

## **Consumption Patterns of Dairy products in Kenya's Urban Centers:**

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Tegemeo undertook an urban household survey of 542 households in Nairobi in September 2003. This paper introduces the sample and uses the information gained from the survey to explain factors influencing the consumption of dairy product in Nairobi.

An average household in Nairobi hold is composed of 5 individuals (4.05 adult equivalents reflecting the presence of women and children). Males, 18 percent by females, head 82 percent of households. Males are over represented among higher income groups; female-headed households are over represented among poorer groups. Mean monthly income among the sample is Ksh 48,621 per month and ranges from a low of Ksh 1,200 and a high of Ksh 2.18 million. The sample was divided into 5 income quintiles to capture the impact of income on consumption and other household characteristics such as education.

Household expenditure was broken into its main components. Food consumed at home was the largest single expenditure category followed by rent, school fees and transport. Food consumed away from home, medical and energy were the smallest expenditure categories accounted for. Food as a percent of expenditure decreased from 36 percent among the poorest households to 20 percent among the wealthiest group. Rent averaged 15 percent and transport 10-15 percent.

Dairy was the largest single expenditure category among food items averaging Ksh 1,211 per household per month and ranging from Ksh 596 to Ksh 2,121 across the poorest and wealthiest households respectively. Second after dairy were the wheat and wheat products, beef and other meats, fruits and vegetables, sugar, rice and bananas in that order.

Milk (and milk products) consumption averaged 6.88 kgs across the sample with a low of 4.37 kg among the poorest households and 9.07 kgs among the wealthiest group. 69 percent of households purchase pasteurized milk, 38 percent of households purchase raw milk. 8 percent of households buy both pasteurized and raw milk. Poor households consuming raw milk consume, on average 3 kg per month more than those consuming only the pasteurized product. Wealthy households consuming raw milk consume an average 10 kg more per month. Hawkers were the most important source for raw milk (50 percent) followed by duka's, kiosks and milk bars. Duka's (70 percent of households) were the main source for packed pasteurized milk followed by supermarkets and milk bars (13 percent of households each). Supermarkets were the dominant sources of yogurts, cheese and ghee.

Prices of raw milk were lowest in kiosks/kibanda's and highest in shops and milk bars. Pasteurized milk was cheapest in milk bars and most expensive in supermarkets. Wealthier households paid more for both products. Europeans,

Indians and Kalenjins were the biggest consumers of milk. They were also over represented among the wealthier income groups.

Milk consumption in Nairobi is largely driven by income. As incomes rise consumption will continue to grow. Households consuming only pasteurized milk consume 2 to 3 kgs less per month than equivalent households consuming raw milk. If all households currently consuming raw milk were to switch all their consumption to pasteurized milk while maintaining quantities consumed, their monthly milk expenditure would increase by Ksh 441 per month (Ksh 21 per kg times 18 + 3 kg). The more likely response will be to reduce consumption. Policies to ban hawked milk from Nairobi would transfer Ksh 3,175,200,000 per year (Ksh 264.6 million per month or Ksh 8,800,000 per day) away from consumers to players in the formal marketing channel. The bulk of those additional costs would be borne by relatively poor households.