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CONSUMPTION PATTERNS OF DAIRY PRODUCTS IN KENYA'S URBAN CENTRES: Report from an Urban Household Survey

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Introduction

Tegemeo has been involved in analysis to support agricultural policy making in Kenya for the last 17 years. Over that time the major focus has been on the analysis of agriculture as a rural sector. However analysis of a number of apparently primarily rural sectors has led to an appreciation of the need for information about marketing patterns, international and regional trade and consumer markets.

Over the last 8 years one of Tegemeo's main products has been a rural household survey. In 1997, 1998, 2000, 2002 and 2004 Tegemeo undertook surveys of the same 1540 households spread in nine agro-regional zones around the country. That rich database has contributed to policy debate on a range of issues in the agricultural economy. However a gap remained in our knowledge and in the types of information we could bring to the policy table. This paper describes an urban survey undertaken in Nairobi and its environs in 2003. Information from that survey is used in this paper to analyze the consumption of dairy products. Separate papers use the survey information to analyze consumption patterns for maize and other staples, fruit and vegetables, and meat.

This paper describes procedures used in doing the Nairobi survey, in particular the statistical procedures used and the collaboration with the Central Bureau of Statistics that allowed the sample to truly be representative of Nairobi. A description of the households encountered, of how they were divided into 5 income quintiles and the demographic, income and expenditure characteristics of the households in those quintile groups follows. Typical households are described to give a better feel for the types of individuals each group represents.

The background information is used as a base for analysis to describe the consumption of dairy products. Information on the consumption of dairy products is presented for Nairobi as a whole, as well as for the 5 different income groups defined within the city. Differences in consumption by type of product – primarily raw milk, pasteurized milk and yogurt- is described by socio-economic characteristics such as income, place of origin, religion, education, gender and age of the household head. The paper goes on to detail the different marketing channels households use to acquire dairy products, and the prices in the different channels. The analytical part of the paper concludes with an analysis of incomes of participants in the marketing channels frequented by the poor and a comparison of the consumption of milk compared to other drinks consumed outside the home.

The paper uses the information gathered to draw policy conclusions. The overall picture is that Nairobians do not drink enough milk and new thinking about how to increase consumption should be brought to the policy table. Compared to more developed

countries Kenyans consume too much of their dairy products in the form of fluid milk. And milk has not penetrated into consumption habits of the Nairobians, particularly the poor and middle classes outside the house where less nutritious and more expensive products like water, soda and even alcohol are winning the battle for market share.

Key policy debate in the dairy sector is whether to ban the hawking of raw milk. The paper concluded by calculating the financial and nutrition related costs in the form of reduced overall consumption of milk that would flow from such a decision.