Nigerian Farmers' Preferences On Specific Timing and Channel for Cereals and Legume Seeds Delivery – An Empirical Estimation of Willingness to Pay (WTP) through Mixed Preference Models

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Hypotheses to be tested in this study

• Low income producers have a willingness to pay for seed that is available closer to the planting date.

• Willingness to pay also varies across different channels preferred by farmers.

• Lower income farmers may prefer to obtain seed around planting date due to liquidity constraints.

• Non-availability of improved seeds especially during planting time; though premium WTP for obtaining such seeds is low.

Policy implications

• Evidence for higher WTP for obtaining seed closer to planting date is observed for cowpea in both revealed preference model and stated preference model.

• Support the hypotheses.

• In the revealed preference model, there is no evidence for the variation in WTP based on the timing for rice and maize seed.

• The WTP estimates from the revealed preference model seems more reliable (95% confidence interval) than from the stated preference model.

Summary of findings

• Motivate further studies for assessing the feasibility of private companies, traders to engage in business of distributing improved cowpea seeds at appropriate timing and through appropriate channels.

References


Revealed preference and stated preference model

• Lower income farmers exhibit positive WTP for obtaining seeds closer to the planting date (all of cowpea, rice and maize).

• The premiums farmers are willing to pay is about 5% at the median income, but can be up to 30% at the lowest income.

• The accuracy of WTP is, however, low as indicated by wide confidence intervals.

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