Economic valuation of consumptive nontimber forest products: Evidence from Rombo district using contingent valuation method

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Abstract

Over the past two decades there has been an increasingly appreciation and measurement of non-market value of NTFP in many parts of the world. This is motivated by the fact that many of these NTFP especially in the tropics are increasingly being degraded mainly because of their undervaluation due to the lack of proper market for them. In valuing NTFP economists have used both revealed and stated preference depending on whether the good/services being valued have market or do not have market value. In this study we estimate WTP for NTFP using contingent valuation method among rural residents adjacent to half mile strip in Rombo district. A total of 5 villages were sampled out of 20 villages adjacent to the half strip mile (the buffer zone). The results from the open ended question indicate that the mean willingness to pay for consumable NTFPs is TZS 6,460 per annum. In addition to that businessmen, wage earners and farmers are willing to pay TZS 7,080/=, TZS 6, 977/= and TZS 6,197/= per annum respectively. The differences of willingness to pay among these groups however, are not statistically significant. Further econometric analysis using a probit model suggests that household's income, distance to the forest, marriage, forest conservation, being a businessman and respondent being a wage earner explains households' willingness to pay for NTFP.

Key words: contingent valuation, Non-timber forest products, bootstrapping and willingness to pay.