

Butchers Willingness to Pay for Packed Lamb Meat: Case of Tirana Butcher Shops

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Abstract

This paper evaluates willingness to keep and willingness to pay (WTP) of butcher shops in Tirana city for standardized, certificated and packed lamb meat obtained from well-known regions of Albania. Survey results show that butchers have a low degree of knowledge of the issue, and as consequence they are not ready to pay a higher price to their suppliers who offer meat with these characteristics. The estimation results are mainly affected by consumer income, information and tradition.

Keywords: willingness to pay (WTP), certified lamb meat, consumer preferences

1. Introduction

Meat industry is one of the sectors with quickest growth in Albania in the last decade. This is mainly due to the Albania's optimal conditions for animal breeding, especially for sheep and goats. On the other hand, sheep and goat farming plays a key environmental role that includes the natural up keep of less fertile areas, the maintenance of biodiversity, sensitive ecosystems and water quality, the fight against erosion, floods, avalanches and fires¹.

Since lamb meat production is an important component of the traditional nutritional diet of the country, it is considered as a big opportunity for the development and growth of Albanian agriculture, (WB 2007) because it.

Lamb and sheep meat consumption in urban areas is calculated 3.5 to 3.8 kg /capita / year while that of goat meat is about 0.6 kg/ capita / year. In rural areas lamb &sheep and goat meat consumption respectively 7 kg/ capita / year 3 kg/ capita / year (2011). On the other hand, the huge majority of the urban consumers buy lamb meat directly from butcher shops while only 5% buy in super markets and/or other retail shops (Imami, 2011).

As per the 2011, in Albania there existed 55339 farms engaged in growing sheep out of which 8347 are big one or outliers². Furthermore, goat and sheep production consists 30% of the total meat production in Albania.

Actually, Albanian consumers seem to be more confident to the meat sold in butcher shops rather than that sold in other retail units. Under the actual market development conditions, local butcher, can guarantee food safety to their consumers not only by obtaining respective certificates but also offering meat of known geographical origin, packed one and sealed by respective authorities. Such characteristics and other ones compose what is called quality meat.

During last years, farms growing sheep and lamb has been target of a set of public policies which main objective is to support the same farmers in order to increase such meat production. On the other hand, a lot of efforts from public and international institutions there exists aiming at the creation of cooperatives or farmers' association in order they to cut production and marketing costs of growing and selling sheep and meat.

2. Literature review of alternative meats studies

The consumption of new food products (or not so much consumed) in general varies significantly with marital status, age, education, household size and income, ethnic background, religion, and occupation (lamb meat is more expensive than

¹Martin Mautner Markhof, Bahri Musabelliu, Alban Zusi, „Capacity Building for Implementing the Rural Development Strategy“:Analysis of Meat Sector, December 2010

²Statistical Yearbook, MAFCP, 2011

the other types, the level of calories is higher etc). Earlier studies on alternative meats (McLean-Meynsse et al., 1995; Schupp et al., 1998; Gillespie et al., 1998) mainly focus on identifying the influence of socioeconomic and demographic variables on consumer purchasing decisions. More recent studies (Hobbs et al., 2003;) start to explore the contribution of meat attributes which can explain consumers' purchasing behavior and perceptions.

Schupp, Gillespie and Reed (1998) investigate consumer choice among alternative red meats in Louisiana, U.S. A multinomial logit model is applied, to analyze consumer choice between the best retail meat cut from four species of alternative livestock or "none of these" with equal retail prices. The data source is from a 1997 survey of Louisiana households, included bison, emu, ostrich, and venison. The important variables in the respondent's selection among species of alternative livestock are: gender, education and race of the respondent; previous consumption of meat from exotic animals; and respondent identification of venison as an exotic meat. The respondents also indicate some resistance to consuming meat from animals that they consider as exotic. These results suggest that producers and sellers of meat from exotic animals would have to overcome these perceptions to move their product beyond niche markets.

3. Material and methods

3.1 Objectives

This study has as principal objective to analyze preferences of butchers in Tirana city for quality lamb meat and their willingness to keep and sell safe and certificated meat. The specific objectives consist in:

- Revealing butcher awareness, attitude, and choice regarding standardized meats,
- Determining factors that contribute or detract from butcher's willingness to keep and sell standardized lamb meat;

Determining profile of those butchers who are ready to keep and sell such quality lamb meat in their establishment. As it is mentioned before, the object of the study are butcher shops in Tirana. It is chosen Tirana, as it is the major industrial centre in Albania experiencing the fastest population growth mainly due to migration. Considering these facts, this city represents the major consuming center in our country, there are also located a considerable number of butcher shops.

Tirana region is the most appropriate area for this survey for several reasons: (a) it is the main center in Albania in terms of population, (b) the rural area around the city of Tirana cannot fulfill the demand of the urban area either for quantity or quality (c) the main type of meat is the veal one and offering some alternative varieties will be very interesting for the consumers (d) big quantity of imported productions distributed from big wholesalers such as Frigofood.

3.2 Survey methodology

In order to fulfill the principal objective of study a survey is conducted among butcher shops in Tirana. Therefore, a set of face to face interviews are developed with butcher shops owners and / or managers in order to understand their preferences and WTP for quality, certified and standardized lamb meat. Such a method of interviewing is relatively easy and low cost to administer, and provides an opportunity for secondary data to ensure that the questions are properly understood. According to Miller et al ., (1997) face to face interviews have higher response rates and greater participant responsiveness to interviewers.

According to public statistics, in Tirana perform their activity 120 butcher shops (tax office data 2010) and the same number correspond to the total interviews conducted.

Descriptive analyses will be used to evaluate the survey data in order to identify population segments (butcher shops) looking for quality lamb meat and ready to keep and sell such meat in their establishments.

4. Results

Meat is an important component of Albanian food regime. regime. The majority of Albanian consumers prefer more beef meat (with 60%), while 26% of them prefer poultry, 10 % pork and 7% small ruminants meat.

Livestock sector in Albania, constitutes an important source of livelihood for the population. Such a sector has traditionally contributed more than 50% to the total revenues generated by the agricultural sector in the country. Even though, according to the FAO data (Faostat 2007) at the first place with regard to consume level still remain the veal meat, lamb meat is pretty much consumed during the religion events such as: Easter, Christmas, Ramadan etc. Under such conditions, butchers in Tirana face different difficulties while marketing meat. Such difficulties consist in:

- Finding cattle's continuously during all the year in order to fulfill consumer demand. Production is fragmented and individual farmers can offer only small quantities of the product.
- Price negotiation with individual farmers. Most of the butchers have developed trade relationships with several individual farmers in order his supply to meet quantity demanded creating difficulties in price negotiation and increasing transaction costs
- Competition from big supermarkets that offers standardized products

Table 1: Attributes of lamb meat considered from retailers in Tirana markets (only for Albanian meat)

Attributes	Retailers		
	Local Butcher Shops	Open Market	Supermarkets
1. Weight	Small	All types	All types
2. Origin	Mountain Areas	Not important	Not important
3. Standardization	Medium	Medium	High
4. Hygiene of retailing outlet	Clean	Mostly Clean	Clean
5. Price (ALL/kg)	800-900	700	800-1000

Source: Author's estimation

The lambs are sold usually when they weight 8 - 15 kg.. This is because consumers seem to prefer this category of animal. Farmers devise is: "less lambs more milk". Since these farmers can generate higher profits if they market milk they are encouraged to sell as much lambs as they can,

The origin of the animal also plays an important role in buying decision of the consumers who buy meat mainly at butcher shops. Analyses of the data generated from the questionnaires showed that these customers prefer lamb meat from the mountainous areas rather than that originating from low land areas, but (it can be used as an advantage, if labeling or other marketing tools are available to inform and convince consumers. Among factors influencing more supermarkets' customer buying decision is standardization and hygiene of the outlet. Butchers among other types of retail units are not so convinced to accept certified and packed lamb meat. More than half of butchers interviewed (56%), report to be ready to keep and sell certificated and packed lamb meat but yet not ready to pay more to their suppliers for such services. On the other hand, only 12% of the butchers accept to buy the lamb meat at a higher price if the product possess the above characteristics (is safe = certificate, and well packed) and the rest of them are not interesting at all.

The main characteristics of butchers that prefer to have in their shops standardized and packed products are as follows:

- (i) They are placed in center of Tirana, or zones where the consumers have higher income and also they are aware about the quality standards
- (ii) They have a long experience to the sector (more than 10 years)
- (iii) They open the activity after a long experience abroad (emigration)
- (iv) Some of them prefer to sell in their shops other products and the package is important.

Only a small number of butchers are ready to accept in their shops labeled lamb meat, because this helps them also in the meat origin identification.

But on the other hand in Albania as in many other developing countries in the world, consumers are continuously facing food security problems. Usually, for Albanian consumers the principal quality indicator is the price (higher price, higher perceived quality). Butchers usually use different indicators in order to evaluate quality of the meat. 66% of interviewed butchers report to evaluate meat quality at the spot using as indicators the presence of damages and suspicious stains on the carcasses, the amount of fat, etc, 29% of them, report to had trust to local farmers and only 5% of them inspected personally the cattle farms in order to have guarantee for the quality of the meat.

As long as proper labeling, takes place to avoid fraud from the slaughterhouses or sellers, it appears that imported lamb meat competition is not a big issue for the Albanian lamb meat industry.

5. Conclusions

The paper concluded even though butchers appreciate certified and labeled meat they are not ready to pay a higher price to their suppliers who offer meat with these characteristics. Origin identification as the main factor influencing

buying decision should be a priority not only for the same butchers but also for central and local authorities in order to increase and guarantee meat safety.

Local Butchers, can guarantee food safety to their consumers not only by obtaining respective certificates but also offering meat of known geographical origin, packed and sealed one by respective authorities, Such characteristics and other ones compose what is called quality meat and guarantee safety to the consumers. Therefore we can conclude that marketing, promotion and stakeholders communication strategy, must be supported mainly from the butchers so they can easily reach consumers.

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