

Kenya has been experiencing low export growth rate in general, and agricultural exports in particular and yet an increase in agricultural crop exports can contribute significantly to economic growth and improve the citizen's welfare. This study investigated the determinants of agricultural crop exports supply for Kenya over the period 1963-2003. Annual time series data were collected from Kenya's Statistical Abstracts and the IMF's International Financial Statistics (IFS). A disequilibrium model of agricultural crop export was utilized.

The data for all variables were tested for the presence of unit roots. The tests revealed that all variables, apart from productive capacity proxied by GDP, were integrated of order zero. Consequently, the Ordinary Least Square (OLS) estimation technique was used. The regression results showed that the real exchange rate was a significant determinant of tea, pyrethrum and horticulture exports but not coffee exports. The pyrethrum export was more elastic with respect to real exchange rate. Productive capacity as proxied by GDP was found to be a significant factor in determining coffee, tea and aggregate exports. El-Nino rainfall, as captured by a dummy, was significant for coffee exports, while trade liberalization, also captured by a dummy was only significant in determining pyrethrum exports.