AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Economic Analysis of Consumer Choices Based on Rice Attributes in the Food Markets of West Africa – The Case of Benin.

Saneliso Mhlanga, Vineland Research and innovation centre, 4890 Victoria Avenue North, P.O. Box 4000, Vineland Station, Ontario, L0R 2E0 Canada.

Anwar Naseem, Assistant Professor, McGill University Department of Agricultural Economics, Ste Anne de Bellevue, QC, H9X 3V9, Canada.

Selected Paper prepared for presentation at the Agricultural & Applied Economics Association's 2011 AAEA & NAREA Joint Annual Meeting, Pittsburgh, Pennsylvania, July 24-26, 2011.

Economic Analysis of Consumer Choices Based on Rice Attributes in the Food Markets of West Africa – The Case of Benin

Saneliso Mhlanga and Anwar Naseem
McGill University, Montreal, Canada

Introduction

The study examined consumer valuation of rice attributes (a non market good) using market price of rice as an indicator. In addition the study analyzed how consumer preferences and purchasing decisions are influenced by country of origin, product price, the individual's socioeconomic characteristics and specific product attributes.

Methods

To map of Benin rice consumers we use hedonic function analysis. In addition we also characterized consumers' choice based on the product origin i.e., country of origin that includes not only the socio-economic factors such as income but also product prices and its characteristics. In this study we first examined the relationship between price (implicit) paid by the consumers based on key rice consumption attributes as observed, in the market. A logit model was used to empirically determine consumer choices that provide estimates of the utility or value consumers place on different alternatives (McFadden, 1974).

Data and Results

Data was collected from ten administrative zones including four major rice growing regions during the year 2006. a total of 546 consumer households from both rural and urban areas were interviewed with the aid of a structured questionnaire.

Table 1 Hedonic pricing regression results

Y = Price	All regions	South	Centre	Northeast	Northwest
No foreign matter	4.23	5.39	-24.66**	26.69***	-2.05
White rice	-6.15	21.94	1.16	-22.82***	-8.04
Few broken grains	17.56***	17.90	10.60	14.57	15.98
Long grain	12.36**	26.77**	10.44	4.62	10.58
Aroma	3.66	41.39***	-8.65	-9.36	9.93
Grain size after cooking	-8.97*	-76.11***	10.35	20.47***	9.07
Swelling	-6.42	34.22*	-12.69	-21.30***	-2.91
Precooked/Parboil	28.33***	5.18	39.39***	33.85***	36.03***
Country of origin	31.89***	41.86***	20.75**	33.09***	35.91***
Income	0.00***	7.95	0.00***	5.17	0.00
Urban household	31.20***	49.92***	-2.99	20.01***	30.20***

Table 2 Logit regression results

Y= Imported rice	All regions	South	Centre	Northeast	Northwest
No foreign matter	1.94***	0.75	3.85***	3.88***	2.24***
White grains	1.96***	2.06***	3.37***	2.19**	1.70***
Few broken grains	1.99***	2.33***	3.01**	2.06***	2.29***
Long grain	-2.65***	-4.25***	-4.70***	-1.74***	-4.15***
Time to cook	1.07***	2.26**	2.71**	0.11	1.24**
Grain cohesion	-0.74***	-0.56	-2.31***	-0.58	-0.77
Taste	-1.49***	0.24	-0.96	-1.51*	-1.73**
Grain size after cooking	-0.27	1.85**	0.28	-1.51***	-0.33
Swelling capacity	1.38***	0.65	-1.51	-2.67***	-2.35***
Price	0.01***	0.03***	0.02***	0.01***	0.01**
Age	-0.02**	-0.00	-0.04*	-0.03	-0.04*
Pseudo R ²	50%	64%	57%	65%	53%
Log likelihood	-265.19	-44.38	-45.18	-57.18	-62.31
Chi 2(20)	0.0000	0.0000	0.0000	0.0000	0.0000

Price of rice in Benin, 2002 (FCFA)

Conclusion

The rice consumers in Benin value product attributes that includes both physical appearance and the cooking quality in their purchase decisions. This was evaluated by analyzing the purchase decisions of 546 rice consuming households in the four major regions of Benin for the year 2006. For this purpose we used two econometric approaches namely hedonic pricing approach and discrete choice models. The results from both these models confirmed our major hypotheses that purchase decisions i.e., pricing of consumers goes along with product attributes and that consumers are willing to pay a premium for certain qualities of rice in the markets

References

- ADRAO (2006). « Amelioration de la qualite et de la competitivete du riz local au Benin. » Africa Rice Center (WARDA), Benin.
- MacFadden, D. (1974). "Econometric Models for Probabilistic Choice Among Products " *Journal of Business* 53(3).

Acknowledgements

The authors would like to thank The Africa Rice Centre WARDA for providing the data