

"Who is the fairest ?" How to communicate on the price structure to promote the perceived fairness of the price paid to producers and the willingness to pay?

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Abstract

Producer remuneration is at the core of the debate with the EGalim 1 and 2 French laws. Thus, food brands are encouraged to communicate on their price structure and on the part that goes to the producer. The remuneration of producers is complex, especially in agricultural cooperatives, where producers are both suppliers and owners. The cooperatives buy their raw materials from producers who receive a share of the profits made. We question the interest of disclosing information about cooperative governance and member dividends. A between-subject experiment (N=262) shows that communication about price structure influences the perceived fairness of the price paid to the producer and the consumer's willingness to pay. For high CSR attitude consumers, the cooperative mention has a positive influence, but adding member dividend worsens the perceived justice for producers. For low CSR attitude consumers, the mention of cooperative governance is counterproductive and the mention of the member dividend has no effect. Our results call into question the value of informing consumers in a completely transparent way about the price structure of cooperatives.

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