

Abstract

Dairy cattle farming is a major economic activity in Kenya contributing 3.5% of the national gross domestic product (GDP), and income, employment and food to many small-scale farmers. The country's dairy herd size is the biggest in sub-Saharan Africa. Kenya enjoys preferential market access for its products in the eastern and southern African region. However, the country's milk consumption level is low, at 76Kg per capita against the World Health Organization's recommendation of 210Kg. Kenya's milk is not sold in economic quantities beyond its borders; partly due to comparatively low per cow average daily production of 6 kg and unsustainably high cost of production. Questions on the milk production efficiency especially technical and cost efficiencies arise. These issues are being investigated in an ongoing study whose objective is to assess and document the technical and cost efficiencies of dairy farmers, and relate these parameters to the farm gate price of milk and how this affects demand