LIVESTOCK FARMERS' WILLINGNESS TO PAY FOR FARMING INSURANCE IN THE WEST REGION OF CAMEROON

ABSTRACT

This study examinespoultry and pig farmers' willingness and determinants to pay for livestock farming insurance in the West Region of Cameroon, a context in which livestock insurance is absent. This study employed the mixed methods design. A total of 484 poultry and pig farmers were sampled through a snow-balling sampling technique in the Mifi, Koung-Khi, Bamboutous and Upper-Plateau Divisions of the West Region of Cameroon. Primary data were collected through structured questionnaires and analyses qualitatively through descriptive analysis and quantitatively with the use of the Chi Square test, the Logistic Regression Test and the Integrated Value Mapping Test.This study revealed that despite the importance of livestock farming insurance to the resilience of farmers, 51.2% (220) were unwilling to get insurance for their farms. More farmers in the Mifi Division were willing to get LFI than farmers in other sample divisions. For pig farmers, socio-economic factors predicted willingness to subscribe to a livestock insurance scheme more than production factors. The Integrated Value Mapping (IVM) combining the predictive effects of both components was 35.1%, thus implying that 64.9% variability was not accounted for. For poultry farmers, production factors predicted willingness to subscribe to a livestock insurance scheme more than socio-economic characteristics. The Integrated Value Mapping (IVM) combining the predictive effects of both components was 51.2%, implying that 48.8% variability was not accounted for**.** This study recommends the need for the government to setup a National Livestock Insurance Policy and for insurance companies to sensitise farmers on the need and importance of livestock farming insurance.

Keywords*: Determinants, Insurance, Poultry, Pig and Willingness*

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1. INTRODUCTION

The poultry and pig farming sector are important pillar of society's global food system and socioeconomic fabric.Globally, the demand for pork and poultry meat will increase by 43 % and 121 %, respectively, and demand for eggs will increase by 65 %, with a multiplying demand in Sub-Saharan Africa(Alexandratos and Bruinsma, 2012). The yearly demand for porc in Cameroon is at 42,000 tons, with an annual local production of 30,000 tons and an annual importation of $68millionmainly from Tchad to supplement annual production(MINEPIA, 2009, Dieumou, Tandzon, Nagaraju, 2017, Ebanja, Ghogomu, & Paeshuyse, 2021).

The capacity of the poultry and pig sectors to meet local demand is affected partly by production, marketing, transportation, human, natural, government policy and financial risks.These risks equally hinder the potential of the livestock sector to alleviate poverty

(Mahul and Stutley, 2010). In Cameroon, the Newcastle disease, African Swine Fever, Foot and Mouth disease, and Highly Pathogenic Poultry Influenza (H5N1) are endemic(Platform for Agricultural Risk Management - PARM, 2016).Between 2005 to 2015, pig farmers lossed an average of 3.4 million USD, while poultry farmers lossed an average of 15.7 million USDdue to disease outbreaks (OIE, MINEPIA / EPA, 2013, cited in PARM, 2017).In 2012, the highest losses (39%) in livestock was registered in the poultry sector, while the pig sector registered minor losses (9%).Farmers in the North-West, Littoral, Center, and West Regions experienced the most significant losses because they are the main poultry and pig production areas (PARM, 2017).Between 1990-2015, epidemics were Cameroon's most frequent disaster affecting livestock(PARM, 2016). According to local media reports, losses due to the 2016 outbreak of H5N1 added up to an estimated $20 million (Food and Agricultural Organisation, 2016). According to the Cameroonian Poultry Association (French acronym IPAVIC) cited in Mbodiam (2018), the poultry sector lost about 16 billion FCFA due to the poultry flu of 2016 and 2017.Due to COVID-19 poultry farmers in the West and North-West Regions lost about $11 million.

Mahul and Stutley (2010) stated that the combination of technical knowhow and financial mechanisims is an optimal comprehensive livestock risk management strategy, as farmers can manageminor but recurrent losses through risk mitigation (disease prevention) and self-insurance tools (savings and contingent credit), while transferingmajor but less frequent losses to insurance companies.

In Cameroon, much emphasis has been placed on increasing local production to meet demand and risk mitigation measures, with little attention has been given to insurance as a risk management measure. The country does not have a National Livestock Insurance Policy and Index Based Insurance is limited to the Northern Region of Cameroon. There is no mortality/indemnity/multiple-peril insurance that can protect poultry and pig farmers in the West Region. Furthermore, no information is known about poultry and pig farmers' willingness to get LFI. This study seeks to examine poultry and pig farmers' willingness and determinants of their willingness to get livestock farming insurance. While this information is unavailable in the corpus of literature in Cameroon. This seems to be what the government, insurance companies and development stakeholders need to know to promote livestock farming insurance in the West Region and Cameroon at large.

2. MATERIALS AND METHODS

2.1 Study Area

This study was conducted in the Mifi, Koung-Khi, Bamboutos and Upper Plateau Divisions of the West Region of Cameroon. According to the West Regional Delegation of the Cameroon Ministry of Livestock Fisheries and Animal Husbandry (French acronym MINEPIA) (2019), the West Region is one of Cameroon's principal pig and poultry production areas, together with the Littoral and Centre Regions. The West Region was chosen for this study over other production areas because of the concentration of domestic production as compared to other production areas (MINEPIA / Livestock Sector Improvement and Development Project (French acronym PADFEL) (2015) cited in PARM Cameroon (2017). The West Region constitutes the largest production region with a herd estimated at 3,500,000 heads as it provides 4/5 of pigs commercialised in the country (MINEPIA, 2011).

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A baseline area assessment was done to identify the main production basins at the divisional level. According to a report from the West Regional Delegation of MINEPIA (2019), the Upper- Plateau, followed by the Bamboutos, Upper-Nkam, Koung-Khi and Menoua Divisions were the main pig production areas, while the Mifi, followed by the Noun and Koung Khi Divisions were the main poultry production areas in the West Region of Cameroon. The researcher collected data from the Upper-Plateau and Bamboutos Divisions for pig farming and the Mifi and Koung Khi Divisions for poultry farming. Even though the Noun Division was the second most important production area for poultry farming, it was not considered because of security concerns linked to the Anglophone crisis in the North-West Region, as this division borders the North-West Region. During the data collection period, an incident was perpetrated in the Noun Division by the members of a non-state armed group (NSAG) from the North-West Region. This resulted in a tense atmosphere and lots of scepticism from the population. The Koung Khi Division, the third-largest poultry production basin in the West Region, thus replaced the Noun Division.

2.2 Research Design and Sample Size Determination

This study employed a mixed methods research design, in which a total of 484 farmers were sampled. Due to the absence of official data on the number of poultry and pig farmers per division and the inability of MINEPIA staff at the regional and divisional levels to estimate the number of poultry and pig farmers in the study area, the investigator estimated the sample size based on the total number of households involved in livestock farming and the pig and poultry productivity in the West Region. In June 2021, the government of Cameroon started a Census for Crop and Livestock Farmers (French acronym RGAE) and the results have not been published.Table 1 shows poultry and pig production in the West Region from 2012-2016 and projections to 2020.

Table 1. Poultry and pig production in the West Region from 2012-2016 and projections to 2020

Year	**Livestock and % increase**		**The geometric mean of increase**			
	Poultry	**Pig**	**Years**	**Poultry**	**Pig**	**Total**
2012	66592358	2896271				
%increase	9.26	7.48	2013	9.26	7.48	8.37
2013	72758691	3112973	2014	3.17	3.20	3.19
%increase	3.17	3.20	2015	7.00	5.00	6.00
2014	75063425	3212588	2016	16.95	3.50	10.23
%increase	7.00	5.00	GM	15.36	4.52	6.36
2015	80317865	3373217	**Livestock, 2020 projection**			**Total**
%increase	16.95	3.50	2017	108357242	3649086	112006328
2016	93929648	3491280	2018	125000914	3814025	128814939
Total	**97420928**		2019	144201055	3986418	148187473
2020 projection	166350337	4166605	2020	166350337	4166605	170516941
Overall total 2020 projection	**170516941**		**Per cent increase 2016-2020**	**77**	**19.34**	**75**

***Source**: National Institute of Statistics (2016) and authors' projection (2020)*

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From 2016 (97,420,928) to 2020 (170,516,941), production increased by roughly 6.36% yearly. Given that the number of households involved in livestock farming in the West Region was estimated at 431,607 in 2012 (National Institute of Statistics, 2016). We assumed that the number of households involved in livestock farming increased proportionately to production, as shown in Table 2.

Table 2. Projecting the 2020 poultry and pig farmers from the 2012 baseline

Year	Progression from baseline (2012)	Farmers, population, yearly increment based on 6.36 increase rate
2013	431607	459057
2014	459057.2052	488253
2015	488253.2435	519306
2016	519306.1497	552334
2017	552334.0209	587462
2018	587462.4646	624825
2019	624825.0773	664564
2020	**66463.9522**	**706830**

***Source**: National Institute of Statistics (2016) and authors' projection (2020)*

The projected number of households engaged in livestock farming in 2020 was 706,830. This figure was used to statistically calculate the sample size for this study.

The sample size was estimated using sample calculation for one proportion with the support of EpiInfo 6.04d.

$$n=\frac{NZ^2P(1-P)}{d^2(N-1)+Z^2P(1-P)}$$

Where:

N=total targeted population here estimated at 706,830.

Z= Z value corresponding to the 95% confidence level.

$\mathbf{Z_{\alpha/2}}$ =level of significance = 1.96.

P= prevalence; the prospected prevalence used is 50% assuming optimal sample size.

d= Absolute precision set at 5%.

n effective=n*Design effect.

The Design Effect used was 1.1, greater than one (1) because non-probabilistic sampling techniques (snowballing) were used.

The estimated sample size for this study was 422 poultry and pig farmers (PPFs). To guard against unexpected missing cases and to ensure that the return rate was not below 80%, an excess of 10% of farmers were added to the sample, making a total of 484 farmers.

2.3 Data Collection Procedure

Out of 484 questionnaires equally administered to PPFs through a snowballing sampling technique, a total of 430 questionnaires were returned, as spatially represented in Figure 1.

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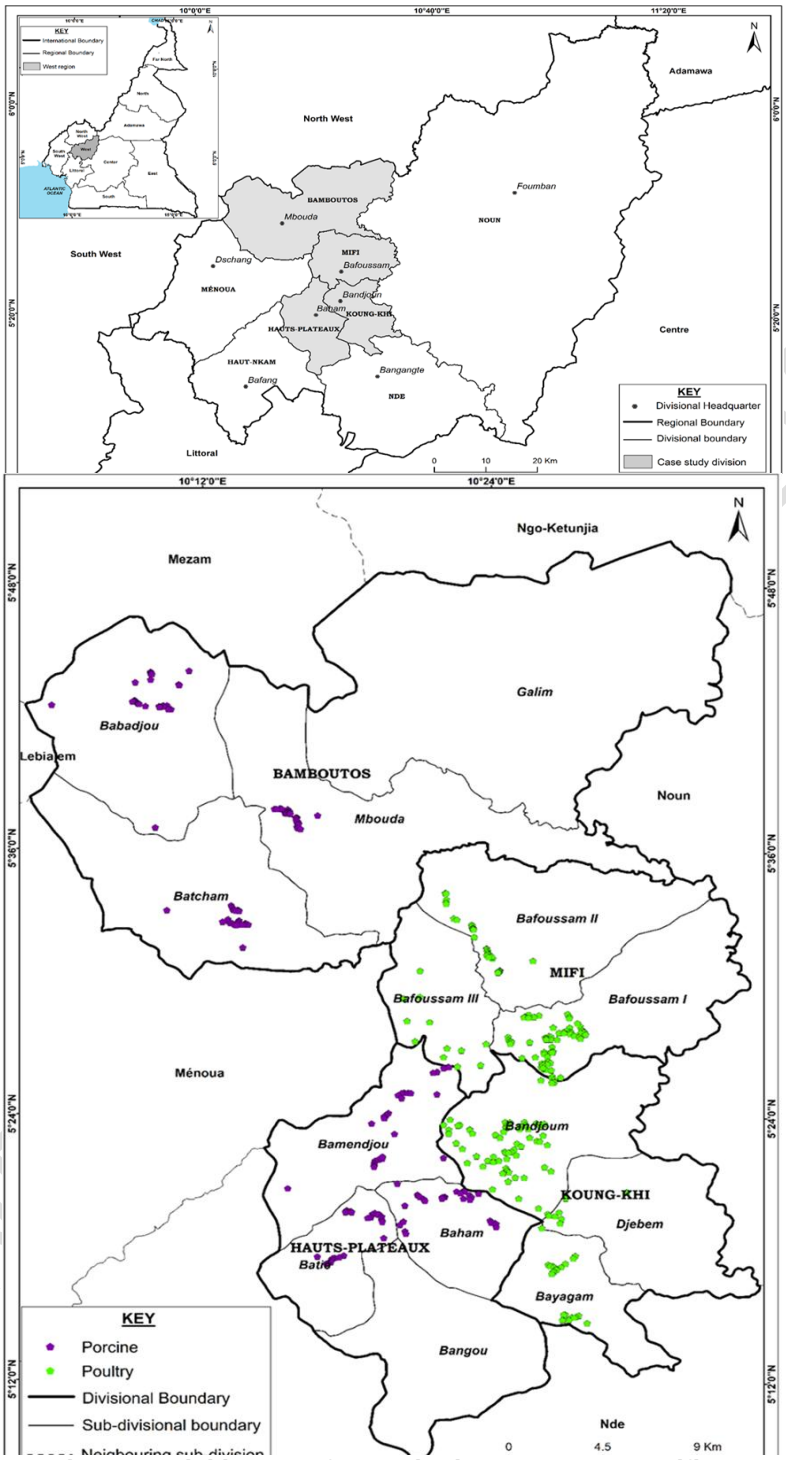

Fig.1. Spatial layout of PPFs in the Bamoutous, Mifi, Koung-Khi and Upper Plateau Divisions in the West Region of Cameroon

Source: National Institute of Cartography (2020) and Fieldwork (2020)

3. RESULTS AND DISCUSSION

3.1 Willingness to Pay for Livestock Farming Insurance

A significant proportion of farmers (51.2%, 220) were not willing to get LFI. The percentage of unwilling farmers was higher for pig farmers (70.9%, 141) than for poultry farmers (34.2%, 79). A proportion of 68.2%(150) of farmers were unwilling to get LFI because they had no knowledge of the importance and need for LFI, 14.1% (31) stated that LFI is only beneficial to large scale farmers, 11.4% (25) indicated that LFI is generally expensive and as small scale farmers, they cannot afford it and 6.3% (14) perferred other strategies to manage risk than livestock farming insurance (LFI).

Furthermore, 15.3% (66) farmers were undecided on whether to get LFI. More poultry farmers were undecided (26.8%, 62), than pig farmers (2.0%, 4). Farmers needed more information on the need and importance of LFI as well as the operation modalities to be able to make an informed decision on whether to get LFI.

Moreover, 33.5% (144) of farmers were willing to get LFI. More poultry farmers (39.0%, 90) were willing to get LFI than pig farmers (27.1%, 54). A proportion of 61.8% (89) were willing because of the possibility to bounce back rapidly and conveniently after a loss with the support of insurance companies, 30.5% (44) estimated LFI will help them to increase the size of their farms because they are confident that they will get support from insurance companies if they experience losses. Furthermore, 7.6% (11) indicated that LFI will reduce their worries and stress as a result of losses linked to livestock production.Table 3 shows PPFs' willingness to subscribe to a livestock insurance scheme

Table 3. Poultry and pig farmers' willingness to subscribe to a livestock insurance scheme

Category	Stats	Yes	No	Undecided	Total
Poultry	n	90	79	62	**231**
	%	39.0%	34.2%	26.8%	**100.0%**
Pig	n	54	141	4	**199**
	%	27.1%	70.9%	2.0%	**100.0%**
Total	**n**	**144**	**220**	**66**	**430**
	%	**33.5%**	**51.2%**	**15.3%**	**100.0%**

Source: Fieldwork (2020)

Figure2 shows the spatial distribution of poultry and pig farmers' willingness to pay for insurance in the Mifi, Koung-Khi, Bamboutos, and Upper-PlateauDivisions of the West Region of Cameroon.Farmers in the Mifi Division (59.7%, 86) were more willing to get LFI than farmers in the Bamboutos (23.6%, 34), Upper-Plateau (13.8%,20) and Koung Khi Divisions (2.7%, 4). Farmers in the Mifi Division were more willing to get LFI because they are in the West Regional headquarter and are more exposed to innovative risk management practises. The Mifi Division is equally the main poultry production area in the West Region. Due to the delicate nature of poultry farming, poultry farmers would not like to lose their investment to several risks.

Furthermore, more farmers in the Bamboutos Division (44%, 97) were unwilling to get LFI than those in the Upper-Plateau (20%, 44), Mifi Divisions (20%, 44) and Koung Khi (15.9%, 35). This because pig farmers in the Bamboutos and Upper-Plateau Divisions, through experience know that raising pigs is not as delicate as raising chickens. Thus, they do not anticipate major losses and the need to transfer their risks to insurance companies.

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Moreover, more farmers in the Koung-Khi Divisions (84.8%, 56) were more unsure of their decision to get LFI than farmers in the Mifi (9.1%, 6), Bamboutos (4.5%, 3) and Upper Plateau Division (1.5%, 1). Even though the Koung-Khi Division is the third major poultry production area, it is away from the regional headquarters and farmers are not much aware of innovative livestock production practices. This makes it difficult to comprehend the notion of LFI.

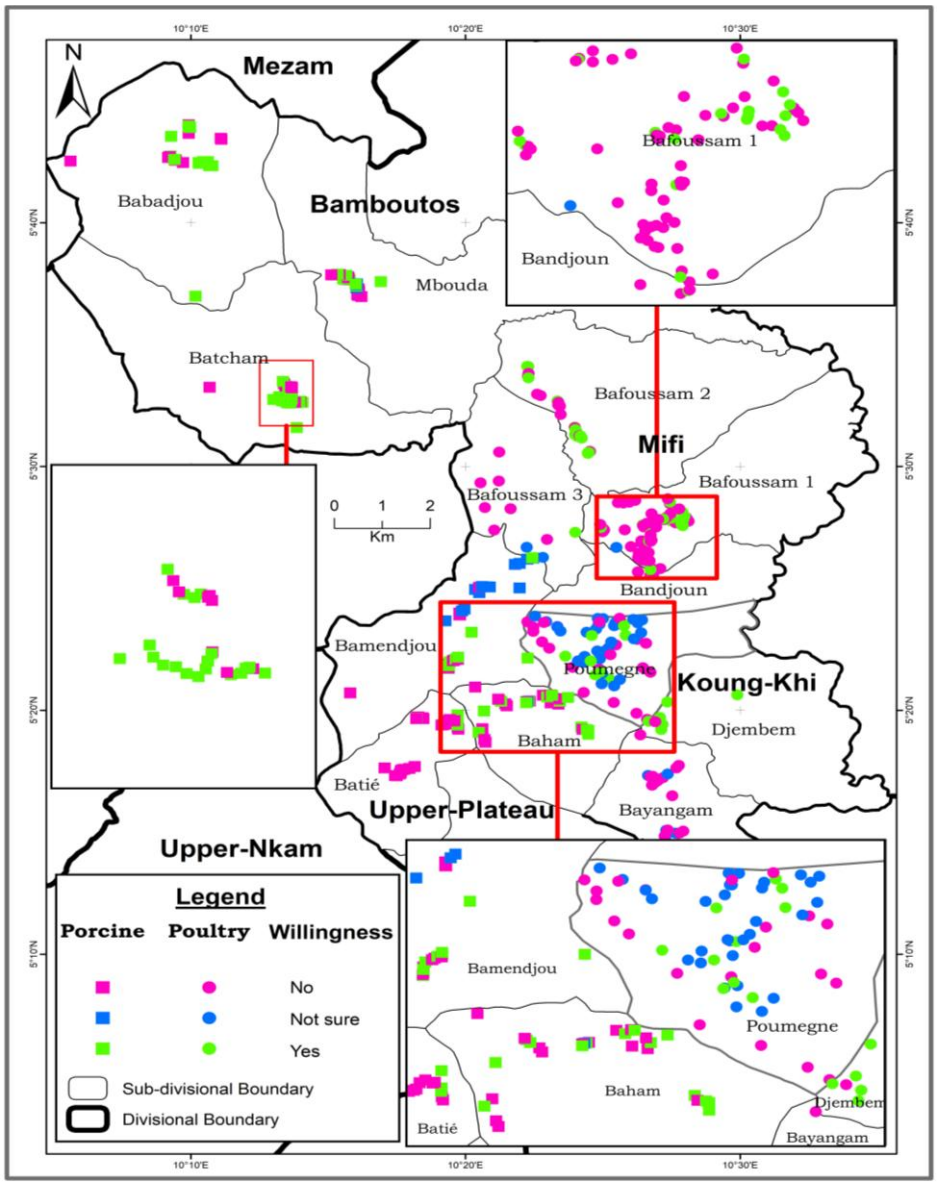

Fig.2. Poultry and pig farmers' willingness to pay for livestock insurance in theMifi, Koung-Khi, Bamboutos, and Upper PlateauDivisions of the West Region of Cameroon

Source: National Institute of Cartography (2020) and Fieldwork (2020)

3.2 Determinants of PPFs' Willingness to get LFI

3.2.1. Poultry farmers' socio-economic characteristics and willingness to get LFI

The association between poultry farmers' socio-economic characteristics and willingnessto subscribe to a livestock insurance scheme is shown in Table 4.

Table 4: Association between socio-economic characteristics of poultry farmers and willingness to subscribe to a livestock insurance scheme

Determinants	Categories	Yes	No	n	χ2-test (df=0.05)
Gender	Male	52.7% (79)	47.3% (71)	150	χ2=0.185 P=0.667
	Female	57.9% (11)	42.1% (8)	19	
Age	18-37	54.5% (18)	45.5% (15)	33	χ2=1.611 P=0.657
	38-47	48.1% (26)	51.9% (28)	54	
	48-57	58.7% (37)	41.3% (26)	63	
	58+	47.4% (9)	52.9% (10)	19	
Household size	1-2	46.3% (31)	53.7% (36)	67	χ2=4.091 P=0.129
	3-4	61.8% (47)	38.2% (29)	76	
	5+	46.2% (12)	53.8% (14)	26	
Years of experience	1-5	62.5% (10)	37.5% (6)	16	χ2=11.340 P=0.023
	6-10	36.5% (23)	63.5% (40)	63	
	11-15	62.5% (25)	37.5% (15)	40	
	16-20	63.9% (23)	36.1% (13)	36	
	21+	64.3% (9)	35.7% (5)	14	
Highest level of school attained	No education and primary education	50.0% (30)	50.0% (30)	60	χ2=4.641 P=0.098
	Secondary education	58.0% (58)	42.0% (42)	100	
	High school, vocational training and university education	22.2% (2)	77.8% (7)	9	
Main occupation	Poultry farm	64.5% (80)	35.5% (44)	124	χ2=24.752 P=0.000
	Crop farmer	28.6% (6)	71.4% (15)	21	
	Casual labourer	0.0% (0)	100% (3)	3	
	Employee	20.0% (2)	80.0% (8)	10	
	Businessman/woman	18.2% (2)	81.8% (8)	10	
Marital status	Single	44.9% (22)	55.1% (27)	49	χ2=3.191 P=0.203
	Married	55.0% (60)	45.0% (49)	109	
	Widowed/widower	72.7% (8)	27.3% (3)	11	
Annual income (FCFA)	< 1 million	15.4% (4)	84.6% (22)	26	χ2=23.129 P=0.000
	1 million +	66.7% (82)	33.3% (41)	123	
Monthly household income (FCFA)	<500,000	12.9% (4)	87.1% (27)	31	χ2=32.087 P=0.000
	500,000 +	69.6% (80)	30.4% (35)	115	

Source: Fieldwork (2020)

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Willingness to subscribe to a livestock insurance scheme was significantly associated with the following variables:

- **Years of work experience in livestock farming**: The higher the work experience, the higher the willingness to subscribe to livestock farming insurance (P=0.023)..
- **Main occupation**: Poultry farmers were more willing to get LFI (P=0.000) because it is their main source of income.
- **Annual income from poultry farming and monthly household income**: The higher the income, the higher the willingness to get LFI (P=0.000).

The Wald Statistics of Binary Logistic Regression depicting the predictive effect of socio-economic factors controlled for each other on willingness to subscribe to a livestock insurance scheme is shown in Table 5. The influence of the significant determinants highlighted above was appraised while controlling for each other to silence the confounders using the Wald test of Logistic Regression.

Table 5: Wald statistics of Binary Logistic Regression depicting the predictive effect of poultry farmers' socio-economic factors on their willingness to get LFI

Determinants	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Years of experience	-.162	.197	.680	1	.410	.850	.578	1.251
Main occupation	.389	.236	2.727	1	.099	1.476	.930	2.343
Income from poultry	-.279	.482	.336	1	.562	.756	.294	1.944
Monthly household income	-.784	.421	3.471	1	.048	.456	.200	1.042

Source: Fieldwork (2020)

After controlling determinants for each other, Wald Statistics highlighted only the monthly household income as a significant determinant of poultry farmers' willingness to subscribe to a livestock insurance scheme. This implies that this determinant has to be given higher attention than other determinants. However, it was not a critical predictor (OR >1; LB>1).

3.2.2 Poultry farmers' production factors and willingness to subscribe to LFI

The association between poultry farmers' production characteristics and willingness to subscribe to a livestock insurance scheme and the Wald statistics of Binary Logistic Regression depicting the predictive effect of poultry farmers' production factors controlled for each other on willingness to subscribe to a livestock insurance scheme are presented in Tables 6 and 7.

Table 6: Association between production factors for poultry farmers and willingness to subscribe to a livestock insurance scheme

Determinants	Categories	Yes	No	n	χ^2-test (df=0.05)
Evaluation of risk management strategies	Adequate	64.9% (85)	35.1% (45)	162	χ^2=30.792 P=0.000
	Inadequate	9.7% (3)	90.3% (28)	31	
Source of labour	Family	62.5% (80)	37.5% (48)	128	χ^2=18.170 P=0.000
	Employees	22.7% (5)	77.3% (17)	22	
	Both	26.3% (5)	73.7% (14)	19	

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Number of farm	One	41.5% (44)	58.5% (62)	106	χ2=17.279 P=0.000
	More than one	75.0% (45)	25.0% (15)	60	
Total flock size	≤5000	43.4% (43)	56.6% (56)	99	χ2=11.991 P=0.001
	>5000	71.7% (43)	28.3% (17)	60	
Division	Mifi	66.4% (85)	33.6% (43)	128	χ2=37.862 P=0.000
	Koung-khi	10.3% (4)	89.7% (35)	39	
Setting type	Peri-urban	49.2% (63)	50.8% (65)	128	χ2=3.452 P=0.063
	Rural	65.9% (27)	34.1% (14)	41	
Poultry species	Traditional chicken	62.6% (82)	37.4% (49)	131	χ2=21.578 P=0.000
	Broilers	21.1% (8)	78.9% (30)	38	
Source of capital	Personal savings	30.4% (21)	69.6% (48)	69	χ2=29.970 P=0.000
	Personal savings and loan	75.0% (60)	25.0% (20)	80	
	Loan only	61.5% (8)	38.5% (5)	13	

Source: Fieldwork (2020)

Willingness to subscribe to a livestock insurance scheme was significantly associated with the following determinants:

- **Evaluation of risk management strategies**: The more adequate poultry farmers' risk management strategy was, the more they were willing to get LFI (P=0.000).
- **Source of labour**: Those who employed family labour were less willing to subscribe to livestock farming insurance schemes (P=0.000).
- **Number of farms**: Those with more than one farm were more willing to subscribe (P=0.000).
- **Flock size**: Those with a flock size of >5000 chickens were more willing to get LFI (P=0.001).
- **Division**: Poultry farmers from the Mifi Division were more willing to subscribe to livestock farming insurance (P=0.000).
- **Chicken species**: Farmers who reared traditional chickens were more willing to get LFI because it takes a longer time to mature than broilers.
- **Source of capital**: Poultry farmers who used personal savings and loans were more willing to subscribe to livestock farming insurance (P=0.000).

The influence of the significant determinants highlighted above was appraised while controlling for each other to silence the confounders using the Wald test of Logistic Regression as shown in Table 7.

Table 7: Wald statistics of Binary Logistic Regression depicting the predictive effect of poultry farmers' production factors on willingness to get LFI

Determinants	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Evaluation of risk management strategies	2.095	1.130	3.437	1	.064	8.123	.887	74.378
Source of labour	1.596	.555	8.273	1	.004	4.933	1.663	14.637
Number of farms	-.638	.676	.891	1	.345	.528	.141	1.987
Flock size	-.378	.682	.307	1	.580	.685	.180	2.610
Division	.466	2.268	.042	1	.837	1.593	.019	135.662

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Poultry species	.085	1.148	.006	1	.941	1.089	.115	10.343
Source of capital	-.259	.408	.403	1	.525	.772	.347	1.717

Source: Fieldwork (2020)

After controlling determinants for each other, Wald Statistics highlighted the only source of labour as a significant determinant of poultry farmers' willingness to subscribe to a livestock insurance scheme. Beyond this, it was a critical predictor (OR >1; LB>1).

3.2.3 Model summary (poultry farmers)

The model summary for socio-economic and production factors was computed using the Integrated Value Mapping (IVM) approach, as shown in Table 8.

Table 8: Model summary of the influence of socio-economic and production factors on poultry farmers' willingness to get LFI

Predictive component	Omnibus Tests of Model Coefficients	Predictive Power / Explanatory Power (Nagelkerke R Square)
Socio-economic factors	P=0.000	33.7%
Production factors	P=0.000	47.6%
IVM	**P=0.000**	**51.2%**

Source: Fieldwork (2020)

Production factors predicted willingness to subscribe to a livestock insurance scheme more than socio-economic characteristics, with a Predictive power/explanatory power (PP/EP) of 47.6% and 33.7%, respectively. The Integrated Value Mapping (IVM) combining the predictive effects of both components was 51.2%, implying that 48.8% variability was not accounted for. Thus, other factors apart from socio-economic and production factors determine poultry farmers' willingness to get LFI.

3.2.4 Pigfarmers' socio-economic factors and willingness to subscribe to LFI

The association between pig farmers' socio-economic and willingness to subscribe to a livestock insurance scheme is shown in Table 9, and Wald Statistics of Binary Logistic Regression depicting the predictive effect of socio-economic factors controlled for each other on willingness to subscribe to a livestock insurance scheme is shown in Table 10.

Table 9: Association between socio-economic characteristics of pigfarmers and willingness to subscribe to a livestock insurance scheme

Determinants	Categories	Yes	No	n	χ2-test (df=0.05)
Sex	Male	29.7% (52)	70.3% (123)	175	χ2=3.484 P=0.048
	Female	10.2% (2)	90.0% (18)	20	
Age	18-37	15.4% (10)	84.6% (55)	65	χ2=12.164 P=0.007
	38-47	27.9% (19)	72.1% (49)	68	
	48-57	36.5% (19)	63.5% (33)	52	

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	58+	60.0% (6)	40.0% (4)	10	
Household size	1-2	25.2% (28)	74.8% (83)	111	χ2=7.031 P=0.030
	3-4	27.3% (21)	72.7% (56)	77	
	5+	71.4% (5)	28.6% (2)	7	
Years of experience	1-5	12.3% (8)	87.7% (57)	65	χ2=25.748 P=0.000
	6-10	22.8% (13)	77.2% (44)	57	
	11-15	35.0% (14)	65.0% (26)	40	
	16-20	52.0% (13)	48.0% (12)	25	
	21+	75.0% (6)	25.0% (2)	8	
Highest level of school attained	No formal and primary education	25.0% (21)	75.0% (63)	84	χ2=0.575 P=0.750
	Secondary education	29.1% (32)	70.9% (78)	110	
	High school, vocational training and university education	33.3% (2)	66.7% (4)	6	
Main occupation	Poultry farm	30.0% (33)	69.7% (76)	109	χ2=3.852 P=0.426
	Farmer	14.8% (4)	85.2% (23)	27	
	Casual labourer	18.8% (3)	81.3% (13)	16	
	Employee	30.8% (8)	69.2% (18)	26	
	Businessman/Woman	35.3% (6)	64.7% (11)	17	
Marital status	Single	21.1% (16)	78.9% (60)	76	χ2=7.231 P=0.027
	Married	35.2% (37)	64.8% (68)	105	
	Widowed	7.7% (1)	92.3% (12)	13	
Income from pig farming	≤1 million	23.1% (24)	76.9% (80)	104	χ2=2.371 P=0.124
	>1 million	33.0% (30)	67.0% (61)	91	
Monthly household income	≤500,000	25.0% (46)	75.0% (138)	184	χ2=11.808 P=0.001
	>500,000+	72.7% (8)	27.3% (3)	11	

Source: Fieldwork (2020)

The willingness to subscribe to a livestock insurance scheme was significantly associated with the following determinants:

- **Sex,** whereby males were significantly more willing to pay more than females (P=0.048).
- **Age**, whereby willingness to get LFI increased significantly with age (P=0.007).
- **Household size**, whereby it increased significantly with household size (P=0.030).
- **Years of work experience in livestock farming**, whereby the higher the work experience the higher the willingness to subscribe (P=0.000).

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- **Marital status**, whereby the married had the highest willingness to subscribe (P=0.027).
- **Monthly household income**, whereby the higher the income, the higher the willingness to subscribe (P=0.000).

The influence of the significant determinants highlighted above was now appraised while controlling for each other to silence the confounders using the Wald test of Logistic Regression as shown in Table 10.

Table 10: Wald statistics of Binary Logistic Regression depicting the predictive effect of pig farmers' socio-economic factors

Determinants	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
							Lower	Upper
Gender	.524	.830	.398	1	.528	1.688	.332	8.591
Age	-.497	.279	3.170	1	.075	.608	.352	1.051
Household size	.687	.408	2.831	1	.092	1.988	.893	4.427
Years of experience	-.612	.179	11.663	1	.001	.542	.381	.770
Main occupation	-.177	.148	1.423	1	.233	.838	.627	1.120
Marital status	.275	.376	.535	1	.464	1.317	.630	2.755
Monthly household income	-1.920	.807	5.666	1	.017	.147	.030	.712

Source: Fieldwork (2020)

Wald Statistics after controlling determinants for each other now highlighted years of experience and monthly household income as significant determinants of willingness to subscribe to a livestock insurance scheme.

3.2.5 Pigfarmers' production factors and willingness to subscribe to LFI

The association between pig farmers' production factors and willingness to subscribe to a livestock insurance scheme and the Wald Statistics of Binary Logistic Regression depicting the predictive effect of pig farmers' production factors controlled for each other on willingness to subscribe for a livestock insurance scheme are presented in Tables 11 and 12.

Table 11: Association between production factors for pig farmers and willingness tosubscribe to a livestock insurance scheme

Determinants	Categories	Yes	No	n	χ2-test (df=0.05)
Evaluation of risk management strategies	Adequate	30.4% (41)	69.6% (94)	135	χ2=0.850 P=0.356
	Inadequate	23.5% (12)	76.5% (39)	51	
Source of labour	Family	28.4% (31)	71.6% (78)	109	χ2=3.836 P=0.147
	Employees	50.0% (6)	50.0% (6)	12	
	Both	23.0% (17)	77.0% (57)	74	
Number of farms	One	25.1% (46)	74.9% (137)	183	χ2=9.700 P=0.002
	More than one	66.7% (8)	33.3% (4)	12	

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Flock size	<=30	24.0% (40)	76.0% (127)	167	χ2=8.125 P=0.004
	>30	50.0% (14)	50.0% (14)	28	
Division	Bamboutos	17.0% (17)	83.0% (83)	100	χ2=17.523 P=0.000
	Upper Plateau	31.3% (20)	68.8% (44)	64	
Setting type	Peri-urban	26.1% (18)	73.9% (51)	69	χ2=0.137 P=0.711
	Rural	28.6% (36)	71.4% (90)	126	
Pig species	Local species	20.0% (4)	80.0% (16)	20	χ2=4.451 P=0.108
	Exotic species	21.1% (16)	78.9% (60)	76	
	Crossed species	34.3% (34)	65.7% (65)	99	
Source of capital	Personal savings	21.8% (17)	78.2% (61)	78	χ2=19.900 P=0.000
	Personal savings and loan	54.5% (24)	45.5% (20)	44	
	Loan only	18.6% (13)	81.4% (57)	70	

Source: Fieldwork (2020)

Willingness to subscribe to livestock insurance was significantly associated with the following determinants:

- **Number of farms**, whereby those with more than one farm were more willing to subscribe (P=0.002).
- **Flock size,** whereby those with size >30 were more willing to subscribe (P=0.004) due to their significant investment in getting more pig heads. The total flock size determines the amount of investment put in by the farmer. Due to farmers' massive investment, they would like to secure this investment by getting LFI.
- **Division**, whereby those from the Upper Plateau Division were more willing to subscribe (P=0.000).
- **Source of capital**, whereby those that used personal savings and loans were more willing to subscribe (P=0.000) as they are not willing to lose the personal income they worked hard for.

The influence of the significant determinants highlighted above was now appraised while controlling for each other to silence the confounders using the Wald test of Logistic Regression as shown in Table 12.

Table 12: Wald statistics of Binary Logistic Regression depicting the predictive effect of poultry farmers' production factors

Determinants	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Number of farms	-.922	.740	1.550	1	.213	.398	.093	1.698
Flock size	-.692	.268	6.659	1	.010	.500	.296	.847
Division	.272	.133	4.192	1	.041	1.312	1.012	1.702
Source of capital	.337	.219	2.355	1	.125	1.400	.911	2.152

Source: Fieldwork (2020)

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Wald Statistics after controlling determinants for each other, revealed that total size of flock and division were significant determinants of willingness to subscribe to a livestock insurance scheme and division was a critical predictor (OR>1: LB>1). This, therefore, implies that these determinants should be paid higher attention.

3.2.6 Model summary (pig farmers)

The model summary for socio-economic and production factors was computed using the Integrated Value Mapping (IVM) approach, as shown in Table 13.

Table 13: Model summary of the influence of socio-economic and production factors on pig farmers' willingness to get LFI

Predictive component	Omnibus Tests of Model Coefficients	Predictive Power / Explanatory Power (Nagelkerke R Square)
Socio-economic factors	P=0.000	26.8%
Production factors	P=0.012	17.8%
IVM	P=0.000	35.1%

Source: Fieldwork (2020)

Socio-economic factors predicted willingness to subscribe to a livestock insurance scheme more than production factors, with Predictive power/explanatory power (PP/EP) of 26.8% and 17.8%, respectively. The Integrated Value Mapping (IVM) combining the predictive effects of both components was 35.1%, thus implying that 64.9% variability was not accounted for. Therefore, other factors apart from socio-economic and production factors determine pig farmers' willingness to get LFI.

3.3 Discussion

Wolf and Widmar (2015) realised that in California, Florida, Indiana, Michigan, and Wisconsin (states that account for more than 40 per cent of US milk production), a large portion of cattle farmers were not willing to pay for margin insurance. Perhaps there was a lack of understanding about dairy margin insurance among respondents that gave essentially no value to the margin insurance. Dairy farmers historically accustomed to receiving protection through milk price support and deficiency payments were less likely to be willing to pay for their insurance. Farayola, Adedeji, Popoola and Amao (2013) realized that age, educational level, farm size and accessibility to credit were significant variables that influenced the probability of participation of the farmers in agricultural insurance schemes, while household size, membership of association and contacts with extension agents were found to be insignificant in influencing the farmers' participation in an agricultural insurance scheme.Research results from this study revealed that the education level of farmers was not a determinant of farmers' willingness to pay for LFI. According to Marcelo, Rodrigo, Marcela and Hildo (2020), education levels positively affect the probability of adopting agricultural insurance. The use of insurance is more likely among large producers, producers with higher levels of education, producers who adopt more farm management tools and producers who receive private technical assistance. These producers can more easily access information and present a lower risk to insurers, corroborating the literature on information asymmetry in the insurance market. Marianne, Dimitre, Sergio and Minka (2014) stated that farmers with secondary education are less likely to get insured than more educated farmers. This is consistent with the hypothesis that better-educated farmers are more responsive to modern risk management approaches like insurance. However, authors like Was and Kobus (2018) realized that education did not affect insurance decisions.

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4. CONCLUSION

Majority of poultry and pig farmers were unwilling to get LFI. The percentage was higher for pig farmers than for poultry farmers. More farmers in the Mifi Division were more willing to pay for LFI that farmers in the Bamboutous, Upper-Plateau and Koung-Khi Divisions.Poultry and pig farmers' socio-economic characteristics predicted more willingness to subscribe to a livestock insurance scheme than production characteristics. Production factors influenced poultry farmers' willingness to subscribe to a livestock insurance scheme more than socio-economic factors, while socio-economic characteristics influenced pig farmers' willingness to subscribe to a livestock insurance scheme more than production factors.

5. RECOMMENDATION

There is a need for MINEPIA to setup a National Livestock Insurance Policy and for insurance companies to translate this policy into scheme for poultry and pig farmers.

Farmers need to be sensitised on the importance of getting insurance as a risk management measure.

Insurance companies can start piloting LFI with poultry farmers in the Mifi Division. The second pilot phase can be with pig farmers in the Bamboutous Division.

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