

If it's fair to me, it's fair to him: how do consumers assess the fairness of the price paid to producers in agricultural cooperatives?

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Abstract

Today, many agri-food brands highlight their farmer remuneration practices in their advertising by promising to pay a fixed amount to the farmer. Agricultural cooperatives, on the other hand, are unable to implement this type of communication, as farmers' remuneration depends on the cooperative's sales, since they are interested in profits. The aim of this study is to understand whether it is possible to communicate with consumers about the procedure for setting remuneration, rather than the amount. Through two qualitative studies (individual interviews and focus groups), we analyze, according to the theory of justice (Folger and Cropanzano, 1998), how producer-cooperators and consumers evaluate the justice of producer-cooperators' remuneration. Our results show that elements of procedural justice predominate in the assessment of the justice of producer remuneration, but that producers and consumers do not define procedural justice for the producer in the same way.

Subject Areas: *Advertising, Attitude, Pricing*

Track: Pricing & Promotions