EFFECTS OF EXTERNAL FINANCING ON THE PERFORMANCE OF AGRIBUSINESS SMALL AND MEDIUM-SIZED ENTERPRISES IN TRANS-NZOIA COUNTY

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DECLARATION

This research paper is my original work that has not been presented for a degree in any other University, for any other award and where other research studies have been referred to, they have been fully acknowledged.

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This project has been submitted for examination with my approval as the university supervisor.

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ABSTRACT

Adequate finances keep businesses afloat hence ensuring that they remain in operation for long. Crucial as they may, funding is never adequate to support the various activities and investments of a business. As a result of the dire financial risks facing enterprises, most of them struggle to take off while others go bust within the first few years of their conception. The study was to evaluate the effects of external financing on performance of SME agribusinesses in Trans-Nzoia County, Kenya. Design that is descriptive was employed in this research. The population that was of interest to the study was all the 15 agribusiness SMEs in Trans-Nzoia County as at September 2021. Quantitative data that is secondary was used. These were acquired by extraction technique from reports of finance for 15 firms chosen as they were disclosed by the firms. The data collected covered five years; from 1st January 2016 to 31st December 2020. The results portrayed that the performance of Agribusiness SMEs in Trans-Nzoia County depends on the short term debt to equity, long term debt to equity, Firm age and Firm Size. The outcome wound up that firm revenues are not significantly influenced by external financing for agribusiness firms operating in Trans-Nzoia County. Counsel was given that conducive enterprise landscape, positive investment programs and investor-beneficial environment is a precondition for enhanced performance of enterprises. Hence, the government should always endeavor to offer a favorable enterprise environment to boost performance of firms.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Adequate finances keep businesses afloat hence ensuring that they remain in operation for long. Crucial as they may, funding is never adequate to support the various activities and investments of a business. As a result of the dire financial risks facing enterprises, most of them struggle to take off while others go bust within the first few years of their conception. According to Hertati et al. (2020), financial challenges can lead to sustained harm to the profile of an enterprise, make it lose the trust of the public in the confidence of consumers and even destroy the morale of employees. Despite the important role in increasing employment, economic growth drive, creation of new enterprises and stimulation of innovation (Karadag, 2015), these enterprises do not have reasonable competent management of finances in their operations. To their disadvantage, they have been profiled by financial institutions as borrowers of high risk, making it impossible for them to access affordable and adequate debt within time that is reasonable as declared by Tagoe, Nyarko and Anuwa-amarh, (2019). Despite that, companies always seek for a specific blend of equity and debt to fund its all-inclusive growth and operations. The Structure of Capital and its related consequences on the enterprise performance is widely investigated in the corporate finance area from the 1958's research by Modigliani and Miller. In spite of that, broad ideas are there in opposition over what notifies the structure of capital resolution and how this resolution affects the performance of a firm (Weston & Brigham, 1981).

According to Bird-In-Hand Theory originated by Myron Gordon (Myron 1963) and John Lintner (1964), owners of Small Medium Scale Businesses would prefer returns

that are sure to get than returns that are not certain (Harbour Technologies 2021). Returns that are sure can be dividends from stock. Uncertain returns can be capital gains. In this theory, investors prefer investing in dividends which is more secure that investing in capital gains. In capital gains, investors face a lot of uncertainties that can put enterprises into a great risk. Therefore, it is vital for Agribusiness Enterprises to exhaust internal sources of financing before exploring external sources of financing.

There are several agribusinesses Small and Medium Scale Businesses that operate in Trans-Nzoia County, a region that has traditionally been defined as Kenya's food basket. These firms deal in farming and farming-related commercial activities, ranging from service, production, processing and distribution of agricultural goods. This range of enterprises has different ways of approaching external financing in which analysis can be made on how it affects the all-inclusive performance of the firm. According to prior studies, the managers' decisions regarding the optimal combination of debt and equity affects the all-inclusive firm performance (Kodongo et al., 2014).

1.1.1 External Financing

Javakhadze, Ferris & French (2016) defined external financing as funds that are raised by a firm from outside sources. This is usually contrasted to internal financing that is made up of mainly profits retained by a firm for investment. External finance sources come in the form of bank loans, new people partnering with the business, issuing of shares, accessing goods or service on credit, leasing, and asset renting, among others. Research indicates that borrowing from bank is a major external origin of finance for numerous medium and small-scale organizations. These finances rely so much on

debt to help start and maintain the investment and cash flow needs (Lim, Morse & Yu, 2020).

These funds obtained from outside a firm, either in the form of debt or equity, have the power to drive business performance and profitability. In his study, Harelimana (2017) showed a well-built connection between firm profitability and debt level due to their affordability. Among the start-up firms, Cole & Sokolyk (2017) argued that those firms that use debt during its inception have a higher chance of survival and be successful in achieving high revenue levels three years after inception.

Nevertheless, other scholars are of the opinion that external financing can eat into the cash flow of a business, ultimately limiting its ability to invest in expansion, research and development and marketing. Erdogan (2019) also observed that traditional bank finance can pose challenges to small and medium-enterprises that are new, innovative and growing fast and those whose profile is of high risk-return. Perhaps these results from their uniqueness that scholars and policymakers have called for special types of loans-away from the conventional extents, types and pricing (Beck, Demirgüç-Kunt & Pería, 2011)- to specifically cater for the needs of these types of businesses. Some of the main measures of External financing measures include the interests paid and the difference between a firm's revenues after the deduction of interest, taxes, and other business expenses. In this study, the key measure of external financing will be the interests paid out by the SMEs.

1.1.2 Firm Performance

How a firm performs is a critical aspect because through it, companies can experience development and make progress (Taouab & Issor, 2019). As a result, evaluating and calculating performance of an organization is of significance because entities continuously seek efficient and effective results. According to studies, performance indicators are measurements that are quantifiable to check the overall outcome of an enterprise for a certain timespan. Indicators of performance could be targets met, growth of revenue, efficiency per customer, retention of customers, satisfaction of customers, and operational performance across the enterprise.

There is no general agreement on measurement; dimensionality and definition, Selvam, *et al* (2016) recognized that the indicators of performance of organizations could include achievement on profitability, expansion, market price achievement of the firm, contented customers, fulfilment of employees, environmental impact assessment, business administration and social achievement. It is evident from the definitions that external financing is fundamental even though several other elements can lead to the performance of a business. As a result of asymmetric information, the needs of external financing can prove to be costly According to Chen, Chung, Hsu & Wu (2010). The calibre of business administration practices on the value of the firm is also influenced by needs of external financing. In order to minimize costs of outside funding needs, firms will need to improve corporate governance of firms.

While this study's literature shows various ways in which SMEs approach external financing, it is increasingly emerging that asset-based lending is broadly used by SMEs for their working capital needs, purchase of inventory and to make investments.

In asset-based lending, SMEs acquire funds on the basis of their value of accounts receivable, stock, machinery, equipment and real estate, rather than collateral on their own credit standing. So fashionable and important has this form of financing become in firm performance and management that they are now incorporated into many key decisions (Buzacott & Zhang, 2004). This study measured firm performance in terms of change in revenues as this is among the key performance measures of small and medium businesses in Kenya.

1.1.3 External Financing and Financial Performance

External financing allows firms to invest and grow, especially in projects that they cannot fund internally. This type of funding can also be used for making large capital equipment purchases to stimulate growth that a firm cannot afford on its own.

This is particularly the case with small and medium-sized businesses whose financial depth are shallow. As a result, they have to depend on financial institutions for their funding. According to Basil & Dana (2017), favorable connection is there connecting external financing demands and value of the firm. This means that size and profits are favorably related with value of the firm. Studies have also shown that large SMEs together with those that have low obligation levels have superior structures of corporate governance.

1.1.4 Agribusiness SMEs in Trans-Nzoia County

Small and Medium-Scaled Enterprises are a lifeline of most economies, particularly in developing countries like Kenya. These enterprises forms most of the businesses in the world and are very important in job creation (Khajar & Santoso, 2021) and

economic development worldwide. Research shows that they contribute to almost 90% of enterprises and over 50% of employment in the whole world. Formal Small and Medium-Scaled Enterprises contributes almost 40 per cent of GDP in developing economies. When informal SMEs are included, this number goes higher.

World Bank estimates that 0.6 billion jobs will be required by 2030 to accommodate the expanding demand for world's workforce and this makes the development of SME a top priority for several governments in the globe. In the developing markets, SMEs generate most formal employment, accounting for 7 out of 10 jobs (Rotar, Pamić & Bojnec, 2019). However, as noted by Bhalla & Kaur (2012), a key constraint to SME growth is access to finance, it is among the most attributed barriers SMEs face to grow their firms in upcoming markets and developing economies.

In Trans-Nzoia, one of the most agriculturally-rich counties in Kenya (Muyukani & Muthama, 2019), majority of the small and medium-sized businesses engage in agribusinesses for instance farm machinery sale and leasing, seeds and agrichemicals, food processing, animal feeds, among others. Most of these SMEs heavily rely on finance internally generated or funds from family and friends to launch and initially run their businesses. However, with increased competition in the market, and the turning around of agriculture to be run and managed like other profit-making enterprises, agribusinesses' urge to obtain commercial bank are increasing.

1.2 Research Problem

Numerous studies have been tackled to understand the capital external financing effects on the value of a firm. However, little focus, if any, has been put on the

concept of external financing and the achievement of agribusiness SMEs business performance. Yet, financing's a key ingredient in the performance and growth of any firm. Inadequate finance is among the main challenges that result to retarded growth and also the end of SMEs in Kenya (Muteti, 2005). In a survey by World Bank, insufficient financial management support is a major setback in the national environment for activities of entrepreneurship.

External financing has been a research topic that is of interest to many scholars in the globe. Bevan & Danbolt (2002) illustrated that firms which generates minimal profits depend more on the financing of debt than firms that have higher profits. Furthermore, it has been observed that firms that have high growth rates have lower debt to equity ratio. This is as a result of firms aggressively borrowing to fund growth, this is considered as high risks to investors and lenders because a significant portion of growth is funded through borrowing (Jean Folger, 2021)

Managers of agribusiness SMEs in Trans-Nzoia County who embraces the ideal level of structure of capital are compensated for minimising a firm's finance cost, thereby increasing revenues of firms. In the incidence that optimal capital structure influences the enterprise performance, projection is made such that the particular combination of equity and debt can affect the well-being of a company and its likelihood of default. Therefore, in regard to the performance of firms in relation to external financing in Trans-Nzoia County were essential for scholars and professionals.

No conclusion has been made in connection between the performance of a firm and external financing of enterprises in spite of various years of research in this area

(Fosu, 2013). A systematic literature hasn't yet concluded on the effects in which external financing impacts on the agribusiness SMEs performance and mostly in developing countries (Zeitun & Tian, 2007). Research on this topic has been on the analysis of big manufacturing enterprises (Park and Jang, 2013). In Kenya, research done by Kodongo, Mokoaleli-Mokoteli and Maina (2014) looked into detail if leverage has an influence on the financial performance and it was found out that the listed firms' performance was not impacted by leverage. Fowowe (2017) explained that enterprises that're not burdened by credit undergo faster expansion than those that are credit constrained. Therefore, access to financing is crucial to the growth of enterprises. On the other hand, Lee (2020) enquired the part played by financial condition in ascertaining firm performance. The empirical studies showed that the growth of an enterprise is affected by the financial condition of an enterprise. The researcher, therefore, made a decision to conduct this exploration to discover effects of external financing on performance of agribusiness SMEs in Trans-Nzoia County by answering the following question: does external financing affect the agribusiness small and medium businesses in Trans-Nzoia County?

1.3 Research Objective

The objective of this study was to evaluate the effects of external financing on performance of SME agribusinesses in Trans-Nzoia County, Kenya.

1.4 Value of the Study

This study defined problem contours and cause policy makers to be more attentive to agribusiness small and medium-sized enterprises external financing considering its critical addition to the firm performance.

The research will also be important to future analyzers who can employ this research as a base of future studies on how external financing is crucial in promoting the performance of a firm. This will add to existing knowledge in external financing – SMEs in relation to its performance. The product of this study will chip in to the intellection of other scholars as portion of their source and material of research.

Academicians and researchers in agribusiness, small and medium-sized businesses and external financing will find it valuable to some of the areas of discussion in this study. Importantly, the gaps in this research may further be explored to add to the broader policy thought. The findings of this research will be an addition to the existing theories of effects of external finance on performance of SMEs, thus future researchers can build their studies based on this.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter on literature reviewed is organized into sections. Under theoretical review, three theories of financing are discussed. This is succeeded by a portion on experimental review in which numerous studies across the globe on the link between external financing and performance of firms are detailed.

2.2 Theoretical Review

Three main theories are commonly talked about in connection to firm financing as briefly discussed in this section.

2.2.1 The Capital Structure Trade-Off Theory

This hypothesis by Baxter (1967) and Kraus & Litzenberger (1973) shows that there's an ideal position of composition of capital that an enterprise aims at by balancing benefits and costs. At the ideal level, the obligation level minor advantages with obligation expenses and expansion of firm execution (Jang, *et al.*, 2008). Distinction and financing of value, because it is tax deductible, obligation is less expensive. Nevertheless, because of the higher probability of insolvency, it is unsafe to have an intemperate utilization of obligation. Accordingly, the exchange off hypothesis maintains that firms should lay down the best possible target responsibility amount controlled by the exchange off between expenses of obligation (Jang, *et al.*, 2008) and the advantages (assess findings). However, one of the main criticisms of the theory is that it forecasts a favorable connection between earnings and leverage, opposed to well-confirmed empirical evidence.

Numerous researches have tried to discover the causal factor of capital composition making use of the system of exchange, containing those by Tang & Jang (2007). There is evidence of exchanges according to a research on this theory by Bradley, *et al.* (1984). In system of exchange, Rajan and Zingales (1995) found out a negative link in execution and use. The importance of this theory in this study is that it supports the explanation that there is a certain level of capital structure that's favourable for enterprises and above that optimal level value is diminished.

2.2.2 Pecking Order Theory

The hypothesis was popularized by Myers & Majluf (1984). It was observed, among financial specialists and directors there is an uneven issue of data. When new securities are issued, short term investors may opt to rebate. The value of rebates can be suspected by managers ahead of time. Directors turn towards inner money linked assets for instance retained earnings to external sources of budget like value and debt. It was suggested by Myers (1984) that the cost of supplying debts that are risky or value overpowers the sway that determines suitable use in exchange off approach. Pecking order theory alludes that in order to minimize other costs of finance and topsy-turvy data business require speculations of fund earnings withheld with safe obligation at that point, unsafe liability at that point and then along with value.

For the argument, Myers (1984) distinguished "safe debt" as liability that has been used recently and is without the risk of defaulting. According to pecking request hypothesis, normally, obligations develop when held profit are surpassed by ventures and drops when speculations are less than held income. If profitability and cost of

speculation is ascertained, the theory predicts that utilization is brought down to more firms that are productive when ventures are addressed (Jang and Park, 2011). Hence, given profitability, enterprises that have increased ventures have higher debt usage. Yet, in a baffling point of view by Myers (1984), businesses are anxious on the future and in addition cost of finance.

When costs are adjusted, it is possible for businesses with great potentiality speculations to be at pace with a fine obligation ceiling to keep a calculated gap from either preceding upcoming ventures or funding them with other securities that are unsafe. In this manner, administering for different influence, businesses with huge future speculations have less current use.

As recommended by Ross (1977), disclose members interpret huge obligation amounts as a sign of high merit and later money flow for the business. This proposes that due to higher insolvency possibility (Barclay, *et al.*, 1995) firms that are of low quality cannot handle bigger levels of obligation. Therefore, the impact of flagging restricts the entrance of firms to value markets because new value issuing is seen as unfavorable banner to show members. The theory is critical because it describes that dissimilar stakeholders in a company have unlike opinions on what's pre-eminence in regard to the structure of capital is involved.

2.2.3 Agency Theory

In approaches of Meckling & Jensen (1976) and Jensen (1986), strife appears obvious between investors and managers. The interests of managers are not in line with the interests of investors because managers are prone to misuse the money that is free. As

Jensen (1986) illustrated, the more the free money is within reach to a manager, the higher the chances the manager'll utilise the funds for perks. This indicates that managers're prone to increase the firms' size even if this action implies taking activities that are poor and are not for the benefit of the organization. This is seen as a problem of over-investment.

To get rid of over-investment issues, the capacity of managers to further their issues is obliged by the availability of free cash flows. Debt financing will remarkably seize this requirement. Agency problems therefore may be preferably embraced by a choice of structure of capital, for instance, leverage of debt expansion (Jensen, 1986). A positive link is expected in this model amongst firm execution and use.

2.3 Determinants of Firm Performance

Other than external financing, there are numerous other factors that influence external financing. These other factors can be size, tangibility of assets, and age of the firm, among others.

2.3.1 Size

Studies assessing the effect of size of the firm on the performance have found a favourable relationship (Zeitun and Tian, 2007). Hence, the firm size is thought to be a fundamental factor in this research because firms differ in size. Therefore, it is a control variable. Natural logarithm of all assets (Ebaid, 2009) measures size of firm. This same measure was used in this study.

2.3.2 Assets Tangibility

Tangibility of assets is another vital factor affecting the performance of a firm. A study that was done by Muritala (2012) indicates that the tangibility of assets has a favorable effect on the performance of an enterprise. Ahmed, et al. (2011) and many other researchers confirmed the same results. Asset tangibility is computed as fixed assets ratio to all assets that an enterprise uses. This measure, too, was used in this research.

2.3.3 Firm Age

Firm age is another factor usually examined in such studies investigating the effects of external financing on performance of firms. Usually, researchers measure the age of a firm by natural logarithm of the years the organization has been in operation. Abu-Tapanieh & Muritala (2012) used this measure in their research. For this research, age was measured by the natural logarithm of the difference connecting the year 2020 and the time the firms were incorporated in Kenya.

2.4 Empirical Review

Zeitun and Tian (2007) looked into detail the connection linking firm performance and composition of capital. Their study unveiled that composition of capital had notable together with unfavorable influence on the performance of the firm and this was appraised by assets return. That unfavorable result winds up that firm whose performance is low have more STD/TA. Short-term obligation exposed risk of refinancing to companies for it shows unfavourable impact on ROA.

Al-Najjar and Al Najjar (2017) performed a study on the effects of external finance on the value of the firm and index of corporate governance with the center of attention on SMEs. The research established a favorable connection between needs of external financing and value of the firm. Moreover, scholars detected that profitability and size are favourably correlated with the value of the firm in the sample. Crucially, it was established that SMEs that are big and have low levels of debt, have corporate governance structures that are better as compared to the small ones.

Fowowe (2017) also performed an empirical research of the consequences of finance access on firm growth in countries in Africa. The outcome was that access to funding restraint exerts a notable unfavourable effect on the growth of the organisation. Again, the outcome also showed that companies that are not constrained on credit undergo faster growth than companies which are constrained on credit, lending credence to the perspective that in firm growth financing is important.

Employing a managerial-based theory, Zabri, Ahmad & Adonia (2021) explored the financing preferences of small enterprises and elements that affect their fondness regarding external financing. The research revealed that details on external financing, quantity of internal financing, the aim of growth, ties of networking and the experience of the owner exercise notable consequences on external financing biases. Furthermore, the age of the business and the respective location of an enterprise from finance agencies and/or banks appeared to have a notable amazing impact on the outcome.

Thomas, *et al.* (2012) found unfavorable correlation of structure of capital (it was assessed as total debt and short-term obligation) with profits being computed as return on average assets. While long term liabilities had a noticeable and a favorable interrelation with profits. It was detected that a favorable linking of rural banks size and risk level with financial performance with control variables in regard. Using leverage consisting of huge portion of small-term obligation determined negatively profitability of rural banks.

In Kenya, research by Kodongo, Mokoaleli-Mokoteli and Maina (2014) looked into detail the connection linking composition of capital, profitability and value of the enterprise. The research used NSE-listed firms between 2002 and 2011. As firm value measure, panel techniques and Tobin's Q was used, the study showed that leverage was of no consequence on the listed firms' value. These findings were surprising and were not consistent with several other studies. Therefore, there's more ground to look into this relationship using other methods.

Ater (2017) looked into detail the relationship connecting the worth of a firm and the financial structure for firms that are quoted in Kenya. A representative of 36 enterprises listed at the NSE was used in the study and a time starting 2011 to 2015 was covered in the exploration. Outcome indicated a favorable connection between value of the firm and financial structure estimated as leverage ratio. The model of research did not control the impact of extra elements in the model, this makes this study unreliable therefore, creating a need for studies to be made further.

Mutinda and Wamugo (2017) looked into detail the connection between financial structure and capital cost for quoted businesses. This research concentrated on a representative of 41 enterprises quoted at NSE. Time interval of 2010 to 2014 was covered in this study. With a technique of panel regression, the research revealed that finance structure had a favourable impact on the capital expense. This research left a room for investigation because it did not look into detail whether the structure of capital is affected by the value of the firm.

Muigai (2016) looked into detail the influence of financial composition on difficulties in financial situations. A representative of 41 non-financial enterprises quoted at the NSE was applied in the research. Data collected was for period starting 2004 to 2013. The study found unfavorable connection between financial distress and leverage. Even though focus of the exploration was on examining effects of financial structure, a company value effects was not a focus. Therefore, this gives enough reason to scrutinize this relationship further.

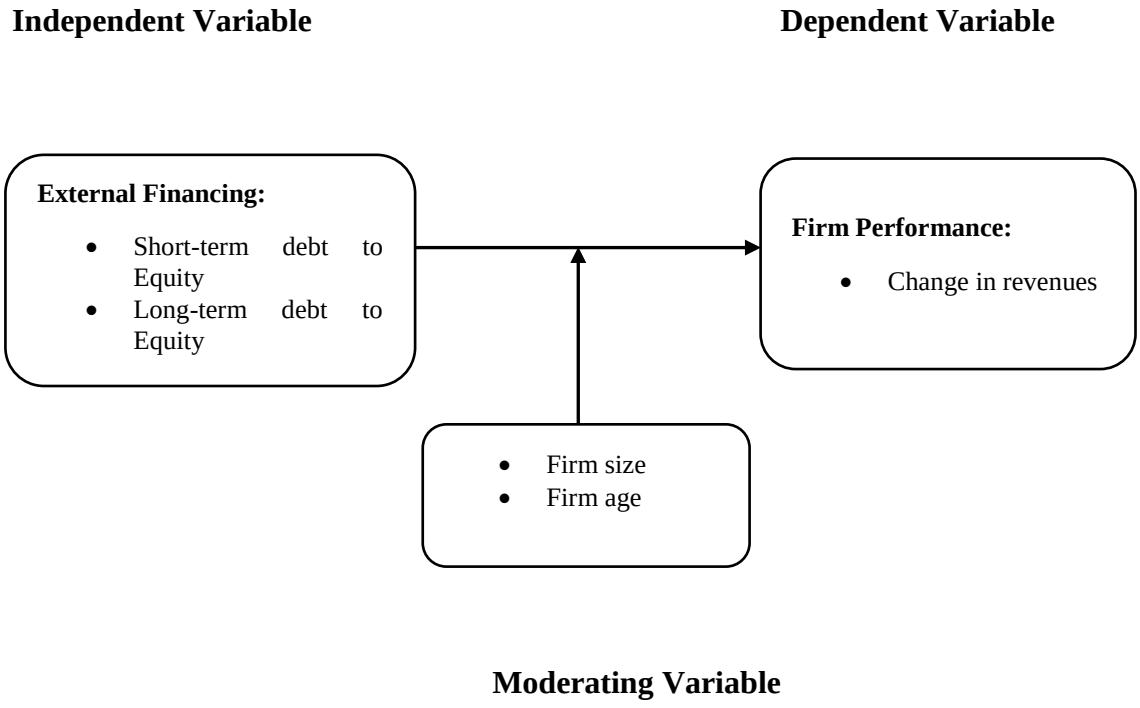
Kulati (2014) looked into detail the connection that is in existence between capital composition and value of the firm for companies quoted in Kenya. Using data from 2009 to 2013, the inquiry used a selection of 38 firms quoted at the NSE. The review discovered that structure of capital had a favorable consequence on the monetary worth of the firm. Contrary, even though this research modelled the structure of capital using two separate variables, (long-term liability to assets totals and operating leverage), it appears the analytical model wasn't adhered to because regression analysis didn't present clarification on what 'financial structure' signified. The results

of the study are rendered unreliable in the conclusion of the consequence of financial structure on the monetary worth of the firm.

2.5 Conceptual Framework

Agribusiness micro and middle-sized venture performance is anticipated to be affected by External Financing. The performance of a company is a dependent variable while external financing is an independent variable. External financing can be debt, equity, venture capital, etc. Firm performance for this study will be measured by growth rates (change in the revenues).

Figure 2.1 Conceptual Model



2.6 Summary of the Literature Review

The Review of Literature on the subject matter is presented in this chapter. The drive for differing degree of external financing in ventures is explained by the three theories. There remain more gaps for future studies because the empirical studies show that the outcome of external financing on organizations is mixed. As explained in the conceptual framework, this study intended to bridge the gap using other factors of control that determines the performance of firms. Research gaps is outlined in Table 2.1

Table 2.1: Summary of Research Gaps

Author	**Research objective**	**Research Gap**
Ater (2017)	Impact of financial composition on the firm's value	The model research didn't consider the consequences of other issues in the approach.
Al-Najjar and Al Najjar (2017)	Impact of external financing on firm value and a corporate governance index	The study did not examine SMEs in agriculture in Kenya, specifically in Trans-Nzoia County.
Mutinda and	Connection between capital	This inquiry did not focus on

Wamugo (2017)	cost and financial structure for companies that are listed.	performance but more on the firm value
Fowowe (2017)	Investigating empirically the consequences of funds access on the growth of companies in the economies of Africa	The study took a general examination of African countries firms, focussing just on their growth
Zabri, Ahmad & Adonia (2021)	The impact of supervisory features on external funding leaning in ventures that are smaller	The study focussed on micro-sized enterprises in Malaysia only; further it dwelt on financing preference and the factors influencing their preference towards external financing.
Kodongo, Mokoaleli-Mokoteli and Maina (2014)	Connection linking profit, financial structure and monetary worth of the firm	This study is inconsistent with numerous other studies because it found no effect on the performance of a firm.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Procedure involved in this chapter in attaining research objectives is shown. It starts with giving out the design of the research followed by a deliberation of the population study. Then, including criteria for selection a representative size is described. The collection of data process which incorporates the origin of data is then described. In the end, the process of analysis of data is talked about in the place the model conceptualization is as well explained.

3.2 Research Design

Design that is descriptive is employed in this research. This design is an investigative design that looks for outlining an occurrence as it is and most of the time suitable in fundamental research (Kothari, 2008). Considering the study aimed to recognize consequences of external financing on agribusiness SMEs performance in Trans-Nzoia County, descriptive research design, which scholars argue that it accurately and systematically describes a population, situation or phenomenon, was best suited for this research.

3.3 Population

Population is a group of components according to Ngechu (2004) —either institutions or people— being investigated. Institutions are elements in this research. The concentration of this research was on the agribusiness SMEs. Hence, the population that was of interest to the study was all the 15 agribusiness SMEs in Trans-Nzoia County (Cheruiyot, 2020) as at September 2021. The population of 15 agribusiness

SMEs as per the Trans-Nzoia County's data was composed of both small and micro firms. This number was seen to appropriate for the study because they kept their books of accounts, hence making it possible for the researcher to scrutinize for the purpose of the study. Therefore, these were companies that were active in the agriculture-related businesses. Data was classified by periods of time for intervals between 1st January 2016 and 31st December 2020. It was a census study because there was no sampling.

3.4 Data Collection

For this investigation, quantitative data that is secondary was used. These were acquired by extraction technique from reports of finance for 15 firms chosen as they were disclosed by the firms. The data collected covered five years; from 1st January 2016 to 31st December 2020.

3.5 Data Analysis

The part discusses the trials of diagnostics that will be performed during the analysis of data, the scientific model that will be used in addition to significance test.

3.5.1 Diagnostic Tests

Data was analysed through descriptive analysis and for analysis, SPSS Version 23 was used. In this study, statistical inference for example regression analysis was used for data analysis. Given the nature and reliability of data, the diagnostic tests were few because this was a continuous secondary data. Test for normality was of significance

because it measured assumption of linear regressions. Before data was run, normality of data test was done using kurtosis and skewness measures.

3.5.2 Analytical Model

A regression calculation was formulated to probe the relationship.

Performance = $\alpha + \beta_1 X_{1,t} + \beta_2 X_{2,t} + \beta_3 X_{3,t} + \beta_4 X_{4,t} + \varepsilon_{i,t}$

Where:

Performance: Change in revenues

X1: Short-Term Debt to Equity

X2: Long-Term Debt to Equity

X3: Age (number of years since the enterprise was incorporated)

X4: Firm size (Total assets)

α: Intercept

ε: Error term of the Model

3.5.3 Test of Significance

For the model's strength and effects of external financing on performance of agribusiness SMEs in Trans-Nzoia County to be tested, the investigator performed an F-test and an Analysis of Variance (ANOVA). Significance at 5% was tested.

CHAPTER FOUR: DATA ANALYSIS AND RESULTS

4.1 Introduction

Division is made in this section into two key portions: the foremost bestows out-turn of Trials for Statistical Hypothesis while number two offers outcomes of examinations of the study variables. Through the performance of illustrative and inferential statistics, this chapter additionally covers and describes the outcome as a show of the variables of the study. Average marks were applied to show the ranking of the degree where the numerous features of variables displayed crisscrossing SMEs.

4.2 Diagnostic Tests

Numerical methods using regression, correlation, t-test examination together with evaluation of variance are built on the idea that normal distribution on data is adhered to. Diagnostic tests were conducted to examine statistical errors in the review. The review utilized Shapiro-Wilk trial, Q-Q plot, multicollinearity, homogeneity of variance and pre-regression analysis to evaluate the errors so as to establish whether data of the study was properly modeled.

4.2.1 Tests of Normality

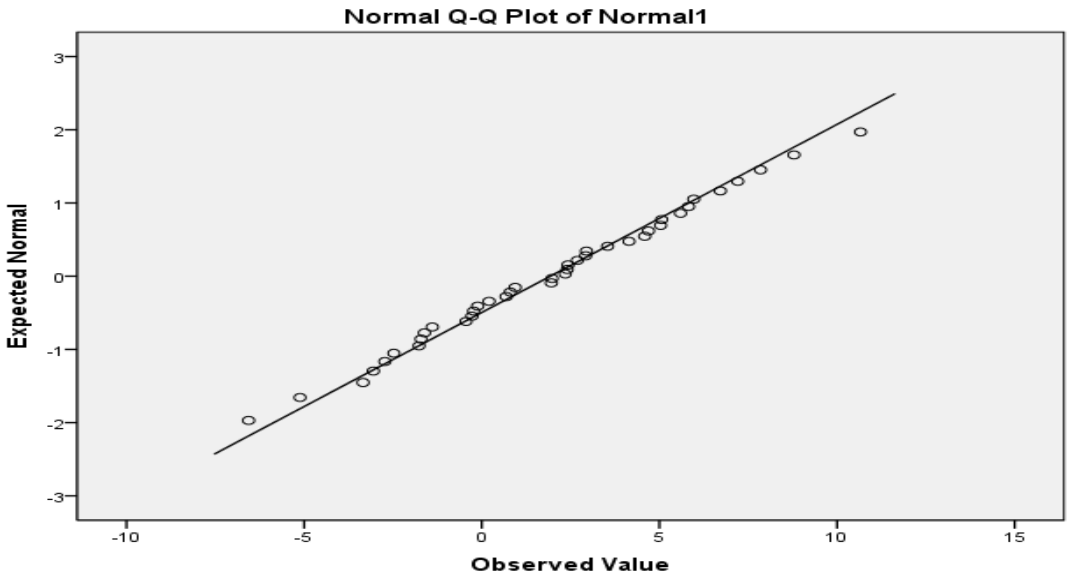
In this research, the Shapiro-Wilk Test was utilized to test the normality as this was more appropriate (Razali and Wah, 2011). Additionally, this is a harmonious experiment for instituting kurtosis values of normality. The data significantly divert from a normal dispersal if it is lower than 0.05. Table 4.1. Shows outcomes for the test of normality.

Table 4.1 Shapiro-Wilk Test of Normality

Elements	**Shapiro-Wilk**		
	Numbers	**Df**	**Values for normality**
Short-Term Debt to Equity	.986	1.352	0.000
Long-Term Debt to Equity	.865	1.283	0.000
Firm Age	.985	1.361	0.000
Firm Size	.954	1.242	0.000
Performance	.853	1.243	0.000

Source: Fact Finding Figures (2021)

The outcomes out of Table 4.1 indicates that there was normal distribution on long-term debt to equity, short-term debt to equity, age, firm size and the dependent element of the performance of the firm. The data was normal because Shapiro-Wilk Test outcomes were (0.000, 0.00, 0.000) and these were larger than 0.05. Outturn of a normal Q-Q Plot is used to decide the dispersal of data in a chart. The points of data shall be near the line to show it is justifiable with a normal dispersal. If dots of data seem far from the line, there is no normal distribution of data and vice versa. Figure 4.1 presents the outcomes of the Q-Q plot of performance



Source: Research Data (2021)

Figure 4.1: Q-Q Plot

Outcomes from Figure 4.1 indicate all dots lie near the diagonal line. Clearly this shows that data originates from a distribution that is normal. In this Q-Q plot the data is distributed normally. These data is not kept out from being normal even though There's a small erratic spin concerning the line.

4.2.3 Tests of Independence

It is indicated that the data being observed is independent if error terms are independent. The research used Durbin-Watson test to prove independence of data .Results of 2.5 indicates independent interpretations (Garson, 2012).

Table 4.3 Durbin Watson Test

Elements	Durbin Watson
Short-Term Debt to Equity	1.775
Long-Term Debt to Equity	2.043
Firm Age	2.111
Firm Size	2.385
Performance	2.044

Source: Research Data (2021)

The Durbin Watson figures were near to the advocated level of 2.0: X1 (1.775), X2 (2.043), X3 (2.111), X4 (2.385) and Performance (2.044). Therefore, it can be proved that the residuals were independent and there was no serial-correlation. This means that the variables in the study were independent.

4.3 Descriptive Statistics

This part gives a summary of facts derived for every variable for this research. Descriptive statistics engaged were mean, standard deviation, median, maximum and minimum values.

Table 4.4 Descriptive Statistics

Elements	N	Min.	Max.	Mean	Std. Deviation
Performance	33	0.021	48.762	1.541	4.065
Short-Term Debt to Equity	33	-5.321	11.243	0.245	1.431
Long-Term Debt to Equity	33	0.034	18.453	5.543	5.237
Firm Age	33	0.041	62.325	7.325	8.231
Firm Size	33	0.000	20.548	0.648	1.436

Source: SPSS V22 Data Analysis Output, (2021)

The research indicates that short-term debt to equity had a least value of -5.321. The greatest value was 11.243. Else ways, the average score was 0.245 and a standard deviation of 1.431. A mean results of 0.245 and a standard deviation of 1.431 shows that there is a big divergence in distribution of data since the mean is lower than the standard deviation.

From the findings of the table 4.4 above, the performance of Agribusiness SMEs in Trans-Nzoia County depends on the short term debt to equity at a mean of 0.245 and standard deviation of 1.431, long term debt to equity at a mean of 5.543 and standard deviation of 5.237, Firm age at a mean of 7.325 and standard deviation of 8.231, and Firm Size at a mean of 0.648 and standard deviation of 1.436.

This study further indicates that age of firm had mean was 7.325 and 8.231 was the standard deviation. Indication of the diversion from the standard deviation was age of the enterprises. Between the mean and the standard deviation there is inconsistency in distribution of data. Results continued to show that firm size had a mean and 1.436

was the Standard deviation. Departure from the standard deviation was shown by size of the firms. Between the mean and the standard deviation there is a discrepancy in distribution of data.

Firm performance had 1.541 as mean and 4.065 as standard deviation. Deviation from the standard deviation was shown by firm performance. Between the mean and standard deviation there is inconsistency in distribution of data.

4.4 Correlation Analysis

The abstract of connections between variables of the research is available in Table 4.5.

Table 4.5 Correlation Coefficients

		Short-Term Debt to Equity	Long-Term Debt to Equity	Firm Age	Firm Size	Performance
Performance	Pearson Correlation	.984**	.008	.034	.076	1
	Sig. (2-tailed)	0.019	.033	.025	.042	
Short term debt to equity	Pearson Correlation	1				
	Sig. (2-tailed)					
Long term Debt To equity	Pearson Correlation	.811*	1			
	Sig. (2-tailed)	0.016				
Firm Age	Pearson Correlation	.772*	.975	1		
	Sig. (2-tailed)	0.07	.091			
Firm Size	Pearson Correlation	.984**	.008	.049	1	

Sig. (2-tailed)	0.03	.033	.021

Source: Secondary Data (2021)

Correlation Examination was done among the predicted variable and predictor variables. Between short-term debts to equity, long-term debt to equity, age, size of the firm and firm performance a frail favorable correlation was noted as shown by correlation coefficient of 0.016, 0.07, 0.03 and 0.0198.

Table 4.5 shows the correlation between the variables. Values are based on negative and positive indicators and a value greater than 0 indicates a positive relationship while 0.00 depict no correlations. A value below 0 confirms negative correlations. The findings reveal that performance of the SMEs is positively related to firm size at 0.76. The firm performance is also positively correlated with firm age at 0.034 and with long term debt to equity at 0.008. However, there is a negative correlation between short term debt to equity with firm performance at (r= negative 0.9848).

4.5 Regression Analysis

The regression analysis was conducted utilizing the SPSS version 22 at 95% confidence level. Regression scanning was performed per sector prior to the all-inclusive regression was established. Table 4.7 below indicates abstract of the discovery.

Table 4.7 Model Summary

Model	R	R-squared	Adjusted R-squared	R-Squared Change	F Change	df 1	Df2	Sig. F change	Durbin Watson
1	.302[a]	.092	.083	.092	10.38	4	410	.000	
2	.438[b]	.209	.200	.117	60.69	1	409	.000	1.521

A. *Predictors: (Constant) Short-term debt to equity, Long-term debt to equity, Firm age and Firm Size*

B. *Dependent variable: (Performance of the firm).*

Source: Research Data (2021)

From the model summary in table 4.7, the coefficient of determination R square was established to be o be 0.083. This also implies that 83% of the variation in the performance of the SMEs in county is attributed to factors such as firm size, firm age as well as other external financing variables such as short and long term debt to equity. The remaining 17% may be based on other factors that require further analysis. The Table 4.7 above indicates that the predictors: Short-term debt to equity, Long-term debt to equity, Firm age and Firm Size had P< .05, indicating that these predictors contributed to the overall notable connection with the dependent variable, performance of the firm.

Table 4.8 Regression Results

Table 4.8 indicates that the functional relationship among the independent and dependent variables is:

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	3.521	.342		7.342	.035
Short-Term Debt to Equity	.521	.152	.546	4.344	.032
Long-Term Debt to Equity	.531	.742	.342	2.585	.034
Firm Age	.138	.324	.341	1.212	.025
Firm Size	.402	.432	.354	2.312	.033

a. Dependent Variable: Performance of SMEs in agribusiness in Trans-Nzoia County

The regression output in table 4.8 estimates the model for predicting the dependent variable given the value of the independent variable can be written as;

Y=0.521X1+0.531X2+0.138X3+0.402X4

The estimated model shows that the firm performance when other factors are held constant is 3.521.

The findings further reveal that short term debt to equity had a positive impact on the firm performance as indicated by a beta coefficient of 0.546. This means that for every unit increase in the short term debt to equity, the firm performance go up by 0.546. Long term debt to equity had a beta coefficient of 0.342 indicating that for every unit increase in short term debt to equity, firm performance go up by 0.342.

Firm age had a beta coefficient of 0.341 implying that for every unit increase in the firm age, firm performance went up by 0.341. Firm size had a beta coefficient of 0.354 meaning that for every unit increase in firm size, the firm performance goes up by 0.354.

The table also confirms that long term debt to equity had significance of 0.032> P value 0.05, short term debt to equity had a significance of 0.034< p value 0.05, firm age had a significance of 0.025 > P value 0.05, while firm size had a significance of 0.033> P value 0.05. All variables with a significance of <0.05 are considered significance, thus the final model will be

Y=0.521X1+0.531X2+0.138X3+0.402X4

Where Y is the firm performance

4.6 Discussion of the Findings

From the study findings, it was evident that firm size, firm age, long term debt to equity as well as short term debt to equity influence the performance of SMEs in Trans-Nzoia County. The study confirmed that there was normal distribution on long-term debt to equity, short-term debt to equity, age, firm size and the dependent element of the performance of the firm. The research indicates that the performance of Agribusiness SMEs in Trans-Nzoia County depends on the short term debt to equity at a mean of 0.245 and standard deviation of 1.431, long term debt to equity at a mean of 5.543 and standard deviation of 5.237, Firm age at a mean of 7.325 and standard deviation of 8.231, and Firm Size at a mean of 0.648 and standard deviation of 1.436.

There was correlation between the variables. The findings reveal that performance of the SMEs is positively related to firm size at 0.76. The firm performance is also positively correlated with firm age at 0.034 and with long term debt to equity at 0.008.

However, there is a negative correlation between short term debt to equity with firm performance at (r= negative 0.9848). The coefficient of determination R square was established to be o be 0.083. This also implies that 83% of the variation in the performance of the SMEs in county is attributed to factors such as firm size, firm age as well as other external financing variables such as short and long term debt to equity. The findings further reveal that short term debt to equity had a positive impact on the firm performance as indicated by a beta coefficient of 0.546. This means that for every unit increase in the short term debt to equity, the firm performance go up by 0.546. Long term debt to equity had a beta coefficient of 0.342 indicating that for every unit increase in short term debt to equity, firm performance go up by 0.342. Firm age had a beta coefficient of 0.341 implying that for every unit increase in the firm age, firm performance went up by 0.341. Firm size had a beta coefficient of 0.354 meaning that for every unit increase in firm size, the firm performance goes up by 0.354. This means that external financing factors influence the firm performance of SMEs.

The study findings were similar with Al-Najjar and Al-Najjar (2017) who noted that external financing factors are important in promoting the firm performance of SMEs in Jordan. Beck et al (2011) also confirmed that financing is based on bank size and managers must consider the age of the bank in financing their operations. In determining SMEs performance in Europe, Cicea et al. (2019) also found that profitability and success of SMEs depends on the firm value, size and the number of customers

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter starts in outlining a synopsis of the data analysis for this study. The verdict arrived at from the analysis of data will be demonstrated also in this segment. Moreover, additional suggestions for advanced research will be presented preparatory to the shortcomings of the research are brought out.

5.2 Summary of the Findings

Out from the research, Short-term debt to equity portrayed scientifically inconsequential to performance of enterprise. Even though scientifically connection is not there, short-term debt to equity plays a huge part in strengthening performance of firms listed in Trans-Nzoia County. Similarly, the size of a firm, calculated by Natural logarithm of entire assets was discovered having a solid impact on revenues of the businesses. Having a regression coefficient of 0.531 for long-term debt to equity, relationship on performance of firms operating in Trans-Nzoia County is there. External financing has a longstanding indication on firms' performance as divergent firms apply dissimilar mix of debts and equity that befits them, hence ensure that performance is enhanced and risk is minimized always.

The 5 years' data regression analysis from 1st January 2016 up to 31st December 2020 showed negligible favorable correlation is there between external financing and performance of firms. This research concurs with Ubesie (2016) research on Nigerian listed 93 conglomerates inbetween 2011 and 2015. However, it is in conflict with the

Ramachandran and Madhumathy (2016) study on effect of capital composition on the Indian textile Industry.

From the study findings, it was evident that firm size, firm age, long term debt to equity as well as short term debt to equity influence the performance of SMEs in Trans-Nzoia County. The study confirmed that there was normal distribution on long-term debt to equity, short-term debt to equity, age, firm size and the dependent element of the performance of the firm. The research indicates that the performance of Agribusiness SMEs in Trans-Nzoia County depends on the short term debt to equity at a mean of 0.245 and standard deviation of 1.431, long term debt to equity at a mean of 5.543 and standard deviation of 5.237, Firm age at a mean of 7.325 and standard deviation of 8.231, and Firm Size at a mean of 0.648 and standard deviation of 1.436.

There was correlation between the variables. The findings reveal that performance of the SMEs is positively related to firm size at 0.76. The firm performance is also positively correlated with firm age at 0.034 and with long term debt to equity at 0.008. However, there is a negative correlation between short term debt to equity with firm performance at (r= negative 0.9848). The coefficient of determination R square was established to be o be 0.083. This also implies that 83% of the variation in the performance of the SMEs in county is attributed to factors such as firm size, firm age as well as other external financing variables such as short and long term debt to equity. The findings further reveal that short term debt to equity had a positive impact on the firm performance as indicated by a beta coefficient of 0.546. This means that for every unit increase in the short term debt to equity, the firm performance go up by 0.546. Long term debt to equity had a beta coefficient of 0.342 indicating that for every unit increase in short term debt to equity, firm performance

go up by 0.342. Firm age had a beta coefficient of 0.341 implying that for every unit increase in the firm age, firm performance went up by 0.341. Firm size had a beta coefficient of 0.354 meaning that for every unit increase in firm size, the firm performance goes up by 0.354. This means that external financing factors influence the firm performance of SMEs.

5.3 Conclusions

The outcome shows that firm revenues are not significantly influenced by external financing for agribusiness firms operating in Trans-Nzoia County. This means that external financing for the purposes of registering higher performance should be of no concern to managers and investors in such enterprises.

5.4 Recommendation for Further Study

A conducive enterprise landscape, positive investment programs and investor-beneficial environment is a precondition for enhanced performance of enterprises. Hence, the government should always endeavor to offer a favorable enterprise environment to boost performance of firms.

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APPENDICES

Appendix I: Data Capture Form

It is expected that the questionnaire will take about 50 minutes to complete. Please fill out all sections. Thank you.

1. When was your organization incorporated?	
Less than one year from 2020	1
1-5 years from 2020	2
5-10 years from 2020	3
Over 10 years from 2020	4
I do not know	10
Prefer not to reveal	11

2. Is this establishment…?	
An independent company?	1
A subsidiary of a company?	2
A branch of a larger company?	3
A regional firm of a multi-level company?	4
I do not know	10
Prefer not to reveal	11

3. Is your establishment mainly or exclusively...	
Inputs and Technology Provider	1
Producer (farmer)	2

Logistics, Trade and Distribution	3
Processor	4
Wholesaler	5
Retailer	6
All of the above	10
I do not know	11

4. What are the key performance indicators in your organisation?	
Growth of revenue	1
Gross profit	2
Cost of output	3
Satisfaction and Retention of customers	4
Metrics on production	5
Operational performance	6
All of the above	7
I do not know	10
Prefer not to reveal	11

5. How important are key performance indicators to make business decisions?	
Very relevant	1
Relevant	2
Rather relevant	3

Relevant	4
Very uncrucial	5
Uncrucial	6
Rather uncrucial	7
I do not know	10
Prefer not to reveal	11

6. How frequently were these key performance indicators reviewed?	
Annually	1
One time in every three months	2
Onetime in a month	3
One time in a week	4
One time in a day	5
After every one hour or more frequently	6
Never	7
I do not know	10
Does not apply	11

7. Would you say that the amount of external debt of your business has gone down, stayed the same or has gone up over the last one year?	
Gone up	1
Stayed the same	2

Gone down	3
Irrelevant, no liability	10
8. For the external financing sources listed below, would you kindly specify if you utilized them for the last one year?	
Donation	1
Overdraft and lending	2
Business credit	3
Sub-letting or instalment plan or accounts receivable financing	4
Equity issuance or external equity investors	5

9. Have these external financing sources upgraded, has been of no significance or worsen your firm over the last one year?	
Upgraded	1
Has been of no significance	2
Worsen	3
Does not apply to my firm	10
10. What is the magnitude of the previous debt, of any sort, that your business has acquired in the past one year?	
Less than Ksh25 000	1
Ksh25 000-Ksh100,000	2

Ksh100,000 – Ksh1000,000	3
Over Ksh1,000, 000	4
We did not take a loan	10
11. In what ways did you utilize the previous loan?	
Working asset	1
Land, vehicles, buildings or Equipment	2
Research and development or trade mark	3
Advancement	4
Staff capacity building	5
Acquisition	6
Additional	10
12. Foreseeing productivity over the coming two to three years, to what extend does your business anticipate to increase in size suppose obtaining external financing is easy?	
Grow greatly	1
Grow reasonably	2
Remain the same	3
Subside	4

13. When you will require external financing to obtain your growth goals, what kind of external financing would be the one you prefer most?	

Loan from the bank	1
Funding from other origins for example getting products on credit	2
Investment in equity	3
Financing instruments	4
Any other	10

Appendix II: Agribusinesses in Trans-Nzoia County

1. Kamro Agrovet Ltd
2. Comtra Ltd
3. Mea Ltd
4. Wanjoki Agro-Industrial Enterprises
5. Kitale Agrochem Store
6. Ndalu Farm Ltd
7. Mbigulu Farms
8. Mayfeeds Kenya Ltd
9. Manunga Agro Stores
10. Kitale Agrochem Store
11. Highland Dairy Farm
12. Super Expo Ltd
13. Bobayi Milk Products
14. Baraka Farm Kitale
15. M-Pesa Akulwa Farm Ltd

Source: County Government of Trans-Nzoia

Appendix III: Secondary Data

Year	SME	Short Term Debt to Equity	Long Term Debt to Equity	Age	Firm Size '000'	Change in Revenue '000'
2016	Kamro Agrovet Ltd	0.0814	0.0259	15	1020	306
2017	Kamro Agrovet Ltd	0.0820	0.0240	15	1050	303
2018	Kamro Agrovet Ltd	0.0803	0.0261	15	909	311
2019	Kamro Agrovet Ltd	0.0811	0.0238	15	1011	315
2020	Kamro Agrovet Ltd	0.0868	0.0244	15	1005	301
2016	Comtra Ltd	0.0615	0.09565	8	500	702
2017	Comtra Ltd	0.0641	0.09368	8	530	698
2018	Comtra	0.0644	0.09362	8	510	687

	Ltd					
2019	Comtra Ltd	0.0656	0.0938	8	501	705
2020	Comtra Ltd	0.0632	0.0910	8	495	713
2016	Mea Ltd	0.2647	0.4156	5	1000	695
2017	Mea Ltd	0.2649	0.4130	5	990	706
2018	Mea Ltd	0.2668	0.4128	5	980	711
2019	Mea Ltd	0.2681	0.4037	5	968	682
2020	Mea Ltd	0.2610	0.4031	5	945	689
2016	Wanjoki Agro-Industrial Enterprises	0.0503	0.0487	16	500	238
2017	Wanjoki Agro-Industrial Enterprises	0.0585	0.0466	16	490	214
2018	Wanjoki Agro-Industrial Enterprises	0.0538	0.0452	16	470	207
2019	Wanjoki Agro-Industrial	0.0535	0.0461	16	462	213

	Enterprises					
2020	Wanjoki Agro-Industrial Enterprises	0.0572	0.0463	16	458	220
2016	Kitale Agrochem Store	0.2073	0.5082	14	454	791
2017	Kitale Agrochem Store	0.2086	0.5063	14	430	783
2018	Kitale Agrochem Store	0.2058	0.5027	14	421	801
2019	Kitale Agrochem Store	0.2041	0.5014	14	560	868
2020	Kitale Agrochem Store	0.2019	0.5029	14	645	720
2016	Ndalu Farm Ltd	0.0983	0.0642	9	369	339
2017	Ndalu Farm Ltd	0.0940	0.0631	9	357	320
2018	Ndalu	0.0991	0.0612	9	342	348

	Farm Ltd					
2019	Ndalu Farm Ltd	0.0916	0.0604	9	338	327
2020	Ndalu Farm Ltd	0.0943	0.0679	9	330	380
2016	Mbigulu Farms	0.0822	0.0216	6	500	927
2017	Mbigulu Farms	0.0879	0.0213	6	470	939
2018	Mbigulu Farms	0.0898	0.0287	6	450	926
2019	Mbigulu Farms	0.0804	0.0276	6	430	925
2020	Mbigulu Farms	0.0871	0.0281	6	425	905
2016	Mayfeeds Kenya Ltd	0.0387	0.0316	8	30	116
2017	Mayfeeds Kenya Ltd	0.0335	0.0319	8	25	110
2018	Mayfeeds Kenya Ltd	0.0381	0.0328	8	18	111
2019	Mayfeeds Kenya Ltd	0.0328	0.0364	8	55	109
2020	Mayfeeds Kenya Ltd	0.0350	0.0313	8	47	114

2016	Manunga Agro Stores	0.0311	0.0716	6	300	957
2017	Manunga Agro Stores	0.0314	0.0702	6	280	920
2018	Manunga Agro Stores	0.0320	0.0724	6	262	923
2019	Manunga Agro Stores	0.0338	0.0745	6	258	928
2020	Manunga Agro Stores	0.0321	0.0713	6	240	924
2016	Kitale Agrochem Stores	0.4570	0.3860	11	500	894
2017	Kitale Agrochem Stores	0.4567	0.3850	11	491	870
2018	Kitale Agrochem Stores	0.4558	0.3865	11	483	830
2019	Kitale	0.4584	0.3812	11	474	838

	Agrochem Stores					
2020	Kitale Agrochem Stores	0.4523	0.3808	11	463	836
2016	Highland Dairy Farm	0.3378	0.2364	7	30	254
2017	Highland Dairy Farm	0.3571	0.2368	7	25	210
2018	Highland Dairy Farm	0.3280	0.2368	7	18	256
2019	Highland Dairy Farm	0.3814	0.2361	7	14	213
2020	Highland Dairy Farm	0.3347	0.2389	7	12	152
2016	Super Expo Ltd	0.0863	0.0751	10	70	381
2017	Super Expo Ltd	0.0860	0.0712	10	64	379
2018	Super	0.0872	0.0719	10	63	368

	Expo Ltd					
2019	Super Expo Ltd	0.0863	0.0741	10	58	362
2020	Super Expo Ltd	0.0817	0.0701	10	52	378
2016	Bobayi Milk Products	0.3830	0.3627	9	48	562
2017	Bobayi Milk Products	0.3828	0.3600	9	45	532
2018	Bobayi Milk Products	0.3910	0.3614	9	41	518
2019	Bobayi Milk Products	0.3264	0.3687	9	38	525
2020	Bobayi Milk Products	0.3120	0.3426	9	34	512
2016	Baraka Farm Kitale	0.4675	0.4697	10	56	467
2017	Baraka Farm	0.4673	0.4693	10	53	428

	Kitale					
2018	Baraka Farm Kitale	0.4680	0.4709	10	49	452
2019	Baraka Farm Kitale	0.4620	0.4032	10	46	461
2020	Baraka Farm Kitale	0.4589	0.3026	10	47	457
2016	M-pesa Akulwa Farm Ltd	0.2572	0.2394	6	39	386
2017	M-pesa Akulwa Farm Ltd	0.2579	0.2362	6	36	388
2018	M-pesa Akulwa Farm Ltd	0.2516	0.2356	6	39	352
2019	M-pesa Akulwa Farm Ltd	0.2501	0.2354	6	45	358
2020	M-pesa Akulwa Farm Ltd	0.1989	0.2359	6	42	360

Source: County Government of Trans-Nzoia, (2021).