

The organic consumers' willingness to Pay for food produced with re-circulated nutrients, barriers and facilitators

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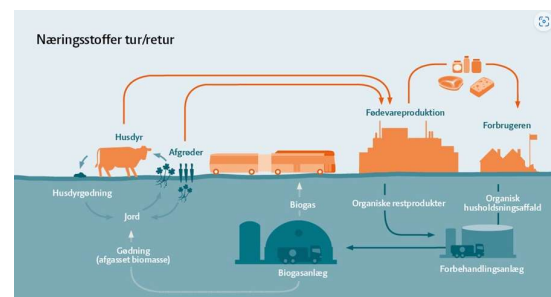
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Why is recirculation a good idea?

- Nitrogen and phosphorous are essential for food production, but phosphorous reserves are declining, nitrogen production has huge environmental and climatic consequences
- As organic food production is increasing there is an increasing need for “natural” fertilizers since artificial fertilizer are not allowed.
- Re-cycling of nutrients from urban-areas could solve some of these problems
- Gasified biological household waste, gasified biological waste from the food industry and sewage bio-solids are good candidates
- No proven risks to humans involved with the use of these for food production



Source: School material from Landbrug&Fødevarer [Recirkulering af næringsstoffer i økologisk produktion \(lf.dk\)](#)

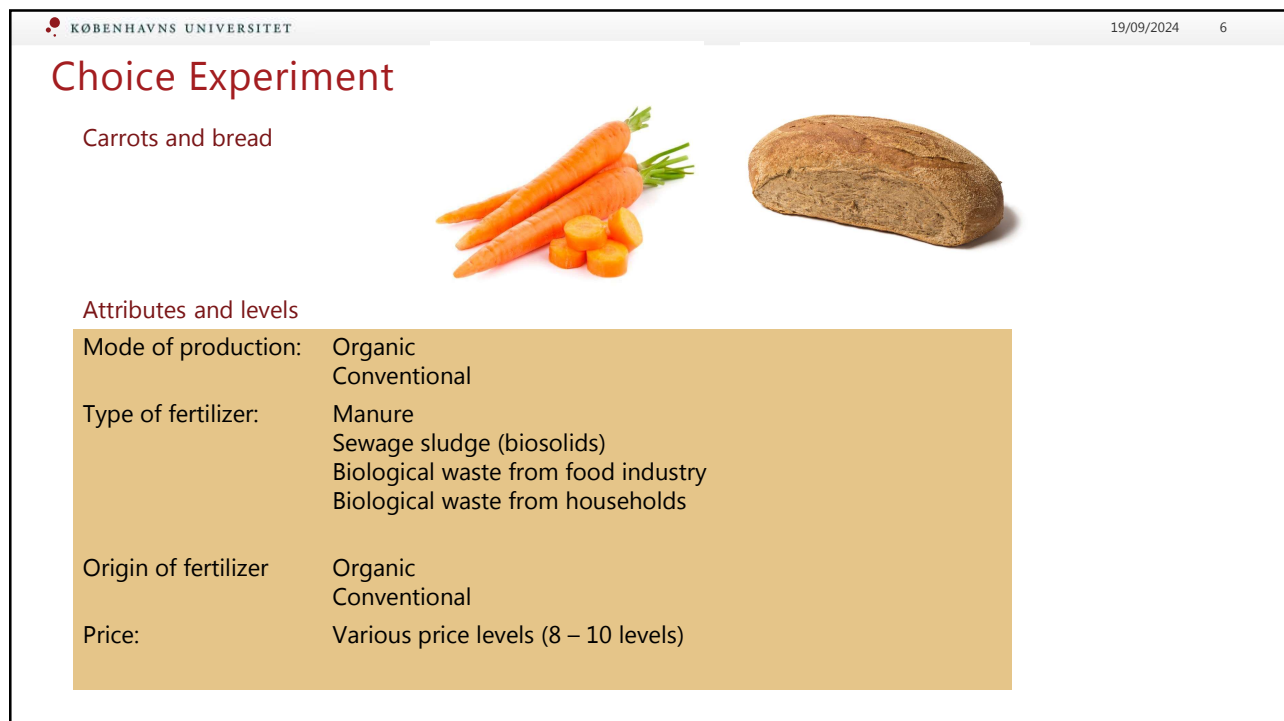
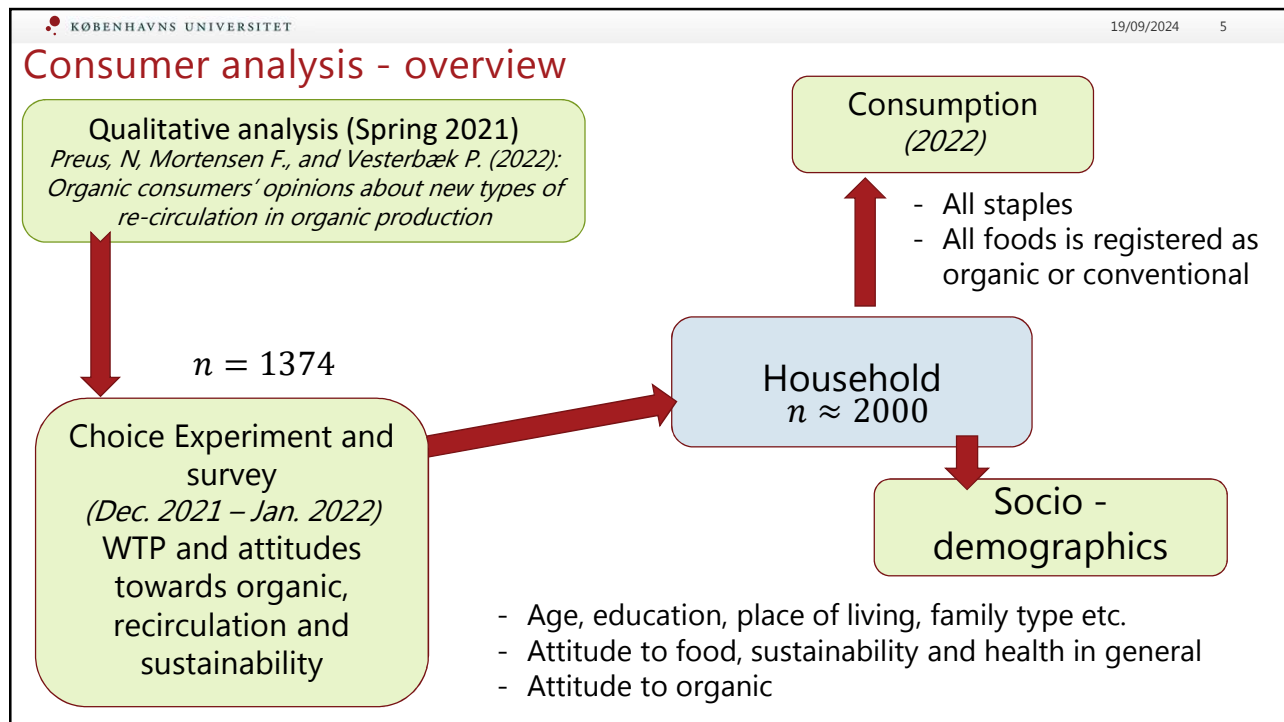
What about the consumer?

- Consumers are found to have low awareness and knowledge about current fertilizer practices and methods in agriculture, to have low knowledge about hazards, but still to have strong opinions on the matter
- Consumer acceptance of re-circulation is not necessarily based on objective risks and benefits associated with the use of these
- Knowledge about consumers attitudes towards re-circulation of nutrients and how to communicate with the consumers is important



Research questions, this presentation


- RQ1: What is consumers' Willingness to Pay (WTP) for foods grown with recirculated nutrients as fertilizers? Does this change with level of organic consumption?
- RQ2: How does attitudes, as e.g. perceived risks and perceived benefits associated with recirculation affect this WTP. Does this differ between levels of organic consumption?



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Choice Experiment

Carrots and bread



Manure: Manure is a mixture of livestock urine and excrement. The manure is stored in manure tanks until it is ready to be brought out onto the farmland. Livestock manure must be brought onto the field just before or at the start of the growing season

Biological household waste: Source-sorted biological waste from households (the green bio bin) and commercial kitchens. The waste is composted or has been through biogas production (gasification) before being used on agricultural land

Biological waste products from the food industry: The food industry has many residuals from the production of food. This can, for example, be fish waste, or peels and residues from vegetables. The residual products are composted or have been through a biogas production (gasified) before use on the agricultural land.

Bio-solids from waste water: Bio-solids is purified biological material from waste water treatment, which is both mechanically, biologically and chemically treated, and has been through biogas production (gasified). Food crops must not be grown until at least one year after the fields have been fertilized

Attributes and levels

Mode of production:

Type of fertilizer:

Origin of fertilizer



Price:

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Choice cards

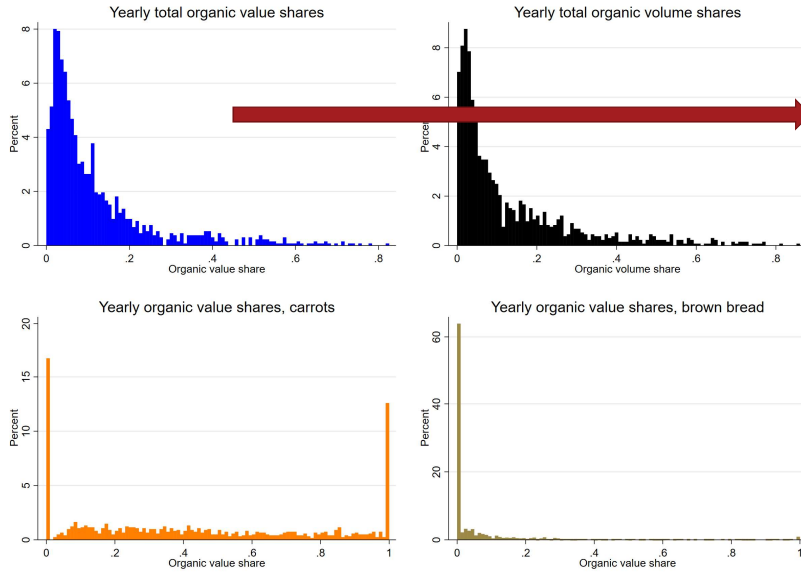
- Consumers are told to imagine an everyday situation in the supermarket and that there is three bundles of carrots/brown breads that are equal in terms of appearance and taste.
- The only difference is mode of production, what fertilizers has been used and the price

Examples of choice-cards

	Gulerodstype 1	Gulerodstype 2	Gulerodstype 3		Brødtype 1	Brødtype 2	Brødtype 3
Produktionsform	Økologisk	Økologisk	Konventionel	Produktionsform	Konventionel	Økologisk	Konventionel
Godningstype	Husdyrgylle	Organiske restprodukter fra fødevarerindustrien	Organiske restprodukter fra fødevarerindustrien	Godningstype	Husdyrgylle	Organisk materiale fra spildevand	Organisk husholdningsaffald
Godningsoprindelse	Økologisk	Økologisk	Blandet	Godningsoprindelse	Blandet	Blandet	Blandet
Pris	18 kr. per kg.	15 kr. per kg.	9 kr. per kg.	Pris	21 kr. per brød	27 kr. per brød	18 kr. per brød
Vælg et produkt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vælg et produkt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 8 choices with carrots, 8 choices with brown bread
- We estimate a Random Parameter Logit with correlation and derive individual WTP for the respondents (conditionals)

Coupling with actual organic consumption



We use the organic budget-share to construct three groups of interest

Light users. < 2.5 % of the food budget on organic food

Medium users. 2.5 – 10% of the food budget on organic food

Heavy users. > 10 % of the food budget on organic food

Results RQ1) WTP for foods grown with recirculated nutrients as fertilizers? Does this change with level of organic consumption?



	MNL		RPL		RPL w. corr.		Cond.
	Parm	Rob.s.e.	Parm	Rob.s.e.	Parm	Rob.s.e.	Parm
ASC	0.02	0.03	0.2297	0.23	-0.45	0.25	
β_{org}	2.87 ***	0.31	2.50 ***	0.37	2.66 ***	0.40	2.69
std. β_{org}			11.75 ***	0.56	2.01 *	1.61	
β_{HWaste}	4.31 ***	0.51	3.12 ***	0.49	4.16 ***	0.50	-4.32
std. β_{HWaste}			11.09 ***	0.63	7.27 ***	1.35	
β_{FWaste}	-1.00 ***	0.31	-1.26 ***	0.32	-0.83 ***	0.33	-0.72
std. β_{FWaste}			8.08 ***	0.43	5.70 ***	0.81	
β_{WWaste}	-2.28 ***	0.37	-3.97 ***	0.45	-3.96 ***	0.46	-3.30
std. β_{WWaste}			11.79 ***	0.60	12.28 ***	0.61	
$\beta_{fert.org}$	0.45	0.33	1.09 ***	0.21	0.03	0.27	0.06
std. $\beta_{fert.org}$			5.84 ***	0.37	5.63 ***	0.36	
LogLik	-9926		-8198		-7818		
Rho sgr.	0.1008		0.2574		0.2918		
Adj. Rho sgr.	0.1002		0.2563		0.2898		
AIC	19866		16419		15680		
BIC	19917		16506		15839		

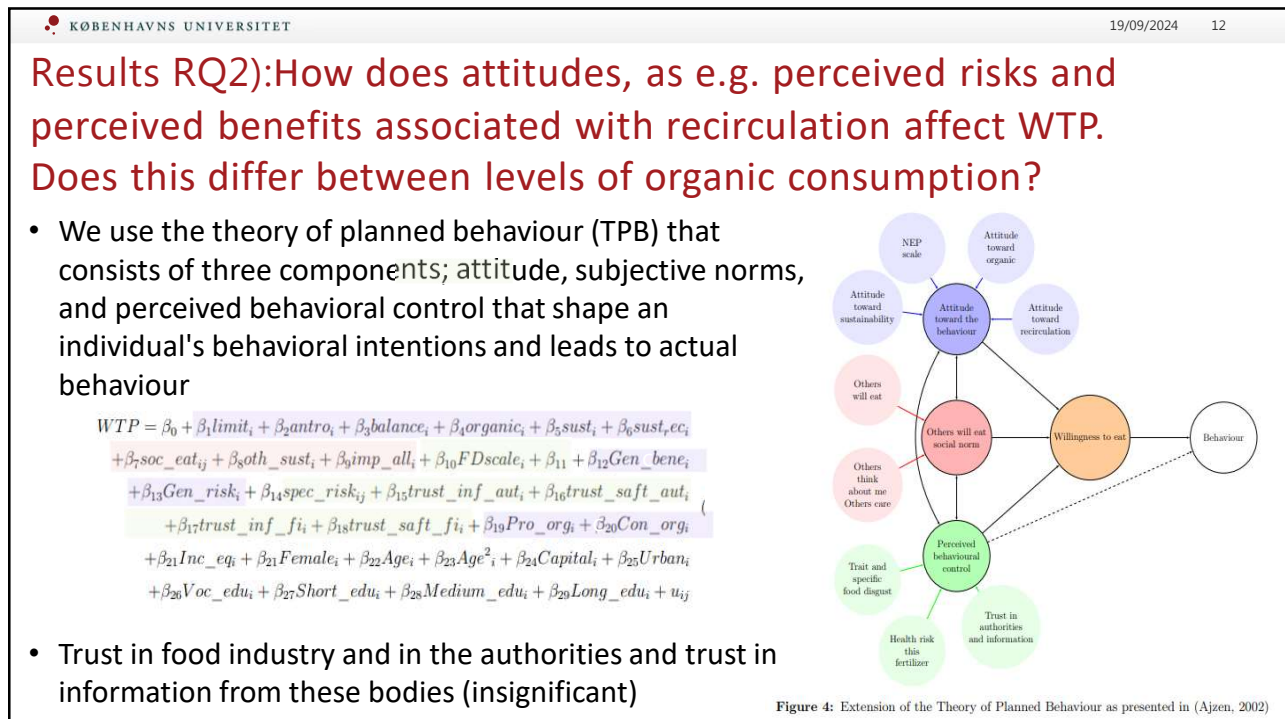
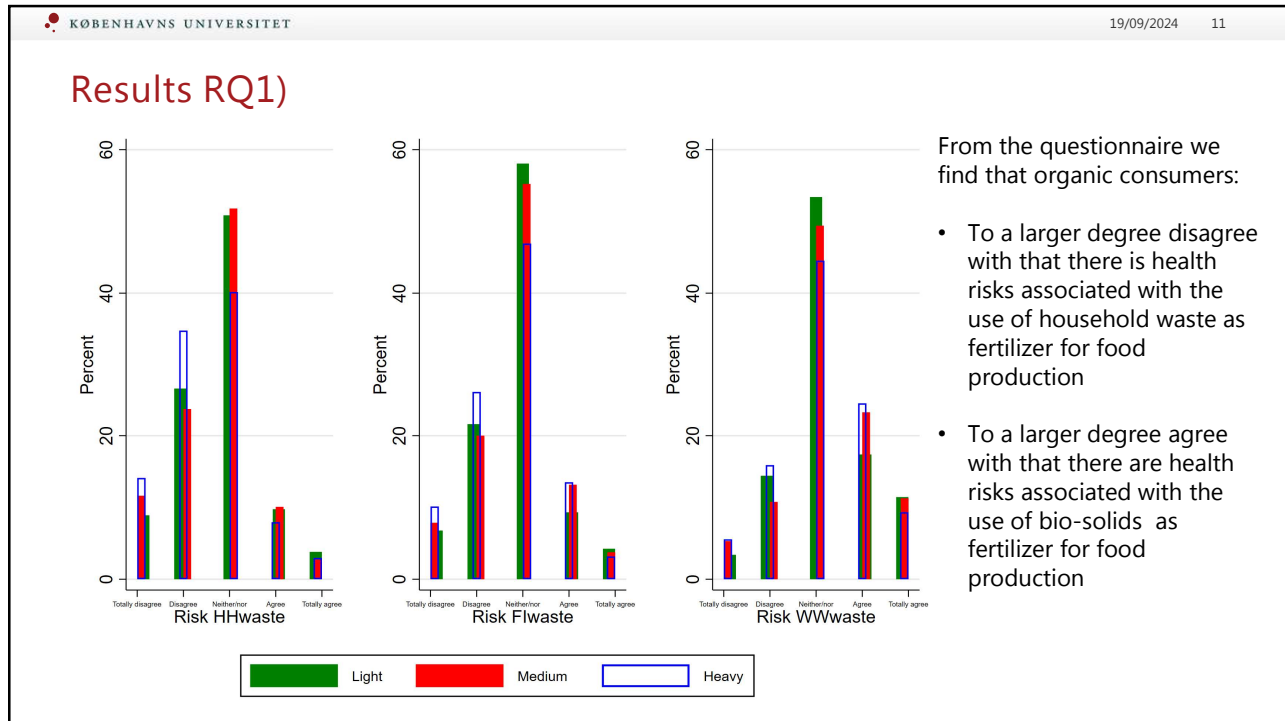


	Brown bread				
	Hwaste	Iwaste	Wwaste	Organic	Fert. Org
Light users	3.84	0.42	-1.61	-4.53	-3.47
Medium users	3.58	-1.04	-3.55	0.20	-1.15
Heavy users	5.22	-0.98	-4.06	9.34	3.29



	MNL		RPL		RPL w. corr.		Cond.
	Parm	Rob.s.e.	Parm	Rob.s.e.	Parm	Rob.s.e.	Parm
ASC	0.07	0.05	0.23	0.25	-0.50 **	0.23	
β_{org}	3.24 ***	0.28	3.93 ***	0.39	4.73 ***	0.38	4.47
std. β_{org}			12.25 ***	0.53	9.18 ***	0.70	
β_{HWaste}	1.08 ***	0.34	0.59 *	0.32	0.37	0.31	0.33
std. β_{HWaste}			6.52 ***	0.30	3.51 ***	1.13	
β_{FWaste}	-0.73 ***	0.35	-1.01 ***	0.32	-1.98 ***	0.31	-1.96
std. β_{FWaste}			6.15 ***	0.46	4.58 ***	0.68	
β_{WWaste}	-1.80 ***	0.33	-3.19 ***	0.36	-3.72 ***	0.31	-3.64
std. β_{WWaste}			6.62 ***	0.35	5.80 ***	0.41	
$\beta_{fert.org}$	1.93 ***	0.27	1.76 ***	0.21	0.70 ***	0.21	0.66
std. $\beta_{fert.org}$			3.54 ***	0.29	3.41 ***	0.34	
LogLik	-10214		-8200		-7829		
Rho sgr.	0.0963		0.2715		0.3073		
Adj. Rho sgr.	0.0957		0.2735		0.3053		
AIC	2042		16424		15703		
BIC	20493		16510		15863		

- WTP for food produced with biological household waste is positive (significant for bread) and increase with the level of organic consumption
- WTP for food produced with biological waste from the food industry is negative and does not vary systematically with the level of organic consumption
- WTP for food produced with bio-solids is large and negative and decrease with the level of organic consumption
- It is only for heavy users of organics that there is a positive WTP for fertilizer of organic origin



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How the questionnaire matches the elements in the TPB

Question battery	
1 and 2	Warm up questions
Choice Experiments (16 choices)	
3, 4 and 5	Validation questions in relation to Choice Experiments
6	Questions concerning the consumers attitudes to the specific fertilizer type that are applied in this project
7	Questions concerning organic
8	Questions concerning sustainability
9	Questions concerning the consumers' general attitude to re-circulation
10	The 10 item Food Disgust Scale (Hartmann and Siegrist, 2018)
11	The 15 item New Ecological Paradigm scale (Dunlap et al., 2000)
12	Questions concerning the consumers trust in authorities, the food industry and in other humans.
13	Questions concerning social acceptance and how important this is for own behaviour

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Attitudes and values





Figure 10: Description of the basis of planned behavior as presented in Libera, 2002

- Factor analysis on NEP scale, finding three factors (value orientations), limits to growth, human domination of nature and balance of nature
- Factor analysis on sustainability finding three factors, one interpreting sustainability to be in balance with nature, one that relates sustainability to organic production and a last that sustainability is related to fairness
- Another variable concerns the relationship between sustainable and recycling of nutrients, which is used as it is

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Social Norms



- It is important to me that others consider me as someone who care a lot about sustainability (soc_sustain)
- I think that people that are important to me don't mind eating foods fertilized with(soc_others)

Question battery	
1 and 2	Warm up questions
Choice Experiments (16 choices)	
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Perceived behavioural control, risk and benefits

Question battery	
1	Health risks
3	Disgust
6	Residuals
7	Questions concerning
8	Questions concerning
9	Questions concerning
10	The 10 item Food I
11	The 15 item New E
12	Questions concern
13	Questions concern
Benefit	humans.
General risk	own behaviour

6. To which extent do you agree with?

	Totally disagree	Disagree	Neither/nor	Agree	Totally agree
I believe that this type of fertilizer poses a health risk when used for food production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is disgusting to use this type of fertilizer for food production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This type of fertilizer contains too many residuals to be used on agricultural land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I do not mind eating food produced with this fertilizer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9 To which extent do you agree with?

	Totally disagree	Disagree	Neither/nor	Agree	Totally agree
Re-circulation of nutrients is sustainable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-circulation of nutrients is an important element in the green transition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is a waste of resources not to recirculate nutrients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is too many risks involved in recirculation of nutrients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Perceived behavioural control

Question battery	
1 and 2	Warm up questions
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Figure 6. Manipulation of The theory of planned behavior as generated in (Ajzen, 2002)

- Food Disgust scale
- Trust in information from authorities and from the food industry
- Trust in authorities, farmers and food industry

Results - WTP

Table 3: Household waste

VARIABLES	(1)	(2)	(3)
NEP-limits	-1.10 (0.860)	0.20 (0.579)	-1.06* (0.592)
NEP-antro	0.01 (0.853)	0.72 (0.542)	0.57 (0.606)
NEP-balance	-0.84 (0.728)	-0.16 (0.471)	0.33 (0.552)
SUST-holistic	-1.52* (0.890)	-0.68 (0.551)	0.55 (0.717)
SUST-org	1.23 (1.185)	1.45** (0.630)	-1.28* (0.757)
SUST-rec	0.37 (1.658)	-0.91 (0.946)	-0.67 (1.054)
SOC-eat	-1.01 (1.003)	1.79*** (0.606)	1.02 (0.706)
SOC-sustain	0.05 (0.808)	0.17 (0.573)	-0.67 (0.570)
SOC-imp-all	-0.95 (1.247)	-0.42 (0.684)	2.18** (0.848)
FDscale	0.02 (0.096)	-0.09 (0.057)	-0.10 (0.073)
REC-bene	0.54 (0.759)	-0.20 (0.416)	-0.31 (0.462)
REC-risk	0.80 (1.263)	-1.14 (0.701)	-0.92 (0.755)
Risk-IIIwaste	-2.41*** (0.848)	-0.97* (0.499)	-0.66 (0.561)
Trust-info-aut	1.40 (1.315)	-0.44 (0.788)	0.65 (0.859)
Trust-safe-aut	-1.57 (1.295)	1.24 (0.757)	-0.25 (0.804)
Trust-safe-FI	1.81 (1.519)	-0.15 (0.858)	0.19 (0.913)
Trust-info-FI	-2.01 (1.533)	-0.52 (0.853)	-1.11 (0.955)
Observations	181	493	414
R-squared	0.197	0.116	0.093

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 4: Foodindustry waste

VARIABLES	(1)	(2)	(3)
NEP-limits	0.13 (0.669)	-0.24 (0.439)	-0.35 (0.441)
NEP-antro	0.61 (0.674)	0.29 (0.411)	0.50 (0.432)
NEP-balance	-0.10 (0.566)	-0.08 (0.356)	-0.07 (0.415)
SUST-holistic	-1.63*** (0.696)	-0.93** (0.419)	0.33 (0.538)
SUST-org	1.53* (0.926)	0.90* (0.478)	-0.58 (0.568)
SUST-rec	0.42 (1.282)	-1.35* (0.721)	-0.53 (0.790)
SOC-eat	0.06 (0.870)	2.29*** (0.453)	1.76*** (0.525)
SOC-sustain	-0.08 (0.625)	-0.37 (0.430)	-1.02** (0.434)
SOC-imp-all	-1.66* (0.952)	-0.50 (0.516)	1.32** (0.536)
FDscale	-0.00 (0.075)	-0.11** (0.043)	-0.14*** (0.054)
REC-bene	0.34 (0.585)	0.28 (0.318)	-0.16 (0.349)
REC-risk	0.07 (1.046)	-0.05 (0.524)	-0.51 (0.573)
Risk-FIwaste	-0.98 (0.793)	-1.58*** (0.384)	-1.16*** (0.441)
Trust-info-aut	0.11 (1.027)	-0.31 (0.602)	-0.04 (0.646)
Trust-safe-aut	-0.26 (1.011)	-0.01 (0.574)	-0.19 (0.606)
Trust-safe-FI	0.66 (1.181)	-0.17 (0.651)	-0.03 (0.687)
Trust-info-FI	0.00 (1.533)	0.39 (0.853)	-0.25 (0.955)
Observations	181	493	414
R-squared	0.166	0.198	0.174

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 5: Biosolids

VARIABLES	(1)	(2)	(3)
NEP-limits	-0.52 (0.985)	0.13 (0.650)	-0.36 (0.602)
NEP-antro	-0.19 (0.998)	0.68 (0.605)	1.16* (0.614)
NEP-balance	-0.57 (0.834)	-0.26 (0.523)	0.20 (0.566)
SUST-holistic	-1.08 (1.036)	-0.61 (0.622)	0.21 (0.734)
SUST-org	0.09 (1.372)	0.70 (0.706)	-1.02 (0.775)
SUST-rec	-0.67 (1.883)	-1.15 (1.067)	0.02 (1.083)
SOC-eat	1.55 (1.254)	3.07*** (0.620)	1.88*** (0.663)
SOC-sustain	-0.40 (0.922)	-0.32 (0.636)	-1.11** (0.589)
SOC-imp-all	-2.88** (1.395)	-1.03 (0.757)	2.27*** (0.866)
FDscale	-0.05 (0.110)	-0.09 (0.063)	-0.13* (0.073)
REC-bene	0.58 (0.855)	0.18 (0.465)	-0.29 (0.478)
REC-risk	0.42 (1.490)	-1.40* (0.799)	-0.77 (0.788)
risk-biosolids	-3.21*** (1.038)	-1.50*** (0.568)	-1.42** (0.573)
Trust-info-aut	1.27 (1.522)	-0.53 (0.880)	-0.19 (0.883)
Trust-safe-aut	-0.72 (1.492)	0.45 (0.844)	0.17 (0.821)
Trust-safe-FI	1.58 (1.774)	0.13 (0.956)	0.12 (0.934)
Trust-info-FI	-1.52 (1.807)	-0.09 (0.950)	-0.92 (0.980)
Observations	181	493	414
R-squared	0.265	0.211	0.169

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Results - WTP

Table 3: Household waste

VARIABLES	(1)	(2)	(3)
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SUST-holistic	-1.52* (0.890)	-0.68 (0.551)	0.55 (0.717)
SUST-org	1.23 (1.185)	1.45** (0.630)	-1.28* (0.757)
SUST-rec	0.37 (1.658)	-0.91 (0.946)	-0.67 (1.050)
SOC-eat	-1.01 (1.003)	1.79*** (0.606)	1.02 (0.706)
SOC-sustain	0.05 (0.808)	0.17 (0.573)	-0.67 (0.579)
SOC-imp-all	-0.95 (1.247)	-0.42 (0.684)	2.18** (0.848)
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REC-bene	0.54 (0.759)	-0.20 (0.416)	-0.31 (0.462)
REC-risk	0.80 (1.263)	-1.14 (0.701)	-0.92 (0.755)
Risk-IIIwaste	-2.41*** (0.848)	-0.97* (0.499)	-0.66 (0.561)
Trust-info-aut	1.40 (1.315)	-0.44 (0.788)	0.65 (0.859)
Trust-safe-aut	-1.57 (1.295)	1.24 (0.757)	-0.25 (0.804)
Trust-safe-FI	1.81 (1.519)	-0.15 (0.858)	0.19 (0.913)
Trust-info-FI	-2.01 (1.533)	-0.52 (0.853)	-1.11 (0.955)
Observations	181	493	414
R-squared	0.197	0.116	0.093

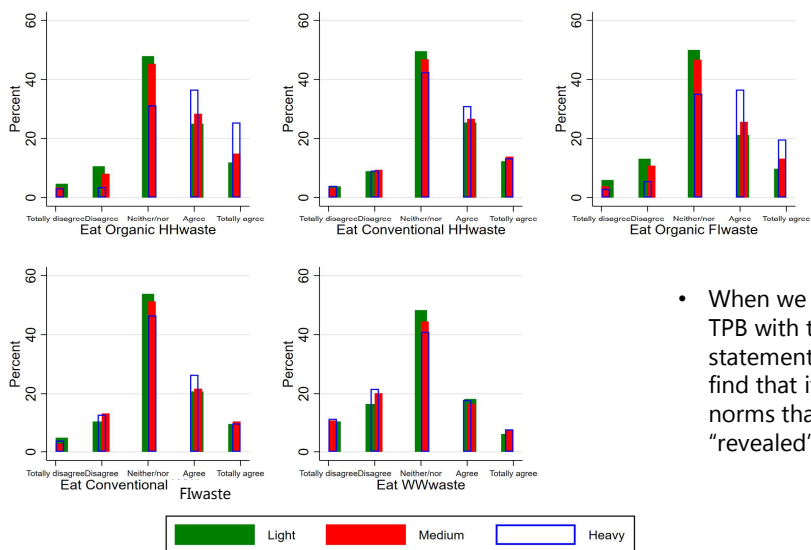
Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

- Value orientations have no systematic effect on WTP
- Attitudes towards recirculation or sustainability have no systematic effect on WTP
- Social norms have a positive effect
 - The perception that important others will eat food produced with the specific fertilizer has a strong and positive effect for all, but decreasing with level of organic consumption
 - The attitude that it is important that we all contribute to the green transition has a positive effect for heavy users –(bio-solids and food industry waste)
 - That it is important that others see me as someone that care about sustainability has a negative effect for heavy users (bio-solids and food industry waste)
- The food disgust scale has a negative effect for medium and heavy users (food industry waste and bio-solids)
- General risk and benefits of recirculation has no effect
- Specific risks has a high and significant effect, which is larger for food industry waste and largest for bio-solids and has a tendency to be more important for light users

Observations 181 493 414
R-squared 0.166 0.198 0.174
Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Observations 181 493 414
R-squared 0.265 0.211 0.169
Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Results RQ2)



If we consider stated behaviour this follow the WTP results

- Organic consumers agree to a larger degree that they are willing to eat food produced with organic household and food industry waste, but also conventional household waste.
- When we estimate the model based on the TPB with the 5 stated willingness to eat statements as the explained variables we find that it is specific risk and the social norms that has an effect, hence stated and "revealed" behaviour is somewhat similar.

Concluding remarks

- There seem to be a market for food produced with biological household waste, especially for organic foods
- It is only for heavy organic consumers that it is of importance that the waste is of organic origin
- Food produced with food industry waste need some kind of subsidy to be viable as a market as there is a negative WTP. This is universal across levels of organic consumption
- There is a negative WTP for food produced with bio-solids which is especially pronounced among organic consumers
- Value orientations and attitudes have no systematic effect on WTP for food produced with recirculated fertilizers, however perceived risks and social norms do
- Increasing consumers' acceptance of recirculated nutrients should therefore focus on changing the norms regarding recirculation and communicating about the absence of risks by using recirculated fertilizers.