DRIVERS OF GROWTH OF THE CUT FLOWER INDUSTRY IN LAIKIPIA, KIAMBU AND NYANDARUA COUNTIES, IN KENYA

NDIRANGU JACQUELINE WANJIRU

B211-0035/2010

A Thesis Submitted to School of Business Management and Economics in Partial fulfillment for the Award of a Master's degree in Business Administration of Dedan Kimathi University of Technology
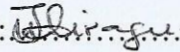
FEBRUARY, 2016

DECLARATION

This is my original work and to my knowledge has not been presented in any other University for an award of a degree or any other academic certificate.

Name: Ndirangu Jacqueline Wanjiru

Adm No: B211-0035/2010

Signed: ~~Ndirangu~~...........

Date: 18/04/2016.......

Thesis Submitted for Defence with our Approval as University supervisors.

Supervisor: Theuri M.M., PhD

Department: Criminology and Security Management

Signed: ~~mmmmmm~~....

Date: 19/4/2016....

Ngure Susan., PhD

Department: Business Administration

Signed:............

Date: 19/4/16..........

ABSTRACT

The purpose of this study was to evaluate and assess the drivers of growth rate in the cut flower industry within Laikipia, Kiambu and Nyandarua counties in Kenya. The specific objectives of the study were: to evaluate the relationship between capital investments, land, labour availability and growth rate of cut flower industry. The study was conducted on only thirteen cut flower farms registered with the Kenya Flower Council as of March, 2015 and operating within the three selected counties. Respondents selected for the study consisted of directors, managers and clerks of these flower farms. The study chose to focus on these three groups as respondents in order to get a comprehensive understanding of the drivers of growth in the cut flower industry and also get comparable results to avoid bias. Questionnaires were used as the main tool of data collection. The questionnaires contained both open and close ended questions. Consultations with experts and desk studies were used to help the researcher reach concrete conclusions. The data was entered and analyzed by simple description analysis using Statistical Package for Social Sciences (SPSS) version 20.0 Software and Microsoft Excel as they offer numerous statistical analysis routines that analyse small to very large data statistics. The data was then presented through frequency tables and narrative analysis. The presentations were done in line with the study objectives and the research questions. Based on the study analysis and findings, capital investment has a direct effect on the growth rate of cut flower farms and can be used to enhance the industry growth rate. Land availability has a significant influence on the cut flower farming growth rate. Labour plays a major role in regulating the operations of the cut-flower industry. The trade policy in Kenya is mainly driven by private sector that is growers and exporters interests and the government's pursuit to earn foreign exchange. Policy measures aimed at the horticultural sector are geared towards accelerating and sustaining growth in the industry by enhancing the marketing infrastructure; establishing an improved network of price information and strengthening of the Horticultural Crops Development Authority. International regulations highly influence the growth of cut-flower farming. From my findings and conclusions the following recommendation are made; aspects of capital investments, land and labour availability are important drivers for the growth rate of cut-flower farming in Kenya. Hence management of the cut-flower farms and the various stakeholders inclusive of the government should establish clear marked strategies to boost capital investments, access to land and promote knowledge development in cultivation and trade in an effort to enhance and drive a sustainable cut flower industry's growth in Kenya.