

Abstract

The influence of price, in view of macro-economic policy change and a set of other factors, on herd off-take rates from ranches in Kenya over a period of 17 years was assessed. An AR(1) equation, based on Nerlove's classical dynamic supply model, was derived and fitted to panel data using the Cochrane Orcutt procedure. Pooling of data was done to circumvent data insufficiency, thereby improving the statistical power of the analysis. Results indicate that price change has had a significant effect on ranch herd off-take, and climatic factors also account for long-run off-take levels.