The study focused on the impact of farmer-herder conflict on socio-economic development of the local communities in Mutitu Sub County of Kitui County, Kenya, in the period 1963 – 2013. The sub county was predominantly inhabited by the Akamba people, but over the years, ethnic diversity has been witnessed in the study area as Somali and Oromo herders have immigrated from the neighboring Garissa and Tana River counties in search of water and pasture for their animals. The arrival of the herder groups has caused resource use conflict in the sub county. The result has been perennial violent conflicts that have led to social and economic transformations among the local communities that are worth investigating. The literature reviewed showed that although there is much literature on farmer-herder conflict at the international, regional and national levels, little effort has been made to interrogate the effect of those conflicts on the socio-economic development of communities in specific areas such as Mutitu Sub County of Kitui County. This gap justifies the proposed study. The objectives of the study included: to examine the historical trends of farmer-herder conflict in Mutitu sub county of Kitui county, to investigate the causes of farmer-herder conflict in Mutitu Sub County, examine the effect of these conflicts on the socio-economic development of the local communities in Mutitu Sub County, to identify the existing farmer-herder conflict mitigation mechanisms used in Mutitu Sub County of Kitui County. The study was guided by the theory of environmental scarcity by Homer-Dixon which addresses conflicts as a result of resource scarcity, and the theory of structural violence by John Galtung which illuminates how structural inequalities lead to conflict which systematically deny some people their basic human needs which in turn undermine their socio-economic development. Simple random sampling technique was used to select a sample of 200 respondents. Purposive sampling procedure was then used to select key informants who included: community members, community elders, members of the Area Peace Development committees, state security agents, NGO and religious leaders. The study used Questionnaire, interview schedules, FGDs and archival sources to get Primary data. Document analysis was done to give secondary data related to the study. The data was then analyzed using descriptive statistics. Responses gotten from questionnaires were keyed in a computer software of analysis SPSS (Statistical Package for Social Sciences) for tabulation and analysis. The results were represented in simple descriptive tables of frequencies and percentages. The study established that national historical trends have influenced the occurrence of the conflicts, the study also found out that the main cause of conflict in Mutitu Sub County was competition over water and pasture. Other causes included destruction of farmers’ crops and stolen livestock. The study also found out that the farmer-herder conflict led to many effects which in turn have led to loss of livelihoods hence, undermining socio-economic development of local communities in Mutitu Sub County of Kitui County. The study established that the locals used various methods to resolve their conflicts. Community elders, state security agents, NGO officials and religious leaders also played a key role in resolving the conflict. It is expected that the outcomes of this study will go a long way into building the historiography on conflicts in Kenya, East Africa and the continent as a whole, inspiring other scholars and researchers and acting as reference resource book for other scholars.