

EFFECTS OF ENVIRONMENTAL IMPACT INFORMATION ON WILLINGNESS TO
PAY FOR GENETICALLY MODIFIED PRODUCTS

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ABSTRACT

VanWechel, Tamara Renae, M.S., Program of Natural Resources Management, Department of Agribusiness and Applied Economics, College of Agriculture, North Dakota State University, May 2002. Effects of Environmental Impact Information on Willingness to Pay for Genetically Modified Products. Major Professor: Dr. Cheryl J. Wachenheim.

The use of genetically modified crops has increased in U.S. agriculture. There is limited information available about consumer willingness to pay for genetically modified food products. Firms throughout the marketing channel will benefit from this information and from that regarding consumer knowledge or perceptions about biotechnology. An experimental auction was conducted using muffins, cookies, and chips. Participants were provided positive, negative, or no information regarding the effects of genetically modified crops on the environment. A tobit regression was used to analyze whether this impact information, attitudes, or socioeconomic characteristics affect willingness to pay.

Results indicate that, overall, pro and con information had effects contrary to economic theory but influenced specific groups of people in a way consistent with expectations. Thus, promotional marketing efforts could be effective for specific groups of people.