Tool Description Sheet

1. **Purpose:** to measure real willingness-to-pay (WTP) for seed and willingness-to-adopt (WTA) seed by individuals and groups. To determine the monetary value people place on non-market goods with different qualities/traits. The method is based on non-hypothetical situations where subjects exchange real money for a real good in an active market.

2. **Level:** individual to small group

3. **Users of the tool:** early generation seed (EGS) business actors, seed market analysts, seed intervention designers, implementers, evaluators, and analysts

4. **Output of the tool:** identification of market segments and share of the product, understanding of market demand for the product (e.g. seed)

5. **Audience of the output of the tool:** the users mentioned above, breeders, policy makers, lobbyists, and donors

6. **Minimum sample size:** random sampling design and power calculation is required for a larger study

7. **Resources:**
   a. number of people: enough participants to hold an auction, minimum 4 enumerators, plus a well-trained main auctioneer and back-up auctioneer
   b. equipment: paper, pen, flipchart, microphone, speaker, and computer. A tablet, if data collection is digital. Samples of the seeds to be auctioned
   c. expertise: agricultural economics, agribusiness, agronomy, and business development, knowledge of seeds and varieties, interviewing skills

8. **Timing:** this tool can be used at any time. For example, it can be used near the start of the intervention to learn farmer demand for seed types, and again near the end of the project to see how demand has changed in response to the project.
9. **Duration:** An auction requires at least 3 hours, including an interview with each subject before and after the auction. Pre-surveys may require 20-60 minutes, the auction lasts 60 minutes, and a post survey might take 20-45 minutes depending on the length of the questionnaires, the number of products and bidding rounds, and the number of subjects.

10. **Steps:**
    a. Identify at least one product and location for the auction
    b. Design experimental auction rounds for measuring interventions
    c. Develop questionnaires (for before and/or after the auction), bidding sheets, and identify an appropriate sample size for the auction, based on a sampling design and a statistical power calculation
    d. Develop an analytical framework for measuring WTP and its determinants
    e. Develop a script sheet for conducting an auction and train enumerators and auctioneer(s). If possible, have an assistant auctioneer
    f. Make sure that subjects do not interact with each other during the auctions. If subjects are illiterate, the enumerators must help them to fill in their bidding sheets

11. **Which methods can be used in combination with the tool:** short questionnaires (to gather data on the participants before and after the auction). A literature review about the crop and the region will help to design the research. Laddering can help to identify key preference/traits to be valued in the auctioned products.

12. **Gender:** gender differences can be analyzed in two areas i) risk aversion, trust, deception and ii) leadership. Gender responsiveness level 1: gender can be a significant factor in this tool, depending on how the researchers use it, and their research questions.


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