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“Development on the margin”

## Estimating Consumer Preferences and Willingness to Pay for the Underutilised Indigenous Chicken Products

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### Abstract

Indigenous chicken serves many functions, which include the provision of meat and eggs for home consumption and income from sales. The purpose of this study was to estimate the consumers' responsiveness to a premium price and how much they were willing to pay for the indigenous chicken products in the market. The survey was conducted in three selected regions of Kenya. A total of 930 respondents were interviewed both in the urban and rural areas. Contingent valuation experiment was used in empirical data collection. The two-step Heckmann selection model was utilised to analyse consumers' decisions and the amount they were willing to pay. The study results revealed that consumers were willing to pay 23.26 % per kg more for indigenous chicken meat and 41.53 % for eggs. Socioeconomic factors like age, income, education and family size significantly determined consumers' willingness to pay for the chicken meat. Other important factors included the indigenous chicken meat substitutes' prices, attributes like taste/flavour, source and the product's form on purchase. The yolk colour and size of eggs significantly determined the respondents' willingness to pay for a premium price for eggs. Preferences for indigenous chicken products were found to be high. This information will assist in understanding both the urban and rural consumer's behaviour. Therefore, useful for the indigenous chicken producers, breeders, marketers and policy makers in developing efficient production and marketing strategies. This would also provide a means of improving food security and livelihoods especially in support of the rural poor indigenous chicken farmers.

**Keywords:** Contingent valuation, indigenous chicken , two-step Heckmann, willingness to pay