

CONSUMER WILLINGNESS TO PAY AND ECONOMIC BENEFIT  
ANALYSIS FOR SORGHUM-PIGEON PEA FLAKES IN MAKUENI AND  
BUSIA COUNTIES, KENYA

BY

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*Consumer willingness to  
pay and economic benefit*



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## DECLARATION

### Declaration by Candidate

I declare that this is my original work and has not been presented for degree or award in any other University.

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### Declaration of the supervisor

We confirm that this thesis has been submitted for examination with our approval as the University Supervisors.

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## ABSTRACT

Quality of food and extend of safety levels plus food availability are globally considered as key facets to human development. Nutritious food, mostly comprising Carbohydrates along with Proteins (energy providers and body builders respectively) is said to be an essential requirement for human health and labour output. Of the three meals recommended in the Intensive Behavioural Interventions (IBI) studies, breakfast provides 20% of calories and on average about 20% daily proteins, total fats and saturated fats as well as dietary fibre. Thus the main objective of the study was to determine the highest amount of money consumers were willing to pay (WTP) for sorghum-pigeon pea flakes, in Makueni and Busia counties in Kenya. The three specific objectives were; i) to assess consumer awareness level, ii) to determine the highest amount the consumers were willing to pay and iii) to determine the economic benefit in consuming SPPF as a ready to eat breakfast cereal in Makueni and Busia counties, Kenya. Sample size was determined using Glen (2013) formula and direct survey via Contingent Valuation Method (CVM) was used on 223 consumers from the two selected counties. Administration of semi-structured dichotomous questionnaire was done to collect data on awareness and acceptance as well as on perceived economic benefit of the Flakes within the two counties. The data collected were subjected to statistical package for social studies (SPSS) for descriptive statistics (through cross tabulation and chi-square) and STATA vs16 for regression through double bounded logit model to assess the consumers' WTP for SPPF, finally economic benefit was determined through price-demand model. The WTP assessment results for SPPF revealed that, in both counties consumers were willing to pay for SPPF. In Busia and Makueni Counties, the average WTP value was Kshs. 140 and 136, respectively. The study too revealed that 50% of the respondents within the study area were aware of the SPPF breakfast cereal towards improving consumers' nutrition. The results of the double-bounded logit regression revealed that gender, married, aware of SPPF and living in Busia County had positive influence on WTP for SPPF. Furthermore, based on the Economic Benefit analysis it was evident that there is EB in consuming SPPF of Ksh. 475.00 in a given week. Consequently, the study recommends WTP applications to obtain data-driven pricing decisions for new products such as SPPF fronted by farmer groups. Secondly, policy makers should involve Consumers' participation in policy formulations and pricing strategies related to new products for its success. The research work further adds to the existing knowledge of economics, creating job opportunities and improvement of the nutritional health of the population in Makueni and Busia counties.