

ABSTRACT

Kenya is witnessing an immense increase in number of smallholder dairy agripreneurs sourcing income from the dairy sub-sector. Smallholder dairy agripreneurs who dominate the production sector are forced to sell milk to informal buyers such as middlemen/women, who exploit them by paying less than the market price. As a result of this, the Kenyan Government has made significant efforts to upgrade dairy cooperatives to link the dairy agripreneurs with consumers. In spite of this, milk marketing is still dominated by traditional informal outlets. This study sought to determine the effect of provision of agribusiness support services on choice of dairy cooperative market channel. Data were collected from a cross-sectional survey of 682 respondents from Muranga County in Kenya, using a semi-structured questionnaire. Results revealed that provision of business plan training, group marketing, pregnancy diagnosis and deworming support services had significant and positive effects on the choice of cooperative market channel. In contrast, access to vaccination services and supply of feeds had negative effects on the choice of cooperative market channel. This study recommends strong coordination among the agribusiness support service providers and the dairy cooperatives in order to increase adoption of the cooperative marketing channel. In addition, dairy cooperatives need to redesign their business models to ensure that their members not only receive agribusiness support services, but also get better prices and prompt payments to increase supply of milk to cooperatives by dairy agripreneurs.

Keywords

Agribusiness support, cooperatives, dairy farmers, Kenya, 0703 Crop and Pasture Production