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**FACTORS INFLUENCING THE GROWTH OF DAIRY
INDUSTRY IN KENYA
(A SURVEY OF MERU COUNTY)**

Mbogori, Godfrey Karani

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ABSTRACT

Dairy industry is the only single largest agricultural subsector in Kenya. The government of Kenya values it as it produces 14% to the agricultural GDP. Despite this significant contribution to the national economy, and household incomes, dairy industry is plagued by several technical, economic, and institutional problems which seem to have escalated within the last five years and consequently hampering the growth of the industry. The study was aimed at examining the factors that influence growth of dairy industry in Kenya. The study was therefore based on analyzing the impacts of industry governance, production, marketing and legal framework on the growth of dairy industry in Kenya. The study adopted a descriptive survey design targeting 36 dairy firms in Meru County. The study adopted random sampling to obtain 10 firms which is 28% of the target population and a similar sample size of respondents in top level, middle level and low level management working in those firms. The study collected both primary data and secondary data. Primary data was collected using questionnaires while secondary data was collected from companies' annual reports, manuals and newsletters. A pilot study was carried out to a few non sample firms to ensure validity of the research instrument. Self-administered questionnaire was used in the study to collect quantitative data. The data was then analyzed using descriptive statistics. The study also used regression analysis to test the nature of influence of independent variables on a dependent variable. The study findings were presented using tables whose interpretations were given in prose. This analysis generated quantitative reports through tabulations, percentages, and measure of central tendency. The findings of the study show the impacts of independent variables on the dependent variable, and their magnitude/significance of each variable's influence on growth of dairy industry in Kenya. The study findings were used to pass recommendations that could be adopted/implemented to act a boost to the growth of Kenya's dairy industry.