

Abstract:

The cereals production and marketing chain has stood at the centre of conflicts between donors and the Kenyan government since the beginning of the 1980s. The chain is extremely important to the Kenyan government because it has apparently become increasingly central to the national political patronage system since the death of President Kenyatta. It became important to donors because it was initially seen as the last remaining significant distortion in an otherwise well-functioning market economy. Cereal reforms announced shortly before 1992 by the government, largely as a result of pressure from donor institutions, had hardly been implemented in Nakuru by September 1992. Instead, cereals marketing remained very much influenced by a certain form of interest group politics and intermeshed with a political patronage network controlled by a few individuals. The paper is based on a study which followed the onset of a further round of reforms, aimed to trace the nature of the cereals marketing chain, in both its economic and political dimensions with some detail and precision. The study was carried out between September and December, 1993, mainly in grain growing areas, but also in one grain deficit area. The paper discusses the institutions involved in the grain sector, the National Cereals and Produce Board, and the Kenya Grain Growers' Cooperative Union, and the production and price trends of both maize and wheat, before considering the impact of liberalization on fertilizer use, wheat marketing and maize marketing. From here, the paper discusses millers and traders within the liberalized cereals chain, and the importance of patronage politics.