

Chitlada Chantavaro 2007: Assessing Customer's Safety Value for Watermelon Consumption in Bangkok. Master of Science (Agricultural Economics), Major Field: Agricultural Economics, Department of Agricultural and Resource Economics. Thesis Advisor: Assistant Professor Penporn Janekarnkij, Ph.D. 104 pages.

The study aims to explain consumers' behavior and perception in deciding to purchase watermelon as well as their awareness regarding toxins from chemicals residue in watermelon, determine the willingness to pay for consuming chemical safe watermelon, and examine factors affecting their willingness to pay. Contingent valuation method (CVM) is employed using data collected by interviewing 600 samples living in Bangkok.

It is found that 70% of the samples still purchase while 22% used to purchase and 9% have never purchased watermelon. The main reasons for those who stop purchasing watermelon include their concerns about chemicals residue in watermelon (43%) and their experience of illness in consuming watermelon (10%). About 50% of consumers purchase watermelon from the fresh market and about 30% from vendors. Of the total samples, 84% perceive that chemicals residue in watermelon can be harmful for their health.

Using the non-parametric and binary logistic models, it is found that a consumer is willing to pay at 28.55 and 29.87 Baht/kg, respectively for consuming chemical safe watermelon. When subtracting by the current price of normal watermelon at 12.00 Baht/kg, the result shows that the marginal benefit or value of watermelon safety is 16.55 and 17.87 Baht/kg from the two models. Results also show that the beginning price (bid) proposed by researchers has a negative effect while the agreement about the policy regarding good agricultural practice for watermelon has a positive effect on willingness to pay significantly.

If watermelon becomes chemically safe, a consumer is willing to pay more than double the price of normal watermelon. It is suggested that the policy that support and encourage the production of chemical safe watermelon should be initiated.

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