ABSTRACT

PROBLEMS FACING AGROBUSINESS FARMERS IN KENYA: A CASE STUDY OF MIDDLE LEVEL DAIRY FARMERS WHO DELIVER MILK TO GITHUNGURI DAIRY SACCO LTD

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BY: Dr. Caren Ouma and Ms. Brenda Mwendwa

The general objective of this study was to establish problems that face dairy farming sector in Kenya. The study was guided by the following specific objectives; to examine how limited access to credit has affected dairy farmers in Kenya, to examine how inadequate farmer training has hindering efficient production of dairy products in Kenya and to analyse how weak lobby and advocacy has affecting dairy farming in Kenya.

The study adopted a survey design in order to obtain the necessary data, with a focus on middle level dairy farmers who deliver milk to Githunguri dairy SACCO which is located in Kiambu County. A simple random technique was employed to collect the data. This is the process by which the sample is selected randomly. The study worked with the sample population of 100 middle level dairy farmers who deliver milk to Githunguri dairy SACCO in Kiambu County as well as staff of Githunguri Dairy SACCO.

Data analysis involved descriptive statistics to determine frequency distribution for a demographic profile of participants. The demographic data was tabulated using frequency and percentages. The study also employed regression results used to make conclusions. The data was presented in the form of tables, charts and figures according to the research questions by the help of Statistical Package for Social Sciences (SPSS) software.
The findings on how limited access to credit has affected dairy farmers in Kenya revealed that majority of the farmers rely heavily on traditional informal financial system. Similarly transaction costs have been particularly high for smallholder farmers because of poor communication as well as transportation facilities. Additionally lacks of working capital, as well as the ability to invest in productivity enhancing inputs are a challenge to dairy farmers in Kenya. In the same regard, it was revealed that access to long term loans, high costs of production are major obstacles to farmers in Kenya.

The findings on how inadequate farmer training has hindering efficient production of dairy products in Kenya revealed that the lacks of adequate extension services, limited access to training, inadequate information necessary for optimal enterprise selection, and lack of training in artificial insemination technology, are challenges to dairy farmers in Kenya.

The study findings on how weak lobby and advocacy has affecting dairy farming in Kenya revealed that majority of the existing dairy policies pre-date independence and are therefore likely to be discriminative, given the standards biased towards the formal sector. Similarly implementation of legislation and regulations are generally poor. Additionally most dairy farmers in Kenya lack adequate information necessary for optimal enterprise selection for them to take advantage of prevailing market demand. In the same regard majority of the respondents agreed that SDP has brought about changes in poverty amongst participants in the Kenyan smallholder dairy sector.

In light of the findings the study therefore recommends that, the government needs to facilitate easy access to credit by farmers. This can be achieved through issuance of loans to dairy farmers to boost their activities. The study also recommends that financial agencies especially so, banks should increase the quantum of loan amount to enable the farmers to purchase quality and high yielding milk animals. Additionally price of milk should be fixed based on the cost of milk production, so as to provide remunerative price for milk and encourage the intensive dairy activities in the rural area. Finally the study recommends that the government needs to set up structures in place to enable farmers have an already market for their dairy products in order to enable them get meaningful returns from their produce and thus boost their financial positions,
which in the end will enhance their productivity. Additionally training programs should be formulated by considering some important aspects like duration, time (season), place, month and interval of training as per the responses recorded by the farmers. Training fees should be minimum and affordable by the rural dairy farmers, if at all charged. Finally even the government, co-operative or private institutes should organize training program before distribution of loans and provide guidance to rural dairy farmers through guidance centre or counseling centers through an extension agency.

*Key Words: Savings and Credit, problems of agribusiness farmers, middle level dairy farmers*