

We cordially invite you to a presentation by

Alain Carpentier - INRA, Rennes, on:

“Why farmers consider pesticides the ultimate in crop protection: economic and behavioral insights” (with X. Reboud)

**April 01, 2019, 16.00-17.00
HG E23, ETH Zürich**

**Agricultural Economics and Policy Group
ETH Zurich
www.aecp.ethz.ch**



Abstract

Building on an extension of Prospect Theory (Kahneman and Tversky, 1979, 1992) proposed by Kőszegi and Rabin (2007), we show that loss averse farmers exhibit strong aversion toward crop health risks when pesticide prices are relatively low. Indeed, the cheaper the pesticides, the higher the crop protection levels farmers refer to when considering pesticide sprays, and the more they feel that choosing low crop protection levels entails unacceptable risk taking. Our analysis also suggests that pesticide prices play a more important role in farmers' crop protection choices than previously recognized.