

Willingness to Pay for Chicks of Different Indigenous Chicken Types An Application of Experimental Auctions

M.N.D.F. Abeykoon*, J. Weerahewa¹, P. Weligamage¹ and G.L.L.P Silva²

Postgraduate Institute of Agriculture
University of Peradeniya
Sri Lanka

ABSTRACT. *Backyard poultry production continues to remain as a sustainable production system in rural areas with 15% contribution to national egg production. Farmers rear locally well-adapted indigenous chicken with low external inputs. Lack of supply of chicks is a main limitation to expand this sector. Understanding the nature of demand for different types of indigenous chicks is important to plan interventions for continuous operation and future expansions. Also production and market information of chicken help farmers to make decision in chicken rearing. This study was conducted with the objectives of a) to determine the willingness to pay (WTP) for chicks of different types of indigenous chicken by farmers, b) to determine the effect of information on bidding behavior and, c) to determine the factors that influence the WTP for chicken. A series of experimental auctions were conducted with the participation of 45 and 94 farmers in Thirappane in North Central Province and Karuwalagaswewa in North Western Province, respectively. Random nth price auction method was used to collect data. Data were analyzed using ANOVA, t-tests and Tobit regression. The results of one-way ANOVA indicated that there were significant differences among the bids for chicks of different chicken types. Results of paired t-test showed that mean bids have increased after exposure to production and market information except for commercial layers. Tobit regression results revealed that the farmers' WTP for chicks is significantly influenced by age of the bidder, market segmentation by chicken type, bidding round (with and without information) and the type of primary livelihood activity of the bidders. The findings indicated the potential of developing indigenous chicks market differentiated by the type of chicken.*

Keywords: *Backyard poultry farming, indigenous chicken, input demand determinants, sustainable farming systems, willingness to pay*

¹ Department of Agricultural Economics and Business Management, Faculty of Agriculture, University of Peradeniya, Sri Lanka

² Department of Animal Science, Faculty of Agriculture, University of Peradeniya, Sri Lanka

* Corresponding author: niru04307@yahoo.com