



*Annual milk
production
Kenya
2025: 5.5
million tons*

The Kenyan dairy sector in 2026

Status of the Kenyan dairy sector

Indicator	Value	Remarks
Contribution to Africa's total milk supply	10%	.
Contribution to East Africa's total milk supply	35%	2019-2024 annual growth rate 3%/year
Value of dairy contribution to overall national GDP (%)	>4.8%	-14-17% of agri. GDP
No. of dairy farms (world ranking)/yearly growth from 2019-2024	2,104,000 (6)/+1.6%	2019-2024 annual growth 1.6%/year
Cattle population in 2025 (no. of dairy cattle)	22.4M (5.5M)	
No. of smallholder dairy farmers (cows owned)	1.8-3.0M (1-3)	
Share of cow milk in the dairy sector	60%	-
Smallholder farmers' share in national milk output	80%	
Milk marketed		
- formal channels in 2025 in Million tons	1,0	Processed volumes +13.4% to 0.7M tons in 2025
- informal channels in Million tons	1,5	
- value of milk imports	USD 5.5M	Mainly to Tanzania
- value of milk exports	USD 57M	
Annual growth rate of demand for milk and milk products	7%	.
Per capita consumption of milk per year (L of liquid milk equivalents)	105	
No. of formal jobs annually (people)	>750,000	
No. of informal jobs/support service annually (people)	>500,000	
Import tariff on milk products from outside the East African Community	35-40%	

1. Milk production

While overall production and processed volumes in Kenya keep increasing, sector growth does not keep up with growth in demand for dairy products, resulting in increasing imports, mainly from Uganda. Causes lie in scarcity of production factors and inefficiencies.

Production systems – The three main production systems are detailed in Table 1. The major producing counties and their herd sizes are ranked in Table 2.

Table 1. Classification of dairy production systems ^{i,xiv}

Descriptor	Production system		
	Open grazing	Semi-zero grazing	Zero grazing
Average herd size (animals/farm)	8	8	4
Average number of lactating cows	4	3	2
Average yield (L/cow/year)	2,165	2,533	3,692
Average productivity (L/cow/day)	7.2	8.4	12.3



Main dairy cattle breeds in Kenya - Holstein-Friesian (80%), Ayrshire, Jersey and Guernsey and their crosses.

Common feed resources – Pasture grasses, Napier grass, Rhodes grass hay, maize or sorghum silage, and high-protein dairy meal. Recently, rice straw from Mwea in Kirinyaga and Ahero in Kisumu (see front page for more details about the Kenyan dairy sector).

Table 2. Top10 dairy cattle rearing and milk-producing counties in 2025^{xii}

Top 10 dairy cattle populated counties	Dairy cattle (heads)	Top 10 milk-producing counties	Production (kg)
Nakuru:	492,390	Uasin Gishu:	467,437
Nyandarua:	424,700	Kiambu:	370,582
Uasin Gishu:	370,982	Nakuru:	323,097
Muranga:	343,082	Nyandarua:	306,931
Bomet:	339,918	Muranga:	254,738
Kericho:	293,059	Meru:	226,301
Kiambu:	280,525	Kericho:	221,223
Elgeyo Marakwet:	280,197	Trans Nzoia:	207,668
Meru:	249,822	Nandi:	170,600
Trans Nzoia:	215,759	Kakamega:	160,741

2. Milk marketing

Milk produced and marketed – In 2025, milk intake by formal processors hit a record high of 1M tons (valued at KES 52.2 billion), up 11.6% from 2024 (0.91M tons, valued at KES 45.4 billion), and 25.1% from 2023 (0,81M tons, valued at KES 40.5 billion).

Currently, the dairy sector in Kenya is valued at over KES. 162 billion.

In 2025, Kenya's dairy exports declined by 31.3% from USD 8M in 2023 to USD 5.5M. In the same year, imports also fell by 34% from USD 86.3M to USD 57M, according to ITC Kenya. Imports were majorly from Uganda, Netherlands, Germany, and Belgium^v.

Formal milk buyers – Dairy cooperatives, milk processors and large-scale farmers that have direct contracts with processors. A significant amount of milk is supplied to milk dispensers/ATMs and milk bars with

Table 3. Top10 private and cooperative processors^{iv}

Milk processors in bracket	Daily milk intake (tons/processor)
Brookside Dairy, Githunguri Dairy Farmers Coop.Soc., Meru Dairy Union	100 – 250
Country Delight Dairy, Kinangop Dairy, Musty Distribution, New KCC	20 - 40
Bio Food Products, Kiambaa Dairy Farmers Coop.Soc., Ndumberi Dairy Farmers Coop.Soc.	5 - 15
Total daily intake of top10	689

permits/licenses. Kenya has 50 active processors, 140 mini dairies, 179 cottage industries, 186 small processors (KDB, unpublished) with a total processing capacity of 5.2M L/day. The top dairy processors are

ranked in Table 3. Other seasoned milk market actors include:

- **Cooperative:** BAMSCOS Cooperative Union, Murang'a County Creameries Cooperative Union, Ol Kalou Dairy, Maasai Kajiado Women Dairy Cooperative
- **Private companies:** Happy Cow, Aspendos Dairy, Devyani Foods Industries, Glacier Products (Dairyland), Highland Creamers & Foods, Tarakwo Dairies.

In 2025, processed products included ^{vi}: liquid milk and cream 704M tons; butter and ghee 1,700 tons; and cheese 150 tons^{vi}. Other common processed products are flavoured and unflavoured milk, long-life fresh milk, lactose-free milk, yoghurt, creams, candies, butter, and fermented milk. Currently, 40% of marketed raw milk enters licensed processing, while 60% is informally marketed. Traditionally, milk intake dips in dry/hot months (January-February) and peaks during long rains (April-June) and short rains (October-December), when fodder is abundant.

Cost of production – Kenya imports approximately 500,000 MT of feed ingredients annually (mainly for poultry feed)^{xvi}, indicating a significant constraint to productivity. IFCNⁱ puts milk/feed price ratio at 0.57ⁱⁱⁱ, implying feed prices *vis-à-vis* quality available in the market make it uneconomical to feed more

concentrates to cows. At processing level, low-capacity utilization results in high cost per unit produced.

Pricing – The milk **buying price** by processors is 46-52 KES/L (0.35-0.40 USD/L), depending on the region and season. A study conducted in dairy-producing counties revealed the average **total cost of producing a litre of milk** at KES 44.1 (USD 0.34) in zero grazing, KES 39.3 (USD 0.30) in semi-zero grazing and KES 24.1 (USD 0.19) in open grazing farmsⁱ.

➡ **Affordability:** Raw unprocessed milk is 25-50% cheaper and more affordable to most consumers than pasteurized milk. Pasteurised milk sold in milk dispensers is 30% cheaper than packaged.

➡ **Food safety and quality:** Milk safety is poor due to microbial contamination, aflatoxins, and adulteration. Milk quality deterioration is accelerated by sub-optimal hygiene practices at farm level and by cooling and transport delays.



3. Business climate and enabling environment

Sector organization

International and regional membership

- International Dairy Federation
- Eastern and Southern Africa Dairy Association
- Other indirect dairy affiliations: IGAD, COMESA, AfCFTA, Codex Alimentarius Commission.

National dairy actors and sector associations

Kenya Dairy Farmers Federation (KDFF), Kenya Livestock Breeders Association (KLBA), Kenya Stud Book and Dairy Recording Service of Kenya (DRSK), Kenya Dairy Processors Association (KDPA), Dairy Goat Association of Kenya (DGAK), Kenya Camel Association, Association of Kenya Feed Manufacturers (AKEFEMA).

Research and knowledge institutions

International Livestock Research Institute (ILRI), KALRO Dairy Research Institute, Universities, such as

Egerton University, University of Nairobi, University of Eldoret, Colleges and vocational institutes e.g. Dairy Training Institute, AHITI, Ramsis Technical Training College, Practical Dairy Training Centre(s), Kenya Meteorological Department.

Development organizations and donors

International organizations include FAO, IFAD, the World Bank Group, and AfDB. Donor governments agencies include European Union (EU), GIZ, DANIDA, KOICA, JICA, and SIDA. NGOs include SNV, Heifer International, and AgriTerra.

Extension through the media

- Vernacular radio and TV shows
- Weekly magazine print by mainstream media
- Developed AI programmes: FarmerChat by Digital Green, Mshauri wa Shamba/DigiFarm.

National competent authorities – The Kenya Dairy Board (KDB) is the primary dairy regulator. Other relevant actors include the State Department for Livestock Development (under Ministry of Agric. and Livestock Development), Kenya Animal Genetics Resources Centre, Kenya Bureau of Standards, Veterinary Medicines Directorate, Kenya Veterinary Board, Kenya National Bureau of Statistics, and the Agricultural Development Corporation branches.

Policies – Key policies are listed in Table 4. The Kenya’s government’s investment priorities in the dairy sector are outlined in national strategies such as the Dairy Master Plan 2010-2030, ASTGS 2019-2029, Sustainability Roadmap 2023-2032, and BETA 2022-2027. The strategies prioritize milk productivity, feeding and breeding practices, lowering feed costs, enhancing disease control and investing in infrastructure such as milk coolers for milk market development – to increase formal milk market share to 50%, improve quality of dairy exports and establish minimum guaranteed price for milk.

Table 4. Policy, strategies and legal framework governing Kenyan dairy sector

Overarching legal frameworks	Livestock and dairy policies	Strategies	Other regulatory frameworks
Constitution of Kenya 2010	National Livestock Policy 2020	Kenya Dairy Masterplan 2010-2030	Dairy Industry Act (Cap 336)
Kenya Vision 2030	Kenya Veterinary Policy 2020	Kenya Dairy Industry Sustainability Roadmap 2023-2032	Dairy Industry (Dairy Produce Safety) Regulations 2021
Bottom-up Economic Transformation Agenda 2023-27	Seed and Plant Varieties Act (CAP 326) - LN 150/Dec 2016 and LN 220/Dec 2016	Eastern Africa Livestock Feed and Feeding Strategy 2023-2037	Dairy Industry Bill 2024
Agriculture Sector Transformation and Growth Strategy (ASTGS) 2019-2029		National Animal Feeds Strategy 2022-2032	Code of hygienic practice for milk & milk products (KS1552:2016)
			Livestock (Animal Feeds) Regulations 2023

Regional and international collaboration

- In 2021 the EAC, through AU-AIBAR and East African Dairy Regulatory Authorities Forum (EADRAC) supported review and harmonization of the Dairy Industry Act Cap 336, the Livestock Bill 2021, ANITRAC regulations, and the Livestock Master Plan
- In 2023, NEADAP, ICSIAPL and partners developed policy recommendations to redefine the regulatory framework for forage seed, to enhance farmers' access to improved forage seed
- The Gates Foundation and the UK Foreign, Commonwealth & Development Office started the MoreMilk Project 2025, aiming to improve milk safety standards and regulatory compliance.

Regional trade

Annual export potential to EAC, COMESA, Gulf Cooperation Council and Middle East countries is estimated at USD 9.7 billion. This growth is facilitated by adherence to international standards. Currently:

- Regional trade operates under the EAC Common External Tariff
- Trade agreements permit reduced or zero tariffs to EAC and COMESA member states, but occasional non-tariff barriers impede cross-border dairy trade despite compliance with Codex-based standards
- Kenya has developed standards for all dairy products and is authorized to export to the EU.



Key investment opportunities:

Co-processing, cold chain, value addition, feed supply and farm-level productivity. Constraint is not capital scarcity, but the absence of investor-ready businesses.



4. Climate and environmental impact

Soil fertility and nutrient cycling – Manure management contributes 11-41% of total agricultural GHG through CH₄ and N₂O. In Kenya's highland dairy systems, manure provides 82-98% of total nitrogen applied to fields, substituting 25-30% of synthetic fertilizers and building soil organic carbon by 15-20%. However, poor manure handling and disposal in (peri-) urban farms pose pollution challenges (Table 5).

Energy efficiency – Kenya loses approximately 290 million litres of milk annually at farm gate due to unreliable cooling. Recent solar cooling pilots in Kenya show 123% increase in daily operating profit. For example, start-up Baridi installed 1,000-litre bulk milk chillers in cooperatives, cutting spoilage 25-40% and improving farm incomes by 15-20%. The Livestock Value Chain Support Project-BETA 2024-2027 Phase II is piloting solar milk cooling using 1,000 and 2,000-litre capacity coolers.

Water use and quality – Dairy production requires approximately 1,230 m³ of water per ton of milk with 4% fat and 3.3% protein. Livestock water demand is 91 million m³ annually, projected to rise 20% by 2040. Milk processing centres use about 1.3-2.5 L/kg milk intake for cleaning equipment, and most dairy farmers in Kenya do not meet optimal quality and quantity of water.

Climate and GHG emission reduction initiatives

Agreements – Paris Agreement on reducing Kenya's GHG emissions and transitioning to a low-carbon economy; entailing Nationally Determined Contributions (NDCs).

Policy and Legal strategies and frameworks – Kenya National Adaptation Plan 2015-2030, National Climate Change Action Plan (NCCAP III) 2023 -2027.



Ongoing initiatives/projects

- In 2023 IFAD, GFC, ILRI and FAO started the Dairy Interventions for Mitigation and Adaptation (DAIMA) initiative to reduce GHG emissions, climate resilience, and strengthen dairy chain through technology, policy reforms and green financing
- Kenya Cold Chain Accelerator supports sustainable cooling innovators in Kenya, including in dairy
- Catalysing climate-resilient agriculture in Kenya with solar-powered cold storage. A United Nations Capital Development Fund (UNCDF) and United Nations Development Programme (UNDP) initiative (2024–2034)
- Kenya Agricultural Carbon Project (KACP) that incorporates sustainable improved fodder production, manure management and agroforestry while increasing soil carbon and reducing emissions
- The [Climate and Clean Air Coalition](#), in partnership with the New Zealand Agricultural Greenhouse Gas Research Centre and FAO, developed Kenya's low-emission dairy options analysis
- ILRI's Mazingira Centre serves as a regional hub for greenhouse gas measurement, inventory improvement and technical assistance. ILRI updates IPCC database, supporting Kenya's dairy GHG inventory and MRV systems.

Table 5. Livestock contribution to Kenya's GHG profile^{xvi}

Descriptor	Estimate
Approximate contribution to Kenya's agricultural GHG emissions	12.3 M tons CO ₂ eq., 92%
GHG emissions from enteric fermentation	20.8 Mt CO ₂ -eq, 55%
Manure left on the pasture	13.6 Mt CO ₂ -eq, 36.9%
Feed production	3.8 Mt CO ₂ -eq, ~9%
Approximate emission intensity	
Average CO ₂ -eq per kg fat- and protein-corrected milk (FPCM))	3.8 kg
- Extensive systems	7.1 kg
- Semi-intensive systems	4.1 kg
- Intensive systems	2.1 kg

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5. Main constraints and opportunities for development

Main constraints

Farm/producer level

- Low stocking density versus economies of scale
- Herd with low genetic potential for milk production
- Decreasing land sizes amid population growth
- Inconsistent water access
- Limited knowledge on milk hygiene, affecting quality, safety and post-harvest milk losses
- Low feed availability and quality; disfunctional feed market, conservation and ration formulation
- Low feed storage capacity
- Rising need for home produced or imported feed ingredients
- Low availability or untimely access to extension and animal health services; uncoordinated vaccination hence frequent notifiable diseases
- Collateral + high interest rates constrain access to finance
- Milk market seasonality affects milk prices
- Little to no milk cooling facilities at farm level

Market and marketing: Collection and processing

- Need for milk imports due to unmet demand
- High installation costs of cold chain solar technology
- Low-capacity utilization, hence high cost per unit
- Poor rural roads affect milk transport/collection
- Unreliable electricity limits cold chain effectiveness

Consumers

- Consumer milk quality and safety concerns
- Preference for cheaper raw fresh milk from farms

Cross-cutting challenges

- Declining interest in dairy farming among youth
- Fragmented extension services, weak enforcement of quality standards, and inconsistent policies
- Climate change and environmental degradation
- Limited access to laboratories for testing feed, milk, and soil.

Main opportunities

Opportunities for the public sector/government

- Implementing regulatory frameworks that incentivize farmers based on milk quality and safety, moving the industry toward food-grade stainless steel logistics
- Establishing strategic funds, developing livestock insurance and stock market instruments for long-term sector liquidity
- Utilizing tax rebates and -reliefs on concentrate feeds and green technology to lower the cost of production and increase regional competitiveness
- Investing in infrastructure (roads, energy, digital networks) in emerging dairy clusters like Kisii and West Pokot to unlock latent potential
- Control and enforcement of feed quality policies
- Continuous and progressive SWOT analysis of dairy industry sustainability, to influence strategic and investment decisions
- Establish a buffer fund for wiping out milk during glut.

Opportunities for the private sector

- Moving towards commercial seed distribution, contract-based fodder production, quality-based pricing and sales
- Leveraging on Joint Ventures with international actors to catalyze innovations in cold-chain logistics, processing technology, and product research & development
- Tapping into under-served niches by diversifying milk products (powders, specialized cheeses) to manage production gluts and target regional export markets
- Scaling the distribution of high-yielding, adaptive breeds and feed ration formulation as a commercial service to professionalizing farmers
- Tapping into expansion of Kenya's School Milk Program (which should focus in rural areas where milk is scarce)

Opportunities for research and knowledge institutions

- Quantifying GHG footprints and developing scalable solutions for nutrient cycling, such as the commercial drying, packaging and selling of manure to reduce methane
- Digitalizing the forage seed value chain (e.g., enhancing platforms like KALRO's KIAMIS (Kenya Integrated Agricultural Management Information System) to provide real-time demand forecasting and climate-smart planting material availability
- Generating evidence-based guidance on water re-use and efficiency within dairy processing to protect local watersheds
- Testing and introducing high-performing, climate-adaptive genetic resources and forages that maximize milk production per acre, while minimizing environmental stress.

Opportunities for development sector (NGOs, etc.)

- Designing gender-transformative and youth-centric programs that transition subsistence farmers into commercial dairy entrepreneurs
- Building fodder banks and storage infrastructure to bridge the seasonal nutritional gap while promoting biogas for farm-level circular energy
- Developing innovative blended finance schemes and revolving funds specifically for smallholder access to forage equipment and cooling technology
- Strengthening grassroots systems for milk safety and hygiene to ensure smallholders meet premium market standards.

Colophon

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