

This study was conducted in the highlands of central Kenya and was designed to have a snapshot of the prevailing rural marketing scenario with a view of understanding the working of marketing system in the region. The general objective was to capture how closely actual marketing system in Mbeere and Meru South districts approximate a competitive marketing channel. The industrial organization structure conduct and performance model of maize and beans traders was used to accomplish the objectives of the study. Questionnaires were used on 254 randomly selected traders. The results indicated that there was a tendency towards smaller traders while market concentration was lower among the retailers than among the wholesalers. A number of barriers to entry were identified, which were not as a result of trader's conduct. Gross margin analysis showed a tendency toward competitiveness. Efforts towards removal of the identified barriers will improve the performance of the markets.