

## 2009 School Seminar Series

Waikato Management School  
Te Raupapa



# How much are people willing to pay for better water quality and do they care about the impact on dairy farming?

Wednesday, 9 September 2009  
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### **Abstract**

Agricultural nutrient losses are a major contributor to water pollution throughout the world. While many European countries have already implemented regulatory measures, New Zealand has so far taken a voluntary approach through an accord between Fonterra and the government. However water quality in New Zealand is generally falling in parallel with a steady increase in farming intensity especially in dairying. Water pollution is now considered to be one of the most important environmental issues facing New Zealand and technical and regulatory mechanisms to reduce non-point source pollution from agriculture are the focus of an intensive research effort. This work should assist farmers and policy makers to identify the most cost effective options for achieving any given improvement in water quality.

Research described in this paper aims to complement existing research by developing appropriate methodology for valuation of water quality improvements in New Zealand. Identification and description of a realistic set of water quality attributes is necessarily complex thus tending to favour face to face survey methods, but low population density in many rural areas tends to make this method prohibitively expensive. This research shows how efficient design can be used to minimise sample size while still producing sufficiently accurate willingness to pay estimates. It is envisaged that this type of information will inform the policy process by allowing decision makers to consider both the costs and the benefits of different levels of water quality improvements.

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