasons when they become impassable. There also exist serious gaps in the marketing of products due to lack of proper marketing channels and structures-a situation that has rendered pricing of goods quite unstable leading to exploitation of farmers by unscrupulous middlemen. Businessmen lacking access to affordable credit services have not made the situation easier with barely 30% of the respondents having knowledge of sources of credit but not necessarily having access to the facilities. Actually such services are not available in the entire district. Research and extension services, which apparently are offered by agricultural officers are visibly lacking. Only 25% of the target population has had appropriate training but follow-up services are scantly and unreliable if any. All these inadequacies the sector have led to poor performance, which has necessitated policy interventions that will invigorate a more proactive approach by all the stakeholders involved in the sector.