

**SUITABILITY ANALYSIS FOR LOCATION OF POTATO SUPPLY CHAIN ENTITIES USING GIS AND REMOTE SENSIG IN NYANDARUA CUNTY**

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**Declaration**

This research paper is my original work and has not been presented for a degree in any other university.

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Sign: ………………………………… Date: ………………………………..

This research paper has been submitted for examination with my approval as University Supervisor.

SUPERVISOR:

Sign: …………………………………….. Date: …………………………………………..

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**Chapter 1: Introduction**

**1.1 Background Information**

Potato (commonly known as Irish potato) is the second major source of income and revenue after dairy production in Nyandarua County. Potatoes are fast growing and take much shorter period (75 days) to mature compared to other food crops such as maize and wheat which take up to six months or even one year. This makes it more adaptive to the fluctuating climatic conditions of Nyandarua County that are usually cold and unfavorable for most food crops like maize and beans. Its production in Kenya has been constantly increasing following the call to farmers from the government to diversify their production.

The population of the County as at the last population census of 2009 was 596,268 persons, comprising of 292,155 (49%) males and 304,113 females (51%) (Kenya National Population and Housing Census, 2009). The projected population in 2018 was 712,596 persons; comprising of 349,152 males and 363,443 females (CIDP2, 2017).

In Kenya, potato is the second most important food crop after maize. Its ability to grow in the high-altitude areas where maize does not do well, and its high nutritive value, make it an important food and cash crop for people living in these areas (FAO, 2008). In Nyandarua County, it is the leading cash and food crop.

Despite the fact that there are other counties such as Nakuru, Bomet, Meru and Narok that grow potatoes, Nyandarua County produces about 33% of the total potato production in Kenya (Waithaka M. 2017). This is due to its cool and wet climate with well distributed rainfall all year round and potato varieties that mature fast thus enabling farmers to plant and make a harvest up to three times in one year.

However, the residents face a challenge in the marketing of their produces because of the poor value chain entity facilities and system. The farmers are faced with difficulties in marketing their products due to poor road conditions, lack of specialized storage units, limited processing firms with limited capacity and highly inaccessible marketplaces especially in rainy season. This most of the time leads to exploitation and poor prices given the high perishability nature of the unprocessed potatoes, resulting to great physical and financial loss. The prices also escalate during the recess period, which is usually after prolonged dry period of January which is accompanied by frost that destroys crops in the field, leaving farmers without a harvest and without seed. This situation creates shortages in supply thus making the potatoes too expensive for traders and consumers. There is therefore a need for development of **value addition industries, storage facilities, modern market outlets, and good feeder roads** near the farmers which will ensure controlled and consistent supply that will create some balance and stability in the market price which in turn will ensure that farmers get good returns and traders get reasonable return for their investment and in turn generate more revenue for the county. This should be done because “these facilities are mostly concentrated in and around the consumer markets which provide very little services to the marginal farmers during harvesting” (Kanali C. 2017).

Despite the high potential to contribute in improving welfare of many farmers, potato industry has faced a number of challenges ranging from production, processing, trading and wholesaling and marketing. Potato marketing in particular is poorly structured and farmers generally get very low marketing margin compared to other actors in the value chains. The industrial processing of potatoes is limited to the production of snack type foods such as crisps and other types of snacks specifically for Asian consumers (Kanali C. 2017). The available crisps enterprises are located in Nairobi, over 87km from the County.

The industries will also increase the varieties of products obtained from the potatoes, both the food and non-food products.

This study aims at performing suitability analysis of site allocation on where the different supply chain entities can be established in an effort to reduce the post-harvest loss. The industrial allocation factors will be put into consideration so that the selected locations will have the highest economic value and rate of return.

**1.2 Problem Statement**

Post-harvest loss of potatoes occurs greatly as a result of poorly structured infrastructure that makes up the supply chain entities. That is, road networks, storage units and processing industries.

The road network connecting the farmers to the market are poorly serviced and some are totally impassable during rainy season. Others are too narrow to even accommodate a single vehicle.

Potatoes are highly perishable goods and when stored in unfavorable conditions, they either rot or lose water and sprout leading to loss in taste. Nyandarua County lacks storage facilities that are equipped to provide ambient conditions that can allow storage of up to eight months.

Nyandarua County also lacks capacitated processing industries to add value to potato products. Thus, 90% of the products are sold directly to consumers unprocessed. This shortens the shelf life and increases loss. The by-products that could be processes further to produce other items such as the peelings are considered as waste reducing the overall value the supply chain is supposed to generate.

The need for the supply entities has always been an agenda in the county but precise location where they should be enacted remains a dilemma. The fact that majority of people are not equipped with the knowledge of suitability analysis and location allocation elevates the problem of decision making.

**1.3 Research Questions**

This study will be trying to answer the following questions.

1. What is the state of the current distribution of the supply chain entities in the county?
2. What is the effectiveness of the available supply chain entities on post-harvest loss?
3. How can suitability analysis be used to locate new supply chain entities in order to reduce postharvest loss?

**1.4 Objectives**

The main objective of this study is to perform a suitability analysis for the allocation of additional post-harvest supply chain entities in Nyandarua County in an effort to reduce potato post-harvest loss. The specific objectives will be:

1. To analyze the spatial distribution of the available supply chain entities in county.
2. To determine the relationship between the available supply chain entities and post-harvest loss.
3. To identify suitable locations for additional supply chain entities.

**1.5 Justification of the study**

For every economy to thrive well, good planning has to be undertaken in order to ensure that establishment of industries does not conflict with consistent food production or create ecological imbalance. Sarah (2018) states that the establishment of industries is in the very interest of the societal development but not for individual or political gain.

The population is consistently increasing while the arable land is continually reducing as an effect of desertification, urbanization and demand for more housing even in rural areas. This increased demand for food while the productive land is reducing escalates the risk of a country sustaining itself, to an extent where they have to import food products to satisfy surplus demand, thus creating a need for food security measures.

In its nature, land has vast dynamics that render its utilization uneven. Some areas are more suitable for one type of land use while others are suitable for another and some areas are not suitable at all.

It is in this essence that there is a need to conduct site suitability analysis in Nyandarua County for the possible areas that can be used to serve the different supply chain entities.

This project will be in a position to provide an applicable network analysis that can provide an optimized service area with capabilities to significantly reduce overall production cost while greatly improving quality and availability of potato products.

**1.5 Scope**

In a geographical scope, this study will cover the confines of Nyandarua County. It will target both the small-scale farmers and large-scale farmers in the five constituencies that make up the county.

The research will study how limitation in efficient supply chain entities increase the loss incurred in potato marketing.

The scope that will be studied will involve developing an AHP model which will lay down the factors that influence the location of an industry.

**Chapter 2: Literature Review**

**General review**

Potato industry faces challenges from production processing, marketing, and wholesaling. The poorly structured potato marketing makes the farmer to be the one earning the least among all the actors in the value chain. This leads to the loss of up to a third of the total harvest in terms of physical and financial loss (Kanali C., 2017). This loss is aggravated by the poorly structured supply chain entities such as the cold storage rooms, processing firms and market outlets that are not within the farmers’ reach. The available processors are only located in Nairobi and they only produce crisps thus the amount of potatoes they use for their daily production is way much lower than the amount harvested. Their facilities are also located far from the marginal farmer and he cannot benefit from their storage facilities so he ends up selling his products at a low price so that they don’t spoil in his hands.

One of the big four agendas is food security, potato has a high possibility in aiding the fight against food insecurity because it gives higher yields. However, according to GIZ (2014), per season, 19% of the produce is damaged. The damage occurs from the harvesting to packaging, storage and processing. This is facilitated by the lack of knowledge on the best practices during harvesting, packaging, transportation, storage and processing (Kanali C. 2017).

The supply chain entities that need to be improved are:

1. Establishment of specialized cold storage units- the potatoes are a vulnerable product, when exposed to heat and light, they lose a lot of water and lose the taste. Also, when stored in a dump location, they rot and tones of potatoes are lost.
2. Market Outlets- there is a need to create market outlets that are specialized to handle the potatoes. These platforms will create outlets for local and international trade of potatoes that are fresh and of high quality.
3. Processing units- The county needs processing units. This will increase the market base for potatoes needed for processing. This in turn will diversify the potato products in the market and increase the shelf life

Due to this fact, there is a need to perform land suitability analysis in order to determine the most suitable locations to set up these facilities.

Establishing food manufacturing industries should be treated as a rural development strategy because the value-added activity can increase farm incomes through backward linkages to agricultural production with increased commodity demand, in addition to employment opportunities they provide (Capps, Fuller, and Nichols; Kane and McNamara). Locating the potato processing industries in the rural areas will reduce the bulkiness of the commodity and thus cut on the cost of transportation.

Locations are chosen to gain access to labor, capital, business services, transportation, and technology while meeting procurement/distribution requirements of the firm (Henderson J. R., 2000).

Land suitability analysis is the process to determine whether the land resource is appropriate for some specific uses and to determine the suitability level by considering different factors such as land use and land cover type, landscape, and road infrastructure (Manlun 2003). Land suitability analysis is important in determining land resource for specific function in a given area. Locational analysis encompasses any spatial analysis of the area like proximity to the different services. Physiographic feature describes features and attributes of the land surface (Mathias Tesfaye Abebe 2017).

Industrial location is an important factor at local, regional, national or even national level. It is influenced by a number of factors such as “transportation, labor, raw materials, markets, industrial sites, utilities, government attitude, tax structure, climate, and community.” (Badri M. A., 2007). Some other factors such as environmental impact of the industry, the supply of both agricultural and non-agricultural raw materials and availability of land and infrastructure (Sule Turhan, Basak Canan Ozbag and Bahattin Cetin, 2007).

**Digital Elevation Model (DEM)**

Digital Elevation Models (DEM) is a GIS raster data type that represents earth’s surface as a regular arrangement of locations where each cell stores a value corresponding to its elevation. This allows for systematic analysis of the relationships among places and their characteristics. Technological advancement of sensor and satellite imaging has contributed greatly to the generation of DEM from Remotely sensed data. The Advanced Space-borne Thermal Emission and Reflection Radiometer (ASTER) is a sensor used to record spatial data that is used to generate DEM.

To enhance and extract the exact DEM, topographical attributes play an important role. These attributes are:

1. Primary

These are the attributes that are delivered directly from DEM.

They include:

1. **Surface derivatives**

This measures the rate at which elevation changes as per the location of elevation.

1. **Slope**

This measures the rate of change of elevation in the direction of the steepest descent.

1. **Aspect and Primary flow direction**

Aspect is the orientation of the line of steepest descent. It helps in visualizing landscapes.

In this report am going to used Hill shade and Triangulated Irregular Network to represent the terrain of Nyandarua County in order to visualize the general topography of the area.

**Physiology of Nyandarua County**

Depending on the predominant volcanic rock type, the southern area can be divided into three distinct units: Kinangop plain, Niadarawa and Elephant mountains of Aberdare Ranges.

The northern area is in the Ol borosat plain, consisting of Ol Kalou, Ol Joro Orok, and Ndaragwa.

Kinangop area is at an elevation of about 8800 feet near Kijabe and gently sloping towards the Northern side with an elevation of about 8200 feet at the northern side.

The area has a number of tributaries that dissect it. Mkungi, Turasha, Kitiri among others are tributaries of Malewa River which drain into L. Naivasha. Others such as Chania, Sasumua, Kimakia are tributaries of rivers Athi and Tana which discharge into Indian Ocean.

This is the area that is comprised of Niadarawa (12,816 feet) and Elephant (11,900 feet). The mountains have a radial drainage. They are covered by a forest with the vegetation rising to a height of about 10000 feet. The area consists of basaltic agglomerates.

Ol kalou is at an altitude of 7890 feet. It consists of many building rocks.

Ndaragwa is in the farthest Northern side towards the end of Aberdare Ranges. It is at an altitude of 7660. The predominant rock type in this area is Laikipian Basalt.

**Rock Types**

The common rocks observed in the area are basalts, basaltic agglomerates, trachytes, phonolites, pyroclastic and lacustrine deposits.

The oldest rocks in the area are the Simbara Series, which are believed to be of Miocene age. They are overlain by basaltic agglomerates and autobreccias. These can be observed as outcrops on Niadarawa and the Elephant.

The other type observed in the southern region is the Sattima Series which compose of phonolites and trachytes of age between Kamasian and Pliocene. These have been observed over an extensive area ranginf from the Kikuyu special area in Kiambu, through Laikipia and even up to Nyeri in Othaya. They are therefore the major rock type covering the study area.

The younger rocks in the area are the Pleistine Volcanic and Holocene Sediments. These are observed on aberdare vents and around Kijabe Hill. They are believed to be eruptions of Longonot that reached south western part of the area.

**Conceptual Framework**

Data Collection

Research Design

Standardizing the Data

Create a GIS Database

Multi-Criteria Analysis

Perform GIS Analysis

Land Suitability Map

**Chapter 3 Research Methodology**

This topic will cover details on the research design that was used for this study, the study area where the research was carried out, methods and tools that were used in the data collection and the sampling techniques used during the study.

**3.1 Research Design**

According to Selltiz C. as cited by Kothari C. R. in *research Methodology*, “research design is the arrangement of conditions for collection and arrangement of data in a manner that aims to combine relevance to the research with economy in procedure.”

This study is used **diagnostic design** for it was performing the suitability analysis of supply chain entities and diagnosing their effectiveness in reducing post-harvest loss in potato production. The weighting models of the multi-criteria evaluation were used in order to test and diagnose the suitability of selected areas for development.

**3.2 Study Area**

Nyandarua county lies in the central part of Kenya between latitude 0°8’ North and 0°50’ South and between Longitude 35° 13’ East and 36°42’ West. Nyandarua borders Nyeri to the East, Laikipia to the North, Nakuru to the West, Murang’a to the South East and Kiambu to the South. The County is mainly linked to the major town centers in the region (Nakuru, Nyeri and Nyahururu) by road, the dominant mode of transport.

Nyandarua County covers an area of 3,245.2 Square Km lying between latitude 0°8’to the North and 0°50’to South and between 35° 13’East and 36°42’ West. Nyandarua County is divided into five Sub-Counties namely: Olkalou, Kinangop, Kipipiri, Ndaragwa and OljoroOrok and further into twenty-five wards. It had a population of 596,268 people, according to the 2009 National Census.

Nyandarua is one of the Kenyan Highlands. The topography of Nyandarua County constitutes of a mixture of plateaus and hilly areas. The County’s physiography was as a result of volcanism and faulting that created the major land. The highest point of the Aberdare Ranges is about 3,999 meters above sea level. The lowest parts include Lake Ol’Bolossat, Leshau and the northern part of Central Ward, lower Kaimbaga and the western parts of Kipipiri, Githioro and Murungaru Wards. The flat areas include Kinangop and Olkalou/OljoroOrok plateaus. The county has eight permanent rivers namely; Malewa, Ewaso Narok, Pesi, Turasha, Chania, Kiburu, Mkungi and Kitiri. Lake Olbolossat which is the largest water mass in the county is fed by streams and underground water seepage from the Aberdare and Dundori hills.

Nyandarua County has a cool and wet climate with reliable well distributed rainfall. In a typical year, the county experiences two rainy seasons: long rains from March to May with a maximum rainfall of 1,600 mm and short rains from September to December with a maximum rainfall of 700 mm. The average annual rainfall of the county is 1,500 mm (CIDP2, 2017).