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Preference Modelling of Urban Consumers Towards Organic Vegetables at Kathmandu Metropolis, Nepal

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Abstract

Organic production and marketing in Nepal is relative a new venture. Some super markets have started selling organic vegetables and many restaurants are serving organic foods to the consumers. Recently, there has been growing interest from different stakeholders at different levels for the promotion of organic production and marketing. Demand of organic vegetables is going up in the urban areas due to growing affluence and education, increasing awareness about health and quality of food products and transformation of food systems towards healthy and safe consumption. However, the crucial questions to be addressed before making production and marketing decision are how consumers react with such newly introduced vegetables in the market and what factors of the commodity make consumption appealing to consumers? Therefore, the present study, conducted in the densely populated Kathmandu valley, aims at contributing market information that permits implementing an efficient and effective strategic marketing plan for organic vegetables in the urban market centres of Nepal. Consumers' willingness to buy organic vegetables, in general, was studied using binomial regression model and the value they place to the set of attributes of tomato, in particular, was studied using conjoint modelling.

Most of the consumers would be willing to buy organic vegetables; however, higher price and the lack of certification are the key deterrents. Family size, knowledge of health risk of inorganic vegetable consumption and education are significantly influencing consumer's willingness to buy organic vegetables. The most preferred combination of tomato would be organic with high quality and low price (NRs 40 kg⁻¹) and the least preferred combination would be organic with poor quality and high price (NRs 80 kg⁻¹). Price has higher relative importance with discernible differences at different market segments.

Conjoint modelling with market segmentation refers the preferential differences of different attributes of tomato. The study thus envisages that niche organic vegetable markets should be developed targeting certain segments of the consumers who would be willing to pay more for organic vegetables and certification should be initiated to give credence to the vegetables thereby appealing the consumers and provide benefit to the producers.

Keywords: Conjoint analysis, Nepal, organic vegetables, part worth, tomato