EVALUATION OF ECONOMIC EFFICIENCY OF RABBIT PRODUCTION
IN BUURI SUB-COUNTY, MERU COUNTY, KENYA

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A Thesis Submitted to the Graduate School in partial fulfillment of the Requirements for
the Award of Master of Science Degree in Agricultural Economics of Egerton University

EGERTON UNIVERSITY
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DECLARATION AND RECOMMENDATION

DECLARATION

I hereby declare that this is my original work and has not been presented in this or any other university for the award of a degree.

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RECOMMENDATION

This work has been submitted with our recommendation as University supervisors.

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DEDICATION

To My Loving mother Mawa Mulu, My dear wife Jacqueline Kitavi, My dear Sons James, Felix, Evans and daughter Faith.
ABSTRACT

Over the last decade Kenyan government has been supporting rabbit research and development activities. The efforts were aimed at raising the productivity of the small holders rabbit producers as a cheap and ease source of animal protein in the rural areas of Kenya despite presence of pulses. But inspite of the efforts rabbit production in Buuri Sub county stands at 1.2 Metric tons of meat against a potential of 8.4 Metric tons per year. This productivity gap is wide and indicative of poor and low performance of the enterprise in rural areas of Kenya and specifically Buuri Sub County. Thus the main objective of this study was to evaluate the efficiency of rabbit production so as to increase its productivity through a better use of the factors engaged in its production and hence increase producer incomes and nutrient security of the people in Buuri Sub-County, Meru County. The study was based on a sample of study of 139 respondents, selected using a Multi stage random sampling procedure. Data was collected using a structured questionnaire administered on household heads. The study used descriptive statistics for the analysis of socioeconomic and institutional attributes of the rabbit producers. The stochastic frontier production and cost functions which are parametric methods were used for the efficiency analysis. The results showed mean technical, economic and allocative efficiencies among the rabbit farms were 36.83%, 39.54% and 13.46% respectively. The results indicated that allocative inefficiencies are more critical than the technical inefficiencies in impacting on economic efficiency of the rabbit producers. This suggests that the farmers were not minimizing production costs, indicating that they are not utilizing the inputs in the correct proportions given the input prices and technology. The farmers are not producing the rabbit output at minimum costs. Further the study found that the capital is the most important rabbit output enhancing variable among all studied parameters. The 2-limit Tobit model results indicated that allocative efficiency of the smallholder rabbit producers was positively influenced by education level, farming experience, farm size and training contacts at 5% level. The study concluded that the sources of allocative inefficiencies were brought by the level education and household size amongst the rabbit producers. The study therefore, recommends encouragement of young farmers to actively participate in agriculture, enhancing market environment, increasing incentives to farmers to allocate more land and capital increased rabbit production. Likewise increased access to farmer education, improved farmer-extension and research linkage and credit to the farmers led to improved rabbit efficiency, hence increased rabbit output and farm incomes.
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