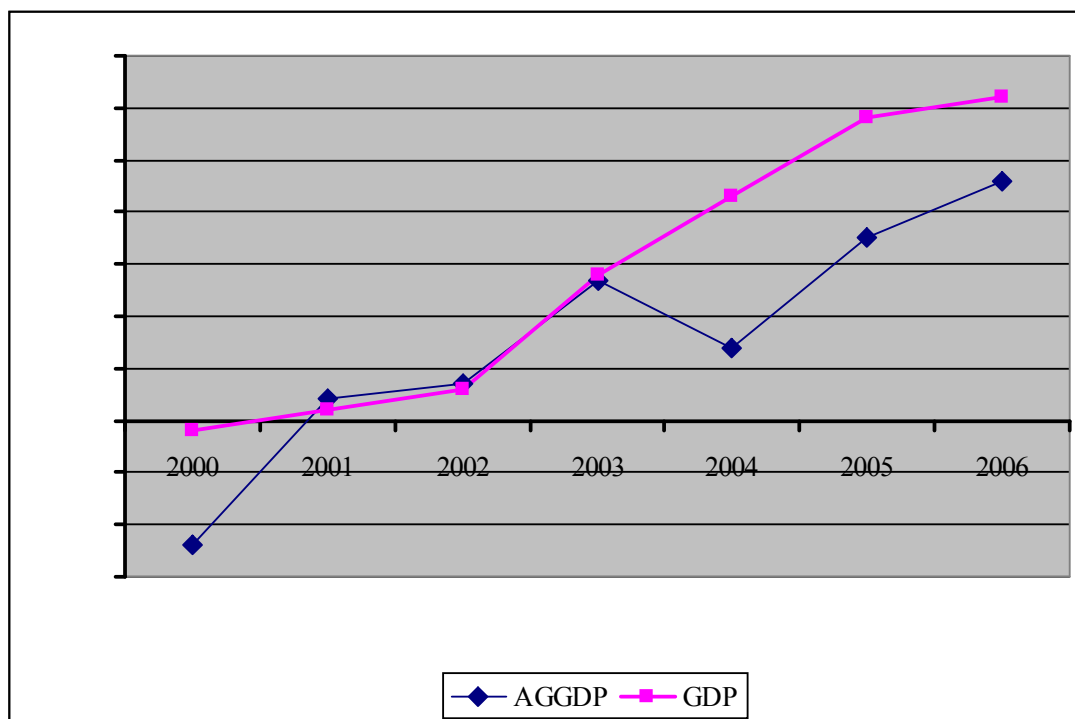


In the 1999 Population and Housing Census, Kenya's total human population was 28,686,607 people with a density of 49 people per Km² (RoK, 2001). Of this population, 80% (22,949,286) reside in the rural areas (RoK, 2004). The annual growth rates of the total and rural population were 2.9% and 3.1%, respectively, between the 1989 and 1999 intercensal period (RoK, 2001).

2.3 Gross domestic product

The country's Gross Domestic Product (GDP) was estimated at \$57.7 billion in 2007 (RoK, 2007). Since 2000, Kenya's GDP has been steadily growing from a low of negative 0.2% in 2000 to a high of 6.2% in 2006 (Figure 2). This was largely fuelled by good weather conditions and improved economic management following the installation of the National Rainbow Coalition (NARC) in 2003. As Figure shows, Kenya's economic growth rate is intimately linked with the growth rate of agriculture. Between 2003 and 2007, Kenya's average GDP per capita was \$1,084 with a growth rate of 4.3% (RoK, 2007).

Figure 3 Annual growth rates of GDP and agricultural GDP (2000-2006)



Source: Derived from RoK (2007a)

Agriculture is the backbone of the country's economy contributing about 25% of the total GDP, an equivalent of \$14.4 billion in 2007. The agricultural sector provides employment to an estimated 70% of the labour force (RoK, 2007) and also contributes a further 27% indirectly through linkages with manufacturing, distribution and other service sectors and over 75% of industrial raw materials (RoK, 2006). The agricultural GDP (Ag.GDP) grew from negative 2.4% in 2000 to 4.6% in 2006 (Figure 2).