



## **SOCIO-ECONOMIC DETERMINANTS OF CONSUMERS' WILLINGNESS TO PAY FOR ORGANIC PRODUCTS IN ABEOKUTA SOUTHWEST, NIGERIA**

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### **ABSTRACT**

This paper investigates the factors affecting consumers' willingness to pay a premium price for organic products (green vegetables and tomato) in Abeokuta, southwest, Nigeria. The study collected primary data from a sample of 120 respondents. The data were analyzed by descriptive statistics and Contingent Valuation Method (CVM). The results show that respondents are willing to pay a premium price of 59% and 68% for organic green vegetables and tomato, respectively. The results show that the bid price, prior knowledge, safety issues and income were significant for the two models. Moreover, In the first regression model for green vegetable, it was revealed that bid price, prior knowledge, safety issues, concern issues, level of education and income were significant at  $p < 0.01$ ,  $p < .1$ ,  $p < 0.05$ ,  $p < 0.01$ ,  $p < 0.1$  and  $p < 0.01$ , respectively. Analysis further indicates that respondents are willing to pay a premium price for organic products if they have prior knowledge of the greater quality and health benefits. The study further discloses that the respondents with larger size in the household are less likely to pay a premium price for organic products. Analysis also indicates that the higher the price premium of organic products, the lower the respondent's willingness to pay for organic products. Therefore, efforts aimed at attracting more consumers of organic products by policymakers, together with marketers and producers, should focus more on lowering the price of the organic products.

**Keyword:** Contingent Valuation, Ogun State, Organic products, Price premium, Willingness.