1. INTRODUCTION

Direct sale from producers to consumers is still in its infancy in Spain, while it has enjoyed a longer history in France. The degree of development of the different forms of direct sales may also vary among regions within the same country.

2. OBJECTIVES

This study applies the contingent valuation methodology to investigate consumers' willingness to pay for direct sales of beef across the Pyrenees. The aim is to detect the most receptive consumers' segment towards direct sales in beef.

3. SURVEY

- Size: 1219 consumers (at least 299/region)
- Place: Main cities of Aragón and Cataluña in Spain, Midi-Pyrénées and Languedoc-Roussillon in France
- Date: September-April 2011
- Target population: Regular consumers of beef, involved in food shopping
- Main content: Purchasing and consumptions of beef

Use of direct sales for food/beef

Perceptions about direct sales

4. METHOD

- Double-bounded model was estimated
- 10 initial bids (Bid_0) were employed per region
- Average beef market price/region was used as reference

5. RESULTS

% premium WTP over traditional distribution

French consumers in Midi-Pyrénées and Languedoc-Roussillon show the biggest differences

Positive perceptions towards direct selling influence positively consumer's WTP

Familiarity and search for variety account amongst the most influential characteristics on WTP

WTP for direct sales in beef across consumer's segments and regions

- Bid_0 was ±5% the average and the own average
- If Bid_0 > Average price → Next bid was modified by +15%/-5%
- If Bid_0 < Average price → Next bid was modified by ±10%

CONCLUSIONS

- Relevant differences are found between countries, but mainly within regions of the same country
- Consumers already involved with direct market chains in food purchases in general and beef in particular are more willing to pay a premium over a traditional distribution system
- The same occurs with those who regularly consume a large variety of beef cuts or are high-experienced at purchasing, cooking and consuming beef
- The belief that direct sales improve freshness, the guarantee of the whole process, the producers' income also induces a positive premium differential
- These findings are promising for the development of the market at the South of the Pyrenees

Example of contingent valuation in Aragón

Considering that the average price of beef in Aragón is 9,25€/kg, are you willing to pay 46,25 € for the beef lot (5,26Kg) home-delivered by the farmer?

If your answer is YES: Are you willing to pay 50,88 € (10,18€/kg) ?

If your answer is NO: Are you willing to pay 41,63 € (8,33€/kg) ?

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