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**ABSTRACT CMD-04**

**Consumers' Willingness to Pay for Animal Welfare: A Cross-Border Comparison**

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Animal welfare issues have become increasingly important in recent years. In the Winter of 2008, California voters passed proposition 2, which mandates that all eggs produced in California must follow cage-free production techniques. Similar initiatives in Canada have begun to take shape on University campuses and among other animal-welfare interest groups (Potstra, 2008). Several studies suggest that consumers perceive products with animal-friendly attributes to have a higher quality due to ethical beliefs, taste, food safety or health benefits (Harper and Makatouni, 2002; Ophuis 1994; and Lusk et al. 2007). However, Uzea and Hobbs (2009) suggest that a subset of Canadian consumers having very high standards for animal welfare tend to drive the legislative forces that restrict production practices and potentially risk 'over-regulating' the industry. If consumers see cage free eggs as having little to no differentiation from regular eggs then the WTP will not justify higher production costs and subsequent higher retail prices resulting in a decrease in demand. In this research, we used experimental methods to elicit consumers' WTP for cage-free eggs using samples from the general population in three regions: the Southwestern U.S., Eastern Canada and Western Canada. In addition to determining and comparing the WTP among these three groups, we investigate whether media coverage of this issue serves to shift consumers' demand for cage free eggs, rotate them, or a combination of the two. We simulate the welfare effects under each scenario and draw a number of policy conclusions.