



## Eco label and Fairtrade





## Label performance and the willingness to pay for Fair Trade coffee: a cross-national perspective

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In this paper, authors investigate how label information detailing the performance of the Fair Trade labelling programme with respect to coffee affect consumers' willingness to pay in the US and in Germany. It provides respondents (university students in the US and Germany) information regarding the hypothetical benefits of the Fair Trade coffee programme on its intended beneficiaries on the production side - the revenue gains to participating marginal farmers (scope of the programme) and, using stated preference conjoint methods, test how this performance criterion relates to the willingness to pay for Fair Trade coffee. Empirical results identify a 'threshold' property of performance-based labels. In effect, the willingness-to-pay for performance-based Fair Trade labelled coffee exhibits an inverted U shape in the sense that the willingness to pay is positively related to the scope of the programme, but only up to a critical level. Thereafter, the willingness to pay declines as the income gains to participating growers increase further. Interestingly, this inverted U property is exhibited by both the US and German respondents with different critical thresholds.

### Keywords:

Willingness to pay, Poverty Aversion, Inequality Aversion, Stated Preference Methods, Conjoint Analysis, Cross-National Attitudes, Fair Trade

## Consumer Preferences for Eco, Health and Fair Trade Labels: An Application to Seafood Product in France

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How are consumer attitudes towards eco-labeled products affected by a profusion of labels? This article provides both theoretical and empirical insight into this issue. Assuming that consumers perceive a label both as a sign of quality and of a particular characteristic of a product, authors deduce theoretical determinants for preferences for three types of label: a health label, an eco-label and a fair trade label. Using a French survey on seafood products, the estimation of a rank-ordered multinomial logit with random intercepts shows a certain proximity between the profiles of pro-eco-label and pro-fair trade label consumers, whereas pro-health label individuals have a more distinct profile: The two former are more likely to be young men mainly concerned with fishing conditions, whereas the latter are older married women with children who pay attention to the product form. Authors relate preferences for labels to degree of altruism, environmental consciousness, and other socio-economic features.

### Keywords:

Environmental Preferences, Contingent Choice, Eco-Label, Seafood



## Food Labels Survey: 2014 Nationally- Representative Phone Survey

**Consumer Reports® National Research Center, Survey Research Report, 2014, 23 p.**

The consumer demand for more natural, environmentally friendly and socially-responsible food has proliferated. More than ever, consumers want to know exactly what is in their food; they are turning to food labels to provide this information. The Consumer Reports® National Research Center conducted a nationally representative phone survey to assess consumer opinion regarding the labeling of food. Survey showed that most U.S. consumers are environmentally and socially conscious when it comes to the food they eat; popular guiding principles when purchasing food include supporting local farmers, protecting the environment, and fair conditions for farm workers. In fact, fair trade conditions are so important to Americans, that most are willing to pay more to ensure their food was produced via fair working conditions. Findings also showed consumers expect more from natural and organic food labels. In addition, the vast majority of consumers want food labels to reflect different country origin, and if antibiotics or genetically modified ingredients were used at any stage of food production. Among Americans there is growing awareness of misleading food labeling practices; findings equivocally show that there is a consumer mandate for greater standardization and regulation of food labeling.

### **Keywords:**

Natural, Environmentally Friendly, Food Labels, Fair Trade, Natural and Organic Food Labels

## Measuring Consumer's Willingness to Pay for Organic and Fair Trade Products

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Previous research has extensively studied consumer's environmental and social concerns. However, measuring the value of the environmental or social dimension of a product remains a challenge. This paper proposes to partially fill this gap by measuring the double 'Fair Trade and organic' labels" value using an experimental method – the Becker-DeGroot-Marschak's mechanism. Two 'organic and Fair Trade' and two conventional chocolate products were tested on a sample of 102 consumers. Results show that organic and Fair Trade labels increase consumers' willingness to pay, and allow the identification of three consumers' clusters. The first cluster represents people insensitive to the label. For the second cluster, the 'organic and Fair Trade' labels" influence on the improving image of the products is positive and important. And finally, for the third cluster, the valuation of the 'organic and Fair Trade' label is determined by the product's taste. The research contributes to a better understanding of consumers' valuation of Fair Trade and organic labels, leading to the conclusions, which offer managerial implications with respect to this market (importance of taste and usefulness of double labels).

### **Keywords:**

Fair Trade, Organic Products; Taste, Labels, Experimental Method, Willingness To Pay, Organic Labels



## Ecolable and Its Environmental Countenance

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*Orissa Review*, October – 2009, 64 -71 p.

This article details the information on Indian eco labeling scheme. It describes the different groups of label like fair trade, product specific labels, national labels etc. It provides the information on the general criteria and requirements needed for eco label. Also explains the product specific criteria and number of products covered in Indian eco labeling schemes. It explains the role of BIS and mechanism of getting eco mark logo. It also gives the information on eco labelling schemes across the world.

### Keywords:

Fair Trade, Product Specific Labels, National Labels, Eco Label, Bureau of Indian Standards

## A conceptual framework for analyzing consumers' food label preferences: An exploratory study of sustainability labels in France, Quebec, Spain and the US

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In a qualitative study of 375 consumers in France, Quebec, Spain and the US, respondents are asked to choose between pairs of actual food labels and to describe the reason(s) for their choice. The food labels included sustainability labels (eco-labels, Fair Trade, origin) as well as product attribute (e.g. quality, kosher) and health/nutrition labels. Respondents' reasons were coded in the original language using the same coding system across all four nations to examine their preferences for label message, design and source. Authors also examined the role of consumers' values, beliefs and experiences on their label choices. The coding system was drawn from a review of theoretical and empirical literature and provides a conceptual framework that calls the Label Consumer Interaction model for evaluating consumers' food label preferences. Although this is case study, the results point to substantial differences across nations in terms of preferred labels, as well as the rationale for their choice in terms of attributes of the labels and consumer characteristics.

### Keywords:

Eco-Label, Fair Trade, Label Consumer Interaction Model, Sustainable Consumers



## **Green labelling, eco-certification and fair trade: Threats and opportunities for Namibia: A summary policy brief**

### **Kudakwashe Ndhlukula and Pierre du Plessis**

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**Windhoek: Polytechnic of Namibia, REEEI. 2009, 4p**

Namibia has undertaken a rapid trade and environment assessment, which identified potential green opportunities and likely threats from international trade law and technical standards. The assessment has ignited national debate among stakeholders from the often unconnected sectors of international trade, environment, agriculture, water, energy, tourism and others. Labels serve the purpose of allowing consumers to make comparisons and informed choices from among products and or services in a category. Environmental labels focus primarily on consumption rather than production of goods. Organic labels specify a particular production method without necessarily requiring proof of environmental improvement. Ecolabels communicate the environmental impacts over the life cycle of the product – “from cradle to grave” This policy brief highlights opportunities and areas for further attention and follow-up in the green labelling and eco-certification sectors.

This brief was summarised from the 'Green labelling, eco-certification and fair trade: Threats and opportunities for Namibia' by Kudakwashe Ndhlukula and Pierre du Plessis for Namibia's Rapid Trade and Environmental Assessment and edited by S. Montgomery

#### **Keywords:**

Green Labelling, Eco-Certification, Fair Trade

## **Promoting Sustainable Consumption: Good Practices in OECD Countries**

**Organisation for Economic Co-Operation and Development, 2008, 61p.**

This report highlights OECD government initiatives to promote sustainable consumption, with an emphasis on individual policy tools and instruments and their effective combination. In this study, sustainable refers to both the environmental (pollution, waste, resource use) and social (health, welfare) characteristics of products. It focuses on consumption by households and governments. It discusses government tools and instruments (e.g. standards, taxes, subsidies, communications campaigns, education) put in place to encourage sustainable consumption. It also discusses approaches for protecting consumers from misleading information on sustainability in areas such as labelling, advertising and corporate reporting. It discusses standards, mandatory and voluntary labelling and their relationship with trade how these are used as instruments for influencing sustainable consumer choices. The Fairtrade label and certification system is credible, having a number of standard criteria aimed at providing a livelihood and quality of life to small farmers in developing countries. This study is part of the OECD contribution to the UN Marrakech Process on Sustainable Consumption and Production. It draws on work being done within various OECD Committees (including the Environment Policy Committee, Committee on Consumer Policy and Trade Committee) and the seven Marrakech Task Forces led by OECD countries.

#### **Keywords:**

Green Labelling, Eco-Certification, Fair Trade, OECD Countries



## Do fair trade and eco-labels in coffee wake up the consumer conscience?

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**Ecological Economics, Vol. 53, 2005, 129-138p.**

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In this study, a face-to-face survey was conducted in order to reveal consumer preferences for ethical and environmentally sound labelling programs in coffee. Valuation questions regarding the fair trade, shade grown, and organic coffee labels were asked using a payment card format, after consumers were previously informed about each of the labeling programs. Results suggest that consumers are very receptive toward both fair trade and shade grown coffee labels, and consequently are willing to pay higher premiums for these labelling programmes than for the organic coffee.

### **Keywords:**

Green Labelling, Eco-Certification, Fair Trade, Organic Coffee