**Abstract**

Beans are widely grown as a major food crop in Eastern and Southern Africa. It is the most important staple food crop after maize in Kenya (ECABREN, 2000). The beans industry in Kenya is faced with problems of shortages, seasonal supply and price fluctuations and inadequate information on production, marketing and consumption. These problems are more acute in urban areas. This paper analyzes the structure and performance of the beans marketing system in Nairobi metropolitan area, the single most important beans market in Kenya. Data from a sample of 102 traders augmented by secondary data were used to analyze the marketing system by applying descriptive statistics, concentration ratios and co-integration models. The results showed that the beans marketing structure approached that of pure competition; however, lack of capital was a barrier to entry into the wholesale and retail trade. The Johansen likelihood-based vector autoregressive model showed that there was no significant co- integration of the major markets in the city possibly due to inefficient market information flow.