

## Abstract

Though there are many documented reasons that make farmers to adopt organic farming system, economic benefits present a major motivation. The study was conducted to evaluate the impact of organic production system on profitability of smallholder vegetable production systems in the two counties so as to appraise its contribution to improvement of rural livelihoods.

The study collected data on costs and returns for a sample of 208 smallholder vegetable farmers who were composed of 78 organic and 130 conventional farmers. Impact of organic production system was evaluated using propensity score matching technique.

Organic vegetable production system was found to have a positive significant impact of increasing farm gross margin by US\$0.58 representing 89.5% among smallholder producers in Kiambu and Kajiado Counties of Kenya. The study recommended promotion of organic production system as a tool that can be used to improve livelihoods especially in the rural areas.