This study sought to find out the problems faced by the smallholder dairy farmers and come up with probable solutions that could be applied in order to solve these problems. The need for this study rose from the fact that many of the smallholder daily entrepreneurs perform quite poorly especially when a comparison is made with regard to large dairies. This is despite the fact that a lot of effort by both research institutions, government and also non-governmental bodies to help the smallholder dairy farmers to improve themselves and their lot and uplift their standards of living.

In order to achieve the sought objectives primary data was collected from 40 businesses in both Kikuyu and Limuru Divisions of Kiambu District. Data was collected through interviews with those who own smallholder dairy projects. The data was then analyzed inorder to draw conclusions.

The study confirmed that there are both external and internal factors that influence the performance of smallholders dairy business in those areas. Internal problems were perceived to be those directly associated with the businessmen themselves and are within their control. External problems are those originating from the immediate environment and as such owners have little control over the if any.

The internal factors included lack of training, family sizes, lack of formal education, poor management practices and attitudes. The second category of problems included, capital and other financial related problems, high interest rates, policy, inadequate extension services and low quality products.

The conclusion reached after the investigation and analysis was that the smallholder dairy businessmen require a lot of assistance inorder to improve their business. The form of assistance needed may have to be diverse but can only succeed if carried out by a highly competent workforce. Assistance inform of advice to each businessmen according to his unique situation will be needed and constant follow up to detect problems and correct them in time.

The government must also be made aware of the plight of smallholders’ dairy farmers as far as policies issues are concerned so that it can chip in its efforts.