Introduction

Rice is a major economic crop of Thailand.
- 65% of agricultural household growing rice
- cover > 50% of agricultural areas
However, the majority are poor with debt due to:
- high inputs cost
- overuse of chemicals
- unfair distribution of benefits along the supply chain.

One possible solution is to sale products under Fairtrade label, but
- Fairtrade market is very small and mainly in Europe
- the certification processes are very complicated and costly.
- not known by Thai consumers: They confuse with numbers of existing guarantee labels.

Research Question: Is it possible to develop local “Fairtrade Thailand” to solve farmers poverty problem?

Objectives

- To investigate consumers’ understanding regarding safety and environmental friendly labels.
- To estimate Consumers willingness to pay (WTP) for “Fairtrade Thailand” label in Jassmine (Horn Mali) bag rice.
- To analyze the impact of knowledge on WTP to safety and environmental friendly labels.

Methodology and Data

- The data was collected from 407 consumers in Bangkok, Thailand.
- The choice experiment technique was employed and estimated by Mixed logit
- Attribute and levels are:

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>quality guarantee label</td>
<td>1. without</td>
</tr>
<tr>
<td>Production quality certification</td>
<td>1. without</td>
</tr>
<tr>
<td>“Fair Trade Thailand” certification</td>
<td>1. without</td>
</tr>
<tr>
<td>Price (5 kg Bag Rice)</td>
<td>1. 200 Baht/bag</td>
</tr>
</tbody>
</table>

The empirical model was estimated with the interaction between labels and knowledge about those labels to see the impact of knowledge on WTP.

Example of choice task

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Do not know the meaning of label</th>
<th>Know the meaning of label</th>
<th>Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>organic claim on the packaging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Fair Trade Thailand”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>production standard</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Main Conclusions

- Consumers are lack of knowledge/understanding about the meaning of certified labels.
- Consumers support the concept of “Fairtrade Thailand” and WTP for “Fairtrade Thailand” products to solve farmers poverty problem. It is possible to “Fairtrade Thailand” certification system
- Knowledge/understanding about the meaning of certified labels have an impact on consumers’ WTP. Therefore, educate consumer about the label meaning will create the market for high standard food product.

Only 3% know Fairtrade Label, about 93% support “Fairtrade Thailand” concept

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