

## **Abstract**

Smallholder livestock farmers are vulnerable to market conditions because their products are perishable and price elastic. The farmers earn low and fluctuating incomes that trap them in cycles of poverty. This paper looks at how poverty in the livestock subsector in the high agricultural potential areas of Kenya could be reduced through adoption of innovative farm practices. In the empirical analysis, primary data from Nyeri are used to estimate effect of increasing usage of animal feeds on farm incomes and poverty. The regression results show that the production effect of animal feeds is strongly positive despite the small quantities of feeds applied. The simulation results confirm that increasing the application of animal feeds in the livestock sector increases the output of livestock products and substantially contributes to poverty reduction in the study area.