

ABSTRACT

Dairy production is important in Kenya for human nutrition, income generation, and as a source of direct and indirect employment along its value chain. Despite these benefits, smallholder dairy groups in the country have minimal participation in high value and niche markets for dairy products. In the current study, six value addition groups from two Counties (i.e., Uasin Gishu and Meru) were purposively selected, and simple random sampling employed to pick 274 respondents within the surveyed sites. These comprised 267 smallholder dairy farmers from five self-help groups, and seven members from a self-help group operated by disabled persons who collected milk from farmers within Uasin Gishu County and processed it for resale. Data was collected using structured questionnaires, and analyzed using descriptive statistics and a Probit model. Results show that the decision by smallholder dairy farmers and dairy groups to upgrade and move to higher value dairy chains was significantly influenced by their knowledge of value addition activities and whether they participated in a value addition group. It is, therefore, recommended that for value addition to be promoted and upgraded, small-scale value addition groups need to be facilitated and upgraded in terms of education and training, standardization, registration and management. This will generate more market opportunities for milk produced, and decrease wastage from spoilage within the dairy chains. Keywords: Dairy chains, Probit model, Smallholder, Value addition, Kenya