

1 Understanding farmers' preference for traits of chickens in rural Ethiopia

2 **Abstract**

3

4 *Traditional poultry production plays an irreplaceable role in the sustenance of livelihoods in*
5 *rural Ethiopia. Ironically, however, much has been done to replace indigenous poultry breeds*
6 *with exotic genetic resources regardless of the importance producers and consumers attach to*
7 *attributes of the resources. This study aims at informing policy to establish effective indigenous*
8 *poultry breeding and conservation programs. Discrete choice experiment (DCE) was*
9 *employed to generated data. Designing of the DCE involved identification, definition and*
10 *measurement of attributes of adaptive, productive, and socio-cultural importance considering*
11 *the multiple functions of village chickens. Random Parameters Logit and the Generalized*
12 *Multinomial Logit (G-MNL) models were used to estimate taste parameters. Economic values*
13 *of traits of chickens were estimated using the utility in willingness to pay (WTP) space*
14 *approach, based on G-MNL model formulation. The results show that important traits of*
15 *chickens to farmers are mothering ability, diseases resistance, and meat and eggs taste. These*
16 *findings question the appropriateness, at least in the prevailing production system, of the*
17 *Ethiopian national government's effort to improve productivity in village poultry by targeting*
18 *specialized egg layer improved chickens. The findings also suggest that poultry breeding*
19 *programs aiming to provide readily acceptable breed technology by farmers need to prioritize*
20 *traits of adaptive importance, and mothering ability, instead of focusing on egg productivity*
21 *only. The key implication is that the unique qualities of the indigenous poultry breeds need to*
22 *be carefully identified and prioritized before resorting to those that proved to be successful in*
23 *different production systems.*

24

25 Key words: Economic value, choice experiment, WTP-space, poultry, genetic resources

26

27 **Introduction**

28 Livestock are an important component of the livelihoods of many poor households. Village
29 poultry is livestock farm enterprise that plays significant role in boosting incomes and nutrition
30 for the poorest rural households. This farm enterprise also plays key role in poverty alleviation,
31 food security and the promotion of gender equality in developing countries (Alders and Pym,
32 2009; Bagnol, 2009; FAO, 2010a; Besbes *et al.*, 2012; Lindahl *et al.*, 2018). For many, home
33 grown chickens and eggs are their only source of high-quality protein. Nearly all families in
34 developing countries at the village level, including landless and the poorest, are owners of
35 poultry (Wong *et al.*, 2017). In Ethiopia, particularly, poultry¹ production is an integral part of
36 the mixed crop-livestock farming system practiced by most rural households. The total poultry
37 population in the country is estimated to be 50.38 million out of which 96.9%, 2.56 %, 0.54%
38 are indigenous, exotic and hybrid, respectively (CSA, 2013).

39

40 Village poultry production typically uses indigenous genetic resources, which are adapted to a
41 specific harsh environment (FAO, 2010a; Wong *et al.*, 2017; Lindahl *et al.*, 2018). This is
42 mainly why indigenous chickens in Ethiopia provide major opportunities for increased protein
43 supply and income for smallholders. Village poultry also play a supplementary role in relation
44 to other crop-livestock activities by providing cash. However, indigenous chicken breeds are
45 claimed to be slow grower and poor producer of small sized egg (Wong *et al.*, 2017). Despite
46 these disadvantages, indigenous birds are also characterized by many advantages such as good
47 egg and meat flavor, good brooding and natural incubation capacity, high dressing percentages,
48 and they require low cost with little care for production (Dana *et al.*, 2010; FAO, 2010a; Besbes
49 *et al.*, 2012; Wong *et al.*, 2017). They are, therefore, well suited to the very limited input that
50 poor producers can provide.

¹ In Ethiopia, poultry is typically chicken.

51

52 Development policy interventions in the past focused on introduction of exotic breeds of
53 chickens. Those interventions mainly aimed to enhance productivity in a village production
54 environment. However, the purposes of raising livestock go beyond their output functions and
55 include other significant socio-economic and socio-cultural roles (Drucker and Anderson,
56 2004; FAO, 2010b). Multi-functionality and resilience are particularly important for many of
57 the poor livestock farmers (Anderson, 2003; Kassie *et al.*, 2009; Wong *et al.*, 2017). Village
58 poultry are often utilized for several purposes simultaneously (FAO, 2010a). Poultry in
59 Ethiopia, especially in villages, are kept for a multiplicity of reasons. In addition to yielding
60 animal protein and providing a surplus for sale to generate cash, they are reared for social and
61 cultural reasons. Hence, the genetic resource base of indigenous chickens is crucial to meet the
62 multiple production objectives of households.

63

64 Introduction of exotic chicken breeds to smallholder farmers have been undertaken for decades
65 in order to improve productivity of poultry subsector in Ethiopia. However, increased
66 productivity of the village poultry subsector by using exotic breeds has failed to become
67 sustainable (Teklewold *et al.*, 2006; Dana *et al.*, 2010). Exotic breeds have not adapted well to
68 harsh rural production environments. The extensive and unplanned distribution of exotic
69 chicken breeds has also resulted in dilution of the indigenous genetic stock in developing
70 countries. If this trend continues, it could result in a loss of potentially valuable genetic
71 diversity of the indigenous chickens (Faustin *et al.*, 2010). This is the case in Ethiopia where
72 there is a danger of losing valuable adaptive and production traits of indigenous chickens due
73 to unplanned and indiscriminate distribution of exotic chicken (Wilson, 2010).

74

75 A possible intervention to improve village poultry production is to target indigenous breeds
76 based on needs and preferences of smallholder farmers. Wilson (2010) argued that the oft-
77 preferred route to higher output and productivity is to improve the local genetics followed by
78 changes in management. This route to higher village poultry productivity requires diverse
79 indigenous chicken gene pools. There exists a diverse indigenous chicken genetic resource base
80 in Africa, and particularly in Ethiopia. A recent study by Psifidi *et al.* (2016) confirmed
81 existence of genetic diversity and supports the feasibility of genetic improvement for enhanced
82 antibody response, resistance to parasitism and productivity within and across indigenous
83 chicken ecotypes in Ethiopia.

84

85 Well-thought-out plans for management of indigenous chicken genetic resources and breeding
86 program are also crucial to improve productivity in village chickens using the local gene pools.
87 The management of animal genetic resources requires many decisions that would be easier to
88 make if information on the economic value of populations, traits and processes were available
89 (Scarpa *et al.*, 2003). Markets provide important information about economic values and
90 preference for traded goods and services. Many of the benefits derived from the existence of
91 traits of indigenous chicken genetic resources are, however, not transacted in a market.
92 Valuation studies for animal genetic resources are of interest in those contexts. Economic
93 valuation of animal genetic resources (AnGR) is essential to guide decision makers, providing
94 rational bases for priority setting for breed improvement programs and for conservation
95 programs (Roosen *et al.*, 2005). In Ethiopia, however, there is no context specific empirical
96 evidence on preferences and valuation of traits of indigenous chickens to make informed
97 decision on management of chicken genetic resources and breeding programs. This paper
98 addresses this evidence gap building on recent advancements in preference and valuation
99 methodologies that are yet not applied in AnGR valuation studies.

100

101 Revealed and stated preference-based techniques are the two viable approaches to value non-
102 marketed goods, like adaptive traits of chickens. Stated preference-based valuation is widely
103 used in identifying preferred traits of livestock and economic valuation of animal genetic
104 resources. Since its application in valuation of the hairless creole pigs genetic resources in
105 Mexico by Scarpa *et al.* (2003), studies commonly employ discrete choice experiment (DCE)
106 method in AnGR valuations. Studies made by Ouma *et al.* (2007), Zander and Drucker (2008)
107 and Kassie *et al.* (2009), for example, used choice experiment data and random parameter logit
108 model to examine farmers' preferences for traits of cattle in East Africa. Faustin *et al.* (2010)
109 used the same approach to investigate preferred traits of chicken in rural Benin. More recent
110 studies also used the DCE approach in valuation of animal genetic resources and conservation
111 benefits (see Tada *et al.*, 2013; Zander *et al.*, 2013; Ragkos and Abas, 2015; Woldu *et al.*,
112 2016).

113

114 The objective of this study is to identify preferred traits of indigenous chickens and to derive
115 the value of these traits to farmers in rural Ethiopia where production system is semi-subsistent.
116 We employ the discrete choice experiment and state-of-the-art econometric models to estimate
117 economic value of productive and adaptive traits of chicken. This study, therefore, informs the
118 breeding programs for improvement of indigenous chicken and management of genetic pool
119 for future use in Ethiopia.

120

121 **Methods**

122

123 **Discrete Choice experiment: Design and Application**

124 Discrete Choice experiment (DCE) is an increasingly used stated preference method for non-
125 market valuation. DCE method has a theoretical foundation in Lancasterian consumer theory

126 (Lancaster, 1966), which assumes that agents derive utility from characteristics of the goods
127 instead of goods as a direct object of utility, and an econometric base in random utility theory
128 (Luce, 1959; McFadden, 1974) as the random utility framework in dichotomous choice
129 contingent valuation models (Hanemann, 1984). DCE arose from conjoint analysis but differs
130 from this method in that individuals are asked to choose from alternative bundles of attributes
131 instead of ranking them. Thus, DCE is consistent with random utility theory (Adamowicz *et*
132 *al.*, 1998).

133

134 Unlike contingent valuation method, DCE enables estimation of values of attributes and
135 provides the opportunity to identify marginal values of attributes rather than value of the good
136 as a whole only (Hanley *et al.*, 1998a; Bateman *et al.*, 2002). The DCE approach is essentially
137 a structured method of data generation (Hanley *et al.*, 1998a) and hence, it is a significant
138 improvement over other popular stated preference based methods such as contingent valuation.
139 Originally, DCE has been used in the transport economics (see Hensher and Truong, 1984) and
140 marketing literature (see Louviere and Woodworth, 1983), but increasingly applied in other
141 research areas, including: environment (Drake, 1992; Adamowicz *et al.*, 1998; Hanley *et al.*,
142 1998b; Danny, 2007); food safety and quality (Tonsor *et al.*, 2005; Loureiro and Umberger,
143 2007); and other related disciplines. There is also a growing literature in application of DCE
144 in valuation of animal and plant genetic resources (see Scarpa *et al.*, 2003; Birol *et al.*, 2006;
145 Ouma *et al.*, 2007; Eric *et al.*, 2008; Roessler *et al.*, 2008; Kassie *et al.*, 2009; Byrne *et al.*,
146 2012).

147

148 **Attribute identification and DCE designing**

149 Designing a DCE requires careful definition of the attributes and attribute level determination
150 as well as generation of statistically efficient and practically manageable DCE design (Hanley

151 *et al.*, 1998b; Kassie *et al.*, 2009). Hensher *et al.* (2005) also advises that sufficient time is
152 spent in identifying and refining attributes, attribute levels and attribute labels to be used before
153 proceeding to the formal design of DCE. This study involved a series of procedures to
154 determine attributes of chicken and attribute levels used in DCE design. Participatory rural
155 appraisal (PRA) and informal study and review of existing literature were used. PRA was
156 conducted with local farmers to identify potential attributes of chicken and determine attribute
157 levels in two local areas of Horro district. The PRA largely involved ranking exercises to
158 identify traits and trait level that are relevant for the DCE. Discussants were asked to list
159 attributes of chicken they would consider when buying poultry² and to rank them according to
160 their importance. The informal study was very brief and involved local market observations
161 and informal talk with individual farmers at their home. This aimed to have a better
162 understanding of traits of chickens that farmers would focus on during usual transactions.
163 Findings from the PRA and informal study was supplemented by a study on chicken production
164 objectives and preferences using PRA by (Dana *et al.*, 2010). The attributes, attribute levels,
165 and attribute level labels used to describe each attribute used in DCE were determined after
166 thorough discussion and in consultation with poultry breeders and geneticists. Additionally,
167 two focus group discussions were conducted in October 2012 in two villages of Horro to further
168 examine how farmers would understand the levels of traits of birds we considered in our choice
169 experiment.

170

171 The final attributes considered in designing of the DCE included traits with cultural
172 significance, productive traits and adaptive traits. Plumage color is a trait of poultry with
173 cultural significance. Three attribute levels were used for this trait; predominantly white,
174 predominantly black and predominantly red. During the focus group discussion, we learned

² In Ethiopia, poultry is typically chicken.

175 that farmers had a range of views regarding plumage color of chicken. While predominantly
176 black plumage color is disliked by some relating to ceremonial use of chicken, others believed
177 chicken with black plumage color were less vulnerable to predators compared with birds with
178 white plumage color. Productive traits considered in the DCE design were: number of eggs per
179 clutch; body size; and mothering ability. For number of egg per clutch, typical values for the
180 minimum, average, and maximum number of eggs per clutch that a given hen would normally
181 lay was used as trait levels. Trait levels for 'body size' was presented using the usual local
182 expression and had three levels; small, medium, and large. Mothering ability is the capacity to
183 incubate, hatch an optimum proportion of eggs set for hatching and to look after chicks. From
184 the two rounds of focus group discussions, we learned that farmers would normally set a
185 proportion of laid eggs for hatching. On average farmers would set twelve eggs for hatching
186 by a given hen at a time and they would either eat or sell the remaining eggs. This was due to
187 the natural limits on the hen's ability to incubate beyond an optimal number of eggs, any more
188 would mean some eggs remain unhatched and infertile. Accordingly, 'mothering ability' had
189 three levels with maximum number of eggs set for hatching twelve; 'Hatch and raise 4 chicks
190 from 12 eggs', 'Hatch and raise 8 chicks from 12 eggs', and 'Hatch and raise 12 chicks from
191 12 eggs'. Diseases resistance is an adaptive trait considered in the DCE design. This had two
192 trait levels; 'rarely gets sick', 'often gets sick and may die'. Meat and eggs taste was also
193 included in the experiment as farmers realized differences in taste of meat and egg between
194 local and exotic/ cross breed chicken. It had two attribute levels; poor and good. We used three
195 levels for price of chicken; ETB 40, ETB 55 and ETB 70. These are averages of minimum,
196 average and maximum price of mature chickens obtained during the focus group discussions
197 and local market observation by the researchers. Throughout all profiles, the age of the
198 hypothetical chickens was uniformly set at the age of five to six months, which is average

199 maturity age in that specific area. The summary of attribute and attribute levels used in this
200 DCE is given in Table 1.

201

202 **(Table 1 about here!)**

203

204 We used SAS software macros to combine identified attributes and attribute levels to generate
205 generic chicken profiles where breeds of poultry were not included. There are 972 (i.e. $3^5 \times 2^2$)
206 possible ways to combine the selected attributes and attribute levels to generate profiles.
207 However, full-factorial design like this is too cost-prohibitive, tedious and cognitively
208 demanding for respondents to make meaningful choice for most practical situations (see also
209 Kuhfeld, 2010). Consequently, fractional factorial experimental design which focuses on
210 orthogonality is commonly used in resource valuation studies (Rose and Bliemer, 2004).
211 Therefore, an orthogonal fractional-factorial experimental design (Hensher *et al.*, 2005;
212 Kuhfeld, 2010) was used to generate profiles based on the attributes and attribute levels in this
213 study. The design was obtained based on common measures of design efficiency, D-efficiency
214 and A-efficiency. D-Efficiency maximizes the determinant of the information matrix, while
215 A-Efficiency attempts to minimize the sum of the variances of estimated coefficients (Kuhfeld,
216 2010). The final design had an optimal combination of high D-Efficiency, 99.64, and A-
217 Efficiency, 99.7. The design generated 36 chicken profiles, which was too many judgments for
218 an individual respondent to make. Therefore, these profiles were randomly grouped into 18
219 chicken choice sets, each choice sets having two profiles, and blocked into three: hence each
220 respondent could be presented with six choice sets. An opt-out option was included into the
221 choice sets to avoid forced choice so that the DCE was consistent with utility maximization
222 and demand theory (Bateman *et al.*, 2002). Accordingly, respondents were presented with six
223 choice sets, each containing three alternatives: two chicken profile and opt-out option. Choice

224 sets were supplemented by visual aid (pictures) to help communicate information about
225 attribute levels.

226

227 **The survey**

228 The formal survey was conducted in Horro district of Ethiopia as part of a larger project
229 working on reducing the impact of infectious diseases on village poultry production in
230 Ethiopia. This study was approved by the University of Liverpool Committee on Research
231 Ethics (reference-VREC76). Horro district is located at about 315 km west from Addis Ababa.
232 The predominant agricultural practice in this area is a mixed crop-livestock farming system
233 and livestock production is an integral part of the semi-subsistent farming. Farm activity in
234 Horro district is rain-fed and staple crops occupy the farmland during the cropping season
235 which serves as grazing land in dry season. The district receives an average annual rainfall of
236 1,685 mm (ranging from 1,300 to 1,800 mm) and the annual average temperature is 19 °C
237 (ranging from 14 to 24 °C).

238

239 The formal survey was conducted in February and March 2013. The survey was conducted by
240 well-trained and experienced enumerators who were postgraduate students from Haramaya
241 University and Addis Ababa University with keen interest to learn DCE under close
242 supervision of the researchers. The enumerators had good understanding of livestock
243 development and extension. Training of enumerators included the principles of DCE,
244 introduction to the study, and simulated interviews among enumerators. Prior to the formal
245 survey, the questionnaire was extensively piloted and pre-tested with individuals and in focus
246 group discussions during early January 2013.

247

248 The pilot survey for the DCE showed that communicating attribute and attribute levels was
249 workable and that respondents could complete the choice exercise at ease. Following the
250 feedback from pilot survey, only minor changes were made. The order of the questionnaire
251 presentation was re-arranged by bringing some demographic questions to the beginning to help
252 get respondent attention for the choice task. The DCE household survey was carried out in four
253 'Gandas', lowest administrative unit in government structure consisting of several villages,
254 selected by the project from two different market channels in the district. Sample respondents
255 were randomly selected from the list of households provided by agricultural development
256 agents. This DCE survey was administered on 450 farmers drawn by employing sampling with
257 probability proportional to the population size of each *Ganda*.

258

259 **Econometric model**

260

261 The random utility framework is the theoretical basis for integrating behavior with economic
262 valuation in the DCE. The basic assumption of random utility theory is based on the premise
263 that agents behave rationally choosing the alternative that would yield the highest utility.
264 Conditional logit (McFadden, 1974) and Random parameter logit (RPL) (McFadden and Train,
265 2000; Hensher and Greene, 2003) models are often used to estimate preference weights
266 attached to attributes. The conditional logit, however, assumes that the taste parameters are
267 homogeneous across respondents. It is also based on the more restrictive assumption of
268 independence of irrelevant alternatives (IIA) (Hensher *et al.*, 2005). The RPL relaxes the IIA
269 assumption. It is a highly flexible and computationally practical approach to discrete response
270 analysis model that can approximate all random utility models (McFadden and Train, 2000;
271 Train, 2003). In RPL, the utility of person n from chicken profile j in choice situation t is

$$272 U_{njt} = \beta'_n x_{njt} + \epsilon_{njt} \quad (1)$$

273 Where, x_{njt} is a vector of observed variables related to chicken traits and respondent's socio-
274 economic characteristics, β_n is a vector of coefficients of these variables for each n
275 representing that person's taste, ϵ_{njt} is an unobserved random term that is independent and
276 identically distributed (iid) extreme value.

277

278 One key aspect of choice analysis is capturing heterogeneity among respondents to a DCE,
279 differences in taste and differences in scale variation. Though the RPL accounts for taste
280 heterogeneity, the scale is generally normalized to one assuming that all individuals respond to
281 the choice experiment with identical error variances. However, consumer behavior may depend
282 not only on heterogeneity in preferences but also on differences in the scale of the idiosyncratic
283 error term (Louviere *et al.*, 2002; Train and Weeks, 2005; Louviere and Eagle, 2006; Greene
284 and Hensher, 2010). As a result of these growing evidences, Fiebig *et al.* (2010) have developed
285 a generalized multinomial logit model (G-MNL) that is supposed to take taste and scale
286 heterogeneity into account. In G-MNL framework, the individual utility is specified as:

$$287 \quad U_{njt} = [\sigma_n \beta + \gamma \eta_n + (1 - \gamma) \sigma_n \eta_n] x_{njt} + \epsilon_{njt} \quad (2)$$

288 In this model, the scaling term, σ_n , is no longer assumed to be one for identification and it
289 scales vector of utility weights up or down. The G-MNL framework nests several different
290 well-known choice models as special cases when the preference weight, β_n , is specified as

$$291 \quad \beta_n = \sigma_n \beta + \gamma \eta_n + (1 - \gamma) \sigma_n \eta_n \quad (3)$$

292 Where, $\gamma \in [0,1]$ is parameter that determines the level of interaction between σ_n and η_n .

293 The elements of β_n may deviate from the sample mean β by η_n , which is a random variable
294 with zero mean and standard deviation to be estimated. η_n serves to account for random
295 heterogeneity in preferences. Following Fiebig *et al.* (2010), σ_n could follow a log-normal
296 distribution with mean 1 and standard deviation, τ . This parameter, τ , captures the scale
297 heterogeneity across respondents. The G-MNL model is estimated by maximum simulated

298 likelihood (Greene and Hensher, 2010; Greene, 2012). Let $y_{njt} = 1$ if person n chooses option
 299 j at choice occasion t , and 0 otherwise. Then simulated probability of observing person n
 300 choosing sequence of choices $\{y_{njt}\}_{t=1}^T$ using the G-MNL utility weight specification (Fiebig
 301 *et al.*, 2010) is

$$302 \hat{P}_n = \frac{1}{D} \sum_{d=1}^D \prod_t \prod_j \left(\frac{\exp(\sigma^d \beta + \gamma \eta^d + (1-\gamma) \sigma^d \eta^d) x_{njt}}{\sum_{k=1}^J \exp(\sigma^d \beta + \gamma \eta^d + (1-\gamma) \sigma^d \eta^d) x_{kjt}} \right)^{y_{njt}}, \quad (4)$$

303 Where, $\sigma^d = \exp(\bar{\sigma} + \tau \varepsilon_0^d)$, η^d is K -vector distributed $MVN(0, \Sigma)$ whereas ε_0^d a $N(0,1)$
 304 scalar. The simulation involves drawing $\{\eta^d\}$ and $\{\varepsilon_0^d\}$ for $d = 1, 2, \dots, D$ number of draws.

305

306 Another important part of this study is estimation of willingness to pay for the traits and trait
 307 levels in the DCE. Willingness to pay for attributes in valuation studies could be estimated
 308 using two approaches; the preference space and WTP space. Studies have shown that models
 309 in WTP space provide WTP distributions with a lower incidence of extreme values than models
 310 in preference space (see Train and Weeks, 2005; Scarpa *et al.*, 2008). The WTP-space approach
 311 provides more behaviorally plausible willingness to pay estimates and
 312 has also become appealing alternative (Train and Weeks, 2005; Scarpa *et al.*, 2008; Fiebig *et*
 313 *al.*, 2010; Hensher and Greene, 2011; Greene, 2012). Therefore, the WTP space approach was
 314 applied in this study to obtain reliable WTP estimates of chicken trait.

315

316 As suggested by Greene and Hensher (2010), the G-MNL model can be reparametrized to
 317 estimate taste parameters in WTP space. The utility function as separable in price, P , and non-
 318 price, X , attribute can be written as:

$$319 U_{njt} = \sigma_n (-\beta_{p,n} P + \beta'_{n} X_{njt}) + [\gamma \eta_n + (1 - \gamma) \sigma_n \eta_n] X_{njt} + \varepsilon_{njt} \quad (5)$$

$$320 U_{njt} = \sigma_n \beta_{p,n} \left(-P + \left(\frac{\beta'_{n}}{\beta_{p,n}} \right) X_{njt} \right) + [\gamma \eta_n + (1 - \gamma) \sigma_n \eta_n] X_{njt} + \varepsilon_{njt} \quad (6)$$

321 Normalizing the price coefficient, $\beta_{p,n}$, of $-p$ to 1 yields the WTP space specification:

$$322 \quad U_{njt} = \sigma_n(-P + (\beta_n^*)X_{njt}) + [\gamma\eta_n + (1 - \gamma)\sigma_n\eta_n]X_{njt} + \epsilon_{njt} \quad (7)$$

323 where, β_n^* directly gives the individual-specific WTP estimates. In this formulation, WTP
324 distribution can be specified directly and the model produces generally reasonable estimates of
325 willingness to pay for individuals in the sample (Train and Weeks, 2005; Greene and Hensher,
326 2010; Hensher and Greene, 2011). This WTP estimates, or implicit price, for changes in an
327 attribute provides a measure of the relative importance that respondents attach to attributes
328 within the chicken profiles.

329

330 **Result and discussion**

331

332 **Farmers' characteristics**

333 Farmers' basic demographic characteristics and the codes used in the random parameter logit
334 estimation are reported in Table 2, below. The average age of the respondent farmers was about
335 42 years. The mean family size was more than 6 persons and ranges from 2 to 16 persons. On
336 average, farmers had one child below five years and the average number of children below 17
337 was more than 3 in the research sample. Data was also collected on religion of the respondent,
338 as religion is believed to influence farmers' preference for traits of chickens. More than 55%
339 of responding farmers were followers of Ethiopian Orthodox Christianity, about 38% of them
340 were evangelical Christians, and the remaining were followers of other religions (including
341 traditional and Muslim). About 38% of farmers had attended elementary school and 16% of
342 them had attended high school and 12% of them could read and write; however, a significant
343 proportion of farmers (31%) had no any form of education. About 80% of respondents were
344 male farmers and 20% were female. This large disparity was observed because we targeted
345 head of the household for whom the list of farmers was available for sampling.

346

347 **(Table 2 about here!)**

348

349 **Empirical result**

350

351 Attributes of chickens and attribute levels together with codes used in model estimation are
352 given in Table 1. Following Hensher *et al.* (2005), effects coding was used for DCE traits to
353 measure nonlinear effects in the trait levels to avoid confounding in the grand mean. In both
354 RPL and G-MNL models, the utility parameters for all attributes were entered as random
355 assuming normal distributions. The models were estimated using NLOGIT version 5 and
356 estimates were obtained utilizing 200 Halton draws for the simulations. The simulated
357 maximum likelihood estimates for both RPL and G-MNL models are reported in Table 3.

358

359 The estimation results of both models are broadly comparable in terms of the sign and statistical
360 significance of the coefficients of parameters. The goodness-of-fit measures for both, RPL and
361 G-MNL, models provided similar result with very slight difference. The two models were
362 highly statistically significant, ($\chi^2_{24} = 2581.7$ and $p < 0.001$ for the RPL) and ($\chi^2_{25} =$
363 2581.3 and $p < 0.001$ for the G-MNL). The Akaike Information Criterion (AIC) and pseudo R^2
364 obtained from the two models are also comparable (Table 3). The pseudo R^2 values also
365 suggest the goodness-of-fit of the models are adequate. Discussion of results will be based on
366 G-MNL as results from the two models are comparable and the WTP-space result reported in
367 Table 4 is also estimated based on the G-MNL model. The model results show that all traits
368 were highly significant determinants of choice and the signs of all attributes were as expected.
369 The constant variable in the model result represents the opt-out option in the alternatives
370 provided for choice. It had negative and statistically significant mean coefficient indicating

371 respondents preferred to choose from the two alternatives associated with various trait levels
372 instead of opting out.

373

374 The coefficient of price, the monetary attribute, was significant and negative, as expected. This
375 implied that it is unlikely that that respondents preferred and chose chicken profiles with higher
376 prices. Farmers preferred chickens with predominantly white plumage color, compared with
377 predominantly red plumage colored chicken, as indicated by positive and statistically
378 significant coefficient. The predominantly black plumage color was, however, not preferred as
379 indicated by negative and significant coefficient. As this trait is mainly of cultural importance,
380 the explanation may be the fact that farmers in the area use poultry for ceremonial purpose
381 during various festive periods where plumage color plays important role. Chickens with white
382 plumage color are preferred during most holidays (example, for New Year), and chickens with
383 predominantly black plumage color are generally believed to cause misfortune. This result was
384 consistent with a previous study that analyzed preference for chicken traits in African (Faustin
385 *et al.*, 2010).

386

387 The trait 'eggs per clutch' had a positive mean parameter indicating farmers' preference for
388 hens that lay larger numbers of eggs per clutch, which is not unexpected. Likewise, the trait
389 'large body size' had positive and significant coefficient. This suggests farmers preferred
390 chickens with larger body size compared with smaller ones. Similarly, the traits 'good
391 mothering ability' and 'good meat and egg taste' had positive coefficients and were significant
392 indicating farmers' preference for these attributes. Chickens that were characterized by poor
393 mothering ability were not preferred, as indicated by negative and significant coefficients of
394 the respective traits. The result also revealed that farmers prefer chickens with good disease
395 resistance, as indicated by the positive and significant coefficient. Mothering ability, disease

396 resistance and meat and egg taste were typical attributes of indigenous breeds of poultry which
397 previous attempts to enhance productivity of village poultry sector, through distribution of
398 exotic chickens, in Ethiopia have failed to consider.

399

400 **(Table 3 about here!)**

401

402 The magnitudes of parameter estimates revealed that good mothering ability, the ability to
403 hatch the optimum proportion of eggs set for hatching and to look after the chicks, is the most
404 important traits in chicken profile choice among rural farmers, while number of eggs per clutch
405 was the least. This finding was interestingly contrary to the previous efforts by the government
406 of Ethiopia to enhance village poultry productivity by introducing improved poultry breeds
407 which mainly specialize in egg laying. This is likely due to the lack of market for eggs and
408 poor linkage to urban markets in these areas. Hence, farmers in rural Ethiopia keep poultry
409 primarily for local sale of live birds targeting various national and religious festive periods
410 (New Year, Christmas, and Easter). Under the prevailing production system farmers
411 completely rely on mother hens to incubate and hatch eggs, in contrast to the situation for
412 commercial poultry farms. Therefore, farmers are rational in their choice given prevailing
413 production system and poor market in rural Ethiopia. The weight attached to mothering ability
414 which is an important trait of the indigenous chicken, may imply farmers' interest in preserving
415 the local genetic pool, though the risk of losing this genetic resource is always there due to
416 poorly planned interventions.

417

418 Disease resistance was also found to be very important, second only to white plumage color.
419 Previous studies on preference for traits of chickens and other livestock species similarly report
420 the importance of disease resistance (see Ouma *et al.*, 2007; Kassie *et al.*, 2009; Faustin *et al.*,

421 2010). The importance of the trait ‘disease resistance’ may be a consequence of the economic
422 importance of poultry diseases in rural Ethiopia and lack of poultry health services. The
423 magnitude of the parameter for white plumage color indicates that the cultural significance of
424 plumage color which is even more pronounced than trait of productive importance. This finding
425 is consistent with previous studies in African countries including Benin, Somalia, Cameroon
426 and in Zambia (Guèye, 2000; Faustin *et al.*, 2010). Meat and egg taste was also identified as a
427 very important influential trait in chicken profile choice – again more so than the productive
428 traits (eggs per clutch and body weight). Guèye (2000), from a review of studies in Senegal
429 and Nigeria, also reported that eggs and chicken meat from indigenous stocks are preferred by
430 African consumers to those derived from commercial flocks of imported stocks. Good meat
431 and egg taste is mainly attributes of indigenous chickens and it is recognized in the study area
432 (Dana *et al.*, 2010). Therefore, preference for good meat and egg taste suggests an opportunity
433 for improvement of village poultry productivity based on indigenous gene pool and
434 conservation programs by participating local farmers.

435

436 Preference heterogeneity was examined based on the mean and standard deviations of the
437 random parameters and mean coefficients of the interaction terms. Random parameters in the
438 model were interacted with socio-economic variables (Table 2) to investigate the possible
439 sources of heterogeneity around the mean. Although all possible interactions were tried in
440 preliminary estimation, only significant ones were used in the final model estimation and the
441 results are reported in Table 3. Statistically significant estimates for derived standard deviations
442 for random parameters suggest existence of heterogeneity in the parameter estimates over the
443 sample population. The estimated means and standard deviations of each of the random taste
444 parameters gives information about the share of the population that places positive values or
445 negative values on the respective attributes or attribute levels (Train, 2003). In our estimation

446 result, the standard deviation of ‘predominantly white plumage color’, ‘large body size’, and
447 ‘poor mothering ability’ had statistically significant standard deviations. The attribute
448 ‘predominantly white plumage color’ was statistically significant with mean parameter of
449 0.472 and standard deviation of 1.336, such that 64% of respondents preferred chicken profiles
450 with predominantly white plumage color while 36% of the respondents preferred chickens with
451 predominantly red plumage color. The trait ‘large body size’ had mean 0.388 and standard
452 deviation 1.787. This implied 59% of the respondents preferred chicken profiles with large
453 body size.

454

455 Chickens with predominantly white plumage color were not preferred by followers of the
456 Orthodox religion. This could be due to the cultural significance of chickens with
457 predominantly red plumage color (the base attribute level) during various festive seasons
458 among respondents with Orthodox religious background. Parameter estimate for interaction
459 variable between ‘good meat and egg taste’ and ‘education level’ is positive and significant.
460 This implies as education level increases, preference for chickens with ‘good meat and egg
461 taste’ increases. One possible explanation for this finding may be that more educated farmers
462 could realize the preference for good meat and egg taste in the market and hence they preferred
463 to choose chicken with good meat and egg taste for reproduction. The model also revealed that,
464 as respondent age increases, preference for diseases resistant chickens increases. Animal health
465 services in rural Ethiopia are very limited and older farmers may not have had experience of
466 poultry health service use. It is also likely that older farmers recognize the limitations of these
467 services, when available, and may therefore place greater value on disease resistant chickens,
468 adapted to the local environment.

469

470

471 **Willingness to pay estimates for chicken traits**

472

473 Willingness to pay (WTP) estimates represent the marginal rate of substitution between prices
474 and traits levels of the chicken profiles used in the DCE. The coefficients of attributes in WTP-
475 space provide estimates of mean WTP for each trait levels. The WTP-space model was
476 estimated based on the G-MNL formulation (equation 7). WTP estimates from the WTP-space
477 model result are presented in Table 4. The pseudo R^2 is 0.411 suggesting the goodness-of-fit
478 of the model is adequate. The model result also provided reliable WTP estimates for traits of
479 chickens given the price levels used in the DCE and the prevailing market price of chicken in
480 the study area during the survey. Trait level determination for price and model estimations were
481 carefully conducted using the recent development in WTP estimations. However, the absolute
482 magnitudes of WTP still needs to be interpreted carefully due to the volatility of chicken prices
483 based on different seasons of the year, as price increases over the festive periods or following
484 the wet season when diseases outbreak is highly likely. In this study, therefore, marginal WTP
485 for changes in an attribute levels provides a measure of the relative importance that respondents
486 attach to attributes within the chicken profiles.

487

488 **(Table 4 about here!)**

489

490 Estimates of the willingness to pay for trait levels indicated that farmers attach the highest
491 value to the trait ‘good mothering ability’ of chickens. Chickens with good mothering ability
492 fetched a welfare gain of ETB 38.83, and the welfare loss from chickens with poor mothering
493 ability was about ETB 50.5. This finding is consistent with Faustin *et al.* (2010), who found
494 that better mothering ability was highest valued trait of chickens in Benin. The WTP values
495 estimates also show that the implicit price of ‘disease resistance’ is higher than all other traits

496 of chicken, next to ‘good mothering ability’. The WTP for disease resistant chicken was ETB
497 22.04 higher than susceptible ones. Previous animal genetic resources valuation studies, in
498 developing countries also reported similar results (see Ouma *et al.*, 2007; Kassie *et al.*, 2009;
499 Faustin *et al.*, 2010). Farmers’ willingness to pay higher for diseases resistant chickens is
500 justifiable given chicken infectious diseases are widespread and animal health service is very
501 limited in Ethiopia (Bettridge *et al.*, 2014; Terfa *et al.*, 2018). The WTP estimates also revealed
502 that farmers are willing to pay a premium that is ETB 15.34 for chickens that had good meat
503 and egg taste, compared with poor meat and egg taste, everything else kept constant. The
504 implicit price attached to the trait level ‘good meat and egg taste’ is even higher than the values
505 attached to productive traits of chickens, body size and number of eggs per clutch. The value
506 that farmers attach to ‘good meat and egg taste’ is 2.55 times the value attached to ‘eggs per
507 clutch’ and 1.6 time the value attached to large body size. The WTP-Space result also revealed
508 heterogeneity in the mean willingness to pay estimates with respect diseases resistance and
509 plumage color.

510

511 Generally, farmers were willing to pay way more for good mothering ability, diseases resistant
512 and good meat and egg taste, but less for the traits body size and egg per clutch. Based on mean
513 WTP estimates, farmers’ preference for traits of the resource in question can generally be
514 ordered from most preferred to least preferred. For the traits of chickens, this order of
515 prioritization is: good mothering ability; diseases resistance; good meat and egg taste, large
516 body size, larger number of eggs per clutch, and white plumage color. However, it should be
517 noted that this study was conducted in a semi-subsistent farming system where there is limited
518 market access for eggs and chicken. In areas where there are adequate markets and well-
519 established poultry value chains involving smallholder farmers, different ranks for these

520 attributes could be obtained. Under similar production system, however, the findings reported
521 in this paper are consistent with previous studies (Faustin *et al.*, 2010)

522

523 **Conclusion**

524

525 The government of Ethiopia and international research systems run different programs to
526 improve village poultry productivity, mostly by introducing improved chickens. It is important
527 to understand if the aims of these programs are in line with farmers' preferences in the
528 prevailing production and market system. This is especially so as the programs could lead to
529 loss of indigenous genetic resources that are valuable to farmers. This study aims to understand
530 farmers' preferences for traits of chicken in rural areas of Ethiopia, in semi-subsistent mixed
531 farming system. This study analyzed preferences for indigenous poultry traits elicited using
532 discrete choice experiment. The study used RPL and G-MNL models to estimate the taste
533 parameters. The WTP-space, based on G-MNL model formulation, was used to estimate mean
534 WTP for traits of chicken.

535

536 The results of the study revealed that in this semi-subsistent farming system, where chickens
537 are kept for multiple purposes under low/no input, adaptive traits are of considerable
538 importance to farmers. Diseases resistance attracted the highest mean WTP implying the
539 economic importance of adaptive traits of chickens. In Ethiopia, there exists diverse indigenous
540 chicken gene pool and genetic improvement for enhanced antibody response, resistance to
541 parasitism and productivity within and across chicken ecotypes is achievable (Psifidi *et al.*,
542 2016). Therefore, an alternative way to improve village poultry productivity is to target locally
543 adaptable genetic resources that farmers value the most. This approach could potentially

544 provide improved chickens that are readily acceptable by farmers and facilitates conservation
545 of locally adaptable chicken genetic resources.

546

547 The trait mothering ability, which entailed high production performance, measured by ability
548 to hatch an optimum proportion of incubated eggs and looking after chicks, was ranked above
549 the traits of egg production performance and body size of chickens. This is likely because
550 poultry keeping in rural Ethiopia is semi-subsistence oriented; farmers have limited access to
551 markets and hence place less value on egg production. This finding is contrary to the Ethiopian
552 government's ongoing efforts to enhance productivity of village poultry by introducing
553 commercial and specialized egg layer improved chickens. This effort is likely to be driven by
554 a traditional economic analysis that focuses on egg and meat production with little or no
555 attention to the adaptive importance of chickens. This suggests the need to revisit the national
556 strategy to enhance village poultry productivity and rural livelihood. It is important to
557 understand farmers' preferences and production objectives in the prevailing production system
558 to achieve increased productivity in village poultry. Good mothering ability, a preferred trait
559 of chickens by farmers, is characteristic of indigenous chicken in rural Ethiopia. Therefore,
560 future breeding programs could achieve better chicken productivity and wider adoption of new
561 breed technologies by targeting indigenous chicken genetic resources. Noticeably, meat and
562 egg taste, a typical attribute of indigenous chicken, was also among the highly preferred and
563 valued traits of chicken. This is an incentive for farmers to keep indigenous chicken and an
564 opportunity to preserve local genetic pool at farm level. Our results suggest that in the
565 prevailing production system, future breeding programs need to consider indigenous genetic
566 resource, targeting the preferred and most valued traits of chicken, to enhance village poultry
567 productivity. This approach considers the preference and production objectives of farmers and
568 could be widely adoptable by farmers. Therefore, this approach could help achieve the twin

569 goals of enhanced productivity and conservation of adaptable local chicken gene pool. An
570 alternative to local genetic resources is introduction of chicken strains that are adaptable to the
571 tropics and resemble the local chicken traits that are preferred and highly valued by farmers.

572

573 The findings also revealed the existence of heterogeneity in preferences for the attributes and
574 mean WTP. Farmers' religious background, age, and education levels were found to be a source
575 of preference heterogeneity. Chickens with predominantly white plumage color were not
576 preferred by followers of the Ethiopian Orthodox Christianity, reflecting the socio-cultural
577 significance of chicken with predominantly red plumage color. Disease resistant chickens were
578 preferred by older respondents and this could be because older farmers have more risk averse
579 behavior and lack of access to animal health services. Similarly, farmers with higher education
580 level preferred chicken profiles with good meat and egg taste. Good meat and egg taste is
581 mainly attributes of indigenous chickens in the study area (Dana *et al.*, 2010). This suggests
582 that educated farmers realize preferences for local chickens in the market.

583

584 This research identified the most preferred and valued traits of chickens to smallholder farmers.
585 These findings give important insight into the reason for the unsuccessful adoption of improved
586 chickens, despite long term effort made by government to introduce such birds, mainly aimed
587 at enhancing egg production in rural Ethiopia. These results also have important implications
588 for the need to better understand smallholder farmers' preferences, as they have multiple
589 production objectives in the prevailing production and marketing system. Hence, an effective
590 and sustainable breeding program that aims to improve rural livelihood through enhancing
591 village poultry productivity needs to maintain traits of chickens important to smallholder
592 farmers. Specifically, traits of chickens like disease resistance, mothering ability, meat and egg
593 taste, body size and eggs per clutch should be prioritized in effective chicken breeding program.

594 On the other hand, the risk of loss of the indigenous chicken genetic pool necessitates a
595 conservation program to preserve economically important genetic resources. Therefore, for an
596 effective and successful breeding and conservation programs, these identified traits of chickens
597 need to be maintained.

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748

749 **Tables**

750

751 **Table 1 Attributes and attribute levels included in the DCE**

Attributes	Attribute levels	Reference level
Plumage color	Predominantly white	
	Predominantly black	Predominantly red
	Predominantly red	
Eggs per clutch	12	
	16	Used as continuous
	20	
Body size	Small	
	Medium	Medium
	Big	
Mothering ability	Poor: Hatch 4 and raise chicks from 12 eggs	
	Moderate: Hatch and raise 8 chicks from 12 eggs	Moderate
	Good: Hatch and raise 12 chicks from 12 eggs.	
Diseases resistance	Good: Rarely gets sick	
	Poor: Often gets sick and may die	Poor
Meat and egg taste	Poor	Poor
	Good	
Price	ETB 40	Used as continuous
	ETB 55	
	ETB 70	

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Table 2 Respondents' descriptive statistics and code used in random parameter logit model

Variables	Code /unit	Descriptive
Age	Years	Mean=41.62 (SD=14.87)
Family size	Number of persons in the family	Mean=6.43(SD= 2.24)
Children below 5 years	Number of children	Mean= 1.1 (SD= 0.9)
Children below 17	Number of children	Mean= 3.6 (SD= 2.0)
Ethiopian Orthodox	1 if religion is orthodox 0 otherwise	55.3%
Protestant	1 if religion is protestant 0 otherwise	37.8%
Other religion followers	(-1) reference level	6.8%
Education	1= illiterate 2= read and write 3 =elementary 4 =secondary 5 =above secondary	31.3% 12.0% 37.8% 16.0% 2.9%
Sex	Male Female	80.4% 19.6%

756
757

Table 3 RPL and G-MNL model results from simulated likelihood estimation

	RPL		G - MNL	
	Mean	SE	Mean	SE
Random parameters (RPs)				
Predominantly black plumage color	-0.206	0.149	-0.253*	0.129
Predominantly white plumage color	0.339*	0.201	0.472**	0.194
Eggs per clutch	0.113**	0.053	0.173***	0.045
Small body size	-0.706***	0.238	-0.740***	0.175
Large body size	0.335***	0.153	0.388***	0.128
Good meat and egg taste	0.331*	0.181	0.370**	0.173
Disease resistance	0.455**	0.232	0.425**	0.214
Poor mothering ability	-2.133***	0.698	-2.219***	0.384
Good mothering ability	1.274***	0.352	1.425***	0.240
Price	-0.031**	0.013	-0.020***	0.006
Non-random parameters				
Constant	-4.506***	1.675	-2.850***	0.625
Heterogeneity in mean parameters				
Predominantly white *Orthodox	-0.514**	0.206	-0.588***	0.193
Meat and egg taste * Education	0.102	0.068	0.106*	0.062
Disease resistance * Age	0.008	0.003	0.009*	0.005
Standard deviation of RPs				
Predominantly black plumage color	0.050	0.419	0.157	0.390
Predominantly white plumage color	1.075**	0.488	1.336***	0.400
Eggs per clutch	0.065	0.076	0.038	0.060
Small body size	0.464	0.702	0.361	0.454
Large body size	1.720***	0.622	1.787***	0.387
Good meat and egg taste	0.018	0.293	0.039	0.259
Disease resistance	0.318	0.546	0.191	0.356
Poor mothering ability	1.711**	0.740	1.323***	0.409
Good mothering ability	1.009	0.744	0.729	0.448
Price	0.008	0.11	0.009	0.008
Tau (τ)			0.5	(fixed)
Gamma (γ)			0.375	0.289
Sigma(i)			0.999*	0.532

Table 3: continued

Number of respondents	450	450
Number of observations	2,700	2,700
Number of Halton draws(D)	200	200
Log likelihood function	-1675.398	-1675.603
$\chi^2(df = 24)$	2581.709	2581.299
McFadden Pseudo R-square	0.4352	0.4351
AIC/N	1.259	1.260

759

760

Table 4 Willingness to pay estimation result using WTP-space

	G-MNL: WTP-space	
	Mean	SE
Parameters		
Predominantly black plumage color	-2.459**	1.202
Predominantly white plumage color	2.255*	1.186
Eggs per clutch	6.004***	1.414
Small body size	-18.714***	4.545
Large body size	9.530***	2.424
Good meat and egg taste	15.338***	0.181
Disease resistance	22.044***	4.901
Poor mothering ability	-50.489***	11.174
Good mothering ability	38.831***	8.686
Price	1	(fixed)
Constant	-1.815***	0.178
Heterogeneity in mean parameters		
Predominantly white *Orthodox	-2.784***	1.073
Meat and egg taste * Education	0.225	0.368
Disease resistance * Age	.099***	0.03
Tau (τ)	1	(fixed)
Gamma (γ)	0	(fixed)
Sigma(i)	3.258	14.275
Standard deviation of parameters		
Predominantly black plumage color	0.007	1.521
Predominantly white plumage color	0.017	1.268
Eggs per clutch	0.421	0.493
Small body size	0.042	2.507
Large body size	0.069	1.474
Good meat and egg taste	0.069	1.739
Disease resistance	0.056	1.626
Poor mothering ability	0.042	3.015
Good mothering ability	0.058	1.910
Price	0	(fixed)

Table 4: continued

Number of respondents	450
Number of observations	2,700
Number of Halton draws(R)	200
Log likelihood function	-1732.473
McFadden Pseudo R-square	0.416
AIC/N	1.334
