

AJAE Appendix for “*Comparing Open-Ended Choice Experiments and Experimental Auctions: An Application to Golden Rice*”

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Note: The material contained herein is supplementary to the article named in the title and published in the *American Journal of Agricultural Economics (AJAE)*.”

Appendix A: Uniform-Price Auction Instructions

EXPERIMENTAL INSTRUCTIONS

General Instructions

You will be participating in an experiment about consumer decision making. Please read and follow the instructions carefully.

Specific Instructions

You will receive a total of ₱100 for participating in this experiment. This participation fee will be paid to you at the end of the auction.

The experiment involves an auction in two stages. Stage 1 is a practice round in which you will be asked to decide how much you would be willing to pay for a candy bar. In stage 2 you will be asked to decide how much you would be willing to pay for a new product.

You will submit your bidding price by writing this on a bid sheet. You cannot reveal your bids to any other participant. Any communication between bidders will result in an automatic penalty of ₱10.

Because we are doing this experiment in other sessions too, please do NOT make comments regarding anything related to this experiment with your colleagues, classmates or friends this week.

Please STOP here until the moderator tells you to continue.

A. Questionnaire

All of your responses will be kept confidential. Please circle the number to the left of the answer, if one is provided.

A-I. Demographic Questions

A1. What is your gender?

- 0. Male
- 1. Female

A2. How old are you?

_____ years old

A3. Education: Are you an undergraduate student?

- 3. No
- 4. Yes ----- go to question A6.

A4. What category below best reflects the level of your formal education?

- 0. No formal schooling
- 1. Some elementary
- 2. Elementary graduate
- 3. Some high school
- 4. High school graduate
- 5. Some college/2 year Associate Degree
- 6. College graduate
- 7. Post-graduate
- MS ____ PhD ____ Other (please specify): _____

A5. What is your current employment status?

- 0. Student
- 1. Employed part time (fewer than 40 hours per week)
- 2. Employed full time (40 or more hours per week)
- 3. Self-employed
- 4. Retired
- 5. Other (please specify): _____

A6. If a student, what is your current classification or year in college?

- 0. Freshman (below 34 units taken)
- 1. Sophomore (34-35 units taken)
- 2. Junior (70 units taken)
- 3. Senior (107-110 units taken)

A7. What is your course/major/field of specialization?

- 0. Agribusiness Management
- 1. Agricultural Economics
- 2. Economics
- 3. Agriculture
- 4. Biology
- 5. Other (please specify): _____

A8. How many people in your household are in the following age categories?

- Age 5 and younger _____
- Age 6 to 17 _____
- Age 18 to 39 _____
- Age 40 to 54 _____
- Age 55 and above _____

A9. We recognize that income is private information for some people. We ask this because income is often a very important determinant of people's decisions to purchase and eat certain types of foods. Again, this information will never be linked to your name, nor made available to anyone outside the research team. What is your total **individual monthly allowance and/or income before taxes** from all sources, including family or other sources of economic support)

(Note: For non-working college students)

- | | | | |
|----|---------------|-----|------------------|
| 0. | Less than 999 | 6. | 6,000 - 6,999 |
| 1. | 1,000 - 1,999 | 7. | 7,000 - 7,999 |
| 2. | 2,000 - 2,999 | 8. | 8,000 - 8,999 |
| 3. | 3,000 - 3,999 | 9. | 9,000 - 9,999 |
| 4. | 4,000 - 4,999 | 10. | 10,000 - 10,999 |
| 5. | 5,000 - 5,999 | 11. | More than 11,000 |

(Note: For working college and non-college students)

- | | | | |
|----|-----------------|-----|------------------|
| 0. | Less than 999 | 6. | 25,000 - 29,999 |
| 1. | 1,000 - 4,999 | 7. | 30,000 - 34,999 |
| 2. | 5,000 - 9,999 | 8. | 35,000 - 39,999 |
| 3. | 10,000 - 14,999 | 9. | 40,000 - 44,999 |
| 4. | 15,000 - 19,999 | 10. | 45,000 - 49,999 |
| 5. | 20,000 - 24,999 | 11. | More than 50,000 |

A10. What was your **family monthly income before taxes** from all sources, including household family members or other sources of economic support, rather than individual income)

- | | | | |
|----|-----------------|-----|-------------------|
| 0. | Less than 9,999 | 9. | 90,000 - 99,999 |
| 1. | 10,000 - 19,999 | 10. | 100,000 - 109,999 |
| 2. | 20,000 - 29,999 | 11. | 110,000 - 119,999 |
| 3. | 30,000 - 39,999 | 12. | 120,000 - 129,999 |
| 4. | 40,000 - 49,999 | 13. | 130,000 - 139,999 |
| 5. | 50,000 - 59,999 | 14. | 140,000 - 149,999 |
| 6. | 60,000 - 69,999 | 15. | 150,000 - 159,999 |
| 7. | 70,000 - 79,999 | 16. | 160,000 - 169,999 |
| 8. | 80,000 - 89,999 | 17. | More than 170,000 |

A-II. Consumption Questions

Again, please circle the appropriate number (choose one) next to the response below:

A11. How often do you eat rice?

0. Never
1. Only a few times every year (not more than 6 times)
2. Only a few times every month (not more than 10 times)
3. Once or a few times every week (not more than 3 times)
4. Once or more every day

A12. How often do you buy uncooked rice (if college student, frequency of purchase applies within campus)?

0. Never
1. Only a few times every year (not more than 6 times)
2. Only a few times every month (not more than 10 times)
3. Once or a few times every week (not more than 3 times)
4. Once or more every day

A13. How many kilograms of rice do you buy per week?

0. None
1. 1-10
2. 11-25
3. 26-50
4. 51 or more

A14. How many kilograms of rice do you *currently* have at home?

0. None
1. 1-10
2. 11-25
3. 26-50
4. 51 or more

A15. How many kilograms of rice do you *normally* have at home?

0. None
1. 1-10
2. 11-25
3. 26-50
4. 51 or more

B. Level of Awareness

Again, please circle the appropriate number (choose one) next to the response below:

B1. Regarding **Genetic Modification (GM) technology**, how informed do you consider yourself?

0. Extremely well-informed
1. Well-informed
2. Somewhat informed
3. Not very informed
4. Not informed at all
5. I do not know.

B2. Regarding **GM foods**, how informed do you consider yourself?

0. Extremely well-informed
1. Well-informed
2. Somewhat informed
3. Not very informed
4. Not informed at all
5. I do not know.

B3. Regarding **Golden Rice**, how informed do you consider yourself?

0. Extremely well-informed
1. Well-informed
2. Somewhat informed
3. Not very informed
4. Not informed at all
5. I do not know.

Initial Level of Awareness of Subjects About GM in General

B4. Before this interview, were you aware that these methods of genetically modifying food existed?

1. Yes
2. No
3. Don't know
4. Refused

B5. How much would you say you've heard or read about genetically modified foods?

1. Nothing at all
2. Not much
3. Some, or
4. A great deal
5. Don't know
6. Refused

B6. Before this interview, have you ever discussed genetically modified food with anyone?

1. Yes (Go to Next Question)
2. No (Skip Next Question)
3. Don't know (Skip Next Question)
4. Refused (Skip Next Question)

B7. Would you say you have discussed genetically modified foods:

1. Frequently
2. Occasionally
3. Only once or twice
4. Don't know
5. Refused

Initial Level of Awareness of Subjects About GM Food and Golden Rice in General

The following are statements related to GM Food and Golden Rice. Kindly react to the following statements by encircling the number which best represents your knowledge and opinion.

B8. Genetically modified food such as Golden Rice presents no danger for future generations.

1. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
5. Don't know
6. Refused

B9. I think it is safe for me to eat genetically modified food like Golden Rice.

1. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
5. Don't know
6. Refused

B10. Serious accidents involving genetically modified foods such as Golden Rice are bound to happen.

1. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
5. Don't know
6. Refused

B11. Growing genetically modified crops such as Golden Rice will be harmful to the environment.

1. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
5. Don't know
6. Refused

B12. There are also benefits to developing GM food like Golden Rice such as increased vitamin and mineral content, lower fat content, and better quality protein.

1. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
5. Don't know
6. Refused

B13. Small-scale farmers could be negatively impacted by the development of GM food products like Golden Rice as the cost of seed will be higher.

1. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
5. Don't know
6. Refused

Sources of Information about GM

B14. Who/which are your sources of information about GM (please circle those applicable):

1. Books
2. TV/ Radio
3. Public forums and discussions
4. Journals and Science and Technology Publications
5. Newspapers
6. Magazines
7. Internet/ Websites
8. NGOs
9. Government Agencies (e.g., DOST)
10. Classroom Discussions
11. Others (please specify) _____

Most Trusted Source of Information

B15. Who would you trust the most to provide you information about GM (Please circle only one)?

1. Research institutions
2. Multinational companies
3. Policymakers
4. Academe
5. Religious Group
6. Media
7. Farmer group
8. NGOs
9. Others (please specify) _____

Candy Bar Auction

As a reference, at a typical store, this small candy bar is sold at about ₱5.00 per piece.

In a moment, we will give you the opportunity to participate in an auction to obtain a larger candy bar if you so desire. Here in the front of the room is a large candy bar.

We will now conduct an auction, where you will have the opportunity to obtain the large candy bar. We are interested in how much money you would be willing to pay for the large candy bar.

In a moment, you will be asked to indicate the *highest* amount of money you would be willing to pay for the large candy bar by writing bids on the enclosed bid sheets. Naturally, we are interested in finding the highest bidders who would be willing to pay a larger amount of money for the large candy bar. Here is how the auction will proceed:

1. You will be asked to indicate your willingness to pay to obtain the large candy bar. If you do not wish to buy the large candy bar, a zero willingness to pay is appropriate.
2. When the experiment begins we will ask you to write your bid for the large candy bar on the bid sheet. We will collect your bids and display the I.D. numbers of the winning bidders (the 4 highest bidders) and the price they will pay for the large candy bar on the blackboard (i.e, the 5th highest price).
3. There will be five rounds of bidding (trials). However, only one trial will be considered binding. After the five trials, a number will be randomly selected to determine which trial is binding. The highest bidders in that trial will get the large candy bar and must pay the 5th highest price.

Important Notes

- Ties in winning bids will be decided by either coin toss or random number generator, where applicable.
- *In this auction it is in your best interest to bid the amount that you are truly willing to pay for the large candy bar. If you bid more than your true willingness-to-pay, you increase your chances of purchasing the other candy bar but you may have to pay a price that is greater than what you are willing to pay. On the other hand, if you bid less than the amount that you are truly willing to pay then you may lose the chance to purchase the candy bar at a price that you would be willing to pay.*

Rice Auction

Now that you have had the chance to learn how the auction will work, we are interested in your preference for a new variety of rice.

As a reference, at a typical supermarket, this bag of regular rice is sold at about ₱15.00 per half-kilogram bag.

We will give you the opportunity to participate in an auction to obtain a new variety of rice. Here in the front of the room, we have a new variety of rice. Popularly known as Golden Rice, this rice was genetically modified to produce provitamin A (beta-carotene). It mainly differs from the ordinary grains we traditionally consume by its golden color. It has a similar eating quality as the regular rice.

We will now conduct an auction, where you will have the opportunity to obtain the half-kilogram bag of Golden Rice. In a moment, you will be asked to indicate the *highest* amount of money you are willing to pay for the Golden Rice by writing bids on the enclosed bid sheets. The procedures for this auction are exactly the same as the candy bar auction.

- 1) If there are information sheets enclosed in your packet, you will have to read them before we carry on with the bidding. Please read silently, return the information sheets inside the envelope, and wait for the signal from the monitor before you proceed to step 2.
- 2) Each of you has been given bid sheets in your packet. On this bid sheet you will, in a moment, write the *highest* amount of money you would be willing to pay to obtain the bag of Golden Rice. Note: your bids are private information and should not be shared with anyone.
- 3) After you have finished writing your bids, the monitor will go around the room and collect the bid sheets.
- 4) In the front of the room, each of your bids will be ranked from highest to lowest.
- 5) The four highest bids are the winning bids for the round. The individuals with the four highest bids will have to pay the 5th highest bid amount, if this round will be randomly selected as the binding round.
- 6) We will write the winning bidder numbers as well as their bids and the winning price on the chalkboard for everyone to see.
- 7) After posting the price, we will re-conduct the auction for 4 additional rounds.
- 8) After 5 rounds, we will randomly draw a number from 1 through 5 to determine the binding round. For example, if we randomly draw the number 5, then we will

ignore outcomes in all other rounds and only focus on the winning bidder and price in round 5. Importantly, all rounds have an equal likely chance of being considered binding.

- 9) Once the binding round has been determined, the winning bidders will come forward and will pay the 5th highest bid amount for the Golden Rice.
- 10) Winners will be given a claim certificate, reflecting any transactions agreed to, and will be honored on a future date to be announced by the monitor.

Important Notes

- You will only have the opportunity to win an auction for one (half-kilogram) bag of rice. Because we randomly draw a binding round, you cannot win more than one bag of rice from this auction.
- The winning bidder ***will actually pay money*** to obtain the Golden Rice. This procedure is **not** hypothetical.
- In this auction, the best strategy is to bid ***exactly*** how much you are willing to *pay* to obtain the Golden Rice.
- It is acceptable to bid ₱0.00 in any round. This would mean that you are not willing to pay for the Golden Rice at any price.
- More importantly, we are interested in how much you would be willing to pay for the Golden Rice.

Do you have any questions before we begin?

Appendix B: Open-ended Choice Experiment Instructions

EXPERIMENTAL INSTRUCTIONS

General Instructions

Thank you for choosing to participate in this study about consumer decision making. You will be taking part in an auction for a new product. It is important that you follow directions carefully.

Specific Instructions

You will be given a total of ₱200 for participating in this experiment. This participation fee will be paid to you at the end of the auction, though the amount will be adjusted to reflect any purchases that you will choose to make.

Each of you has been assigned a different number as marked in the folder handed to you. This is your ***ID number***. We use ID numbers to maintain anonymity. At the end of today's auction, you will need your ID number to collect your earnings and any items you may have purchased.

The experiment involves an auction in two stages. Stage 1 is a practice round in which you will be asked to indicate the quantity you would like to purchase given a menu of price combinations for different candy bars. In stage 2 you will be asked to indicate the quantity that you would be willing to buy for two different varieties of rice.

Because we are interested in the value that you personally place on the items for sale, it is very important that you not talk to or try to communicate with the other participants in the room. Any communication between bidders will result in an automatic penalty of ₱10.

Since we are doing this experiment in other sessions too, please do NOT make comments regarding anything related to this experiment with your colleagues, classmates or friends this week.

If you have a question during the course of the auction, please raise your hand and a monitor will come to where you are seated.

Please do not turn pages or fill out forms until instructed to do so.

A. Questionnaire

All of your responses will be kept confidential. Please circle the number to the left of the answer, if one is provided.

A-I. Demographic Questions

A1. What is your gender?

- 0. Male
- 1. Female

A2. How old are you?

_____ years old

A3. Education: Are you an undergraduate student?

- 7. No
- 8. Yes ----- go to question A6.

A4. What category below best reflects the level of your formal education?

- 0. No formal schooling
- 1. Some elementary
- 2. Elementary graduate
- 3. Some high school
- 4. High school graduate
- 5. Some college/2 year Associate Degree
- 6. College graduate
- 7. Post-graduate
- MS ___ PhD ___ Other (please specify): _____

A5. What is your current employment status?

- 0. Student
- 1. Employed part time (fewer than 40 hours per week)
- 2. Employed full time (40 or more hours per week)
- 3. Self-employed
- 4. Retired
- 5. Other (please specify): _____

A6. If a student, what is your current classification or year in college?

- 0. Freshman (below 34 units taken)
- 1. Sophomore (34-35 units taken)
- 2. Junior (70 units taken)
- 3. Senior (107-110 units taken)

A7. What is your course/major/field of specialization?

- 0. Agribusiness Management
- 1. Agricultural Economics
- 2. Economics
- 3. Agriculture
- 4. Biology
- 5. Other (please specify): _____

A8. How many people in your household are in the following age categories?

- Age 5 and younger _____
- Age 6 to 17 _____
- Age 18 to 39 _____
- Age 40 to 54 _____
- Age 55 and above _____

A9. We recognize that income is private information for some people. We ask this because income is often a very important determinant of people's decisions to purchase and eat certain types of foods. Again, this information will never be linked to your name, nor made available to anyone outside the research team. What is your total **individual monthly allowance and/or income before taxes** from all sources, including family or other sources of economic support)

(Note: For non-working college students)

- | | | | |
|----|---------------|-----|------------------|
| 0. | Less than 999 | 6. | 6,000 - 6,999 |
| 1. | 1,000 - 1,999 | 7. | 7,000 - 7,999 |
| 2. | 2,000 - 2,999 | 8. | 8,000 - 8,999 |
| 3. | 3,000 - 3,999 | 9. | 9,000 - 9,999 |
| 4. | 4,000 - 4,999 | 10. | 10,000 - 10,999 |
| 5. | 5,000 - 5,999 | 11. | More than 11,000 |

(Note: For working college and non-college students)

- | | | | |
|----|-----------------|-----|------------------|
| 0. | Less than 999 | 6. | 25,000 - 29,999 |
| 1. | 1,000 - 4,999 | 7. | 30,000 - 34,999 |
| 2. | 5,000 - 9,999 | 8. | 35,000 - 39,999 |
| 3. | 10,000 - 14,999 | 9. | 40,000 - 44,999 |
| 4. | 15,000 - 19,999 | 10. | 45,000 - 49,999 |
| 5. | 20,000 - 24,999 | 11. | More than 50,000 |

What was your **family monthly income before taxes** from all sources, including household family members or other sources of economic support, rather than individual income)

- | | | | |
|----|-----------------|-----|-------------------|
| 0. | Less than 9,999 | 9. | 90,000 - 99,999 |
| 1. | 10,000 - 19,999 | 10. | 100,000 - 109,999 |
| 2. | 20,000 - 29,999 | 11. | 110,000 - 119,999 |
| 3. | 30,000 - 39,999 | 12. | 120,000 - 129,999 |
| 4. | 40,000 - 49,999 | 13. | 130,000 - 139,999 |
| 5. | 50,000 - 59,999 | 14. | 140,000 - 149,999 |
| 6. | 60,000 - 69,999 | 15. | 150,000 - 159,999 |
| 7. | 70,000 - 79,999 | 16. | 160,000 - 169,999 |
| 8. | 80,000 - 89,999 | 17. | More than 170,000 |

A-II. Consumption Questions

Again, please circle the appropriate number (choose one) next to the response below:

A11. How often do you eat rice?

0. Never
1. Only a few times every year (not more than 6 times)
2. Only a few times every month (not more than 10 times)
3. Once or a few times every week (not more than 3 times)
4. Once or more every day

A12. How often do you buy uncooked rice (if college student, frequency of purchase applies within campus)?

0. Never
1. Only a few times every year (not more than 6 times)
2. Only a few times every month (not more than 10 times)
3. Once or a few times every week (not more than 3 times)
4. Once or more every day

A13. How many kilograms of rice do you *currently* have at home?

0. None
1. 1-10
2. 11-25
3. 26-50
4. 51 or more

A14. How many kilograms of rice do you *normally* have at home?

0. None
1. 1-10
2. 11-25
3. 26-50
4. 51 or more

B. Level of Awareness

Again, please circle the appropriate number next to the response below:

B1. Regarding **Genetic Modification (GM) technology**, how informed do you consider yourself (choose one)?

0. Extremely well-informed
1. Well-informed
2. Somewhat informed
3. Not very informed
4. Not informed at all
5. I do not know.

B2. Regarding **GM foods**, how informed do you consider yourself (choose one)?

0. Extremely well-informed
1. Well-informed
2. Somewhat informed
3. Not very informed
4. Not informed at all
5. I do not know.

B3. Regarding **Golden Rice**, how informed do you consider yourself (choose one)?

0. Extremely well-informed
1. Well-informed
2. Somewhat informed
3. Not very informed
4. Not informed at all
5. I do not know.

Initial Level of Awareness of Subjects About GM in General

B4. Before this interview, were you aware that these methods of genetically modifying food existed?

1. Yes
2. No
3. Don't know
4. Refused

B5. How much would you say you have heard or read about genetically modified foods?

1. Nothing at all
2. Not much
3. Some, or
4. A great deal?
5. Don't know
6. Refused

B6. Before this interview, have you ever discussed genetically modified food with anyone?

1. Yes (Go to Next Question)
2. No (Go to Next Question)
3. Don't know (Skip Next Question)
4. Refused (Skip Next Question)

B7. Would you say you have discussed genetically modified foods?

1. Frequently
2. Occasionally
3. Only once or twice
4. Don't know
5. Refused

Initial Level of Awareness of Subjects About GM Food and Golden Rice in General

B8. Genetically modified food such as Golden Rice presents no danger for future generations

2. Strongly Agree
2. Somewhat Agree
3. Somewhat Disagree
4. Strongly Disagree
9. Don't know
10. Refused

B9. I think it is safe for me to eat genetically modified food like Golden Rice

5. Strongly Agree
6. Somewhat Agree
7. Somewhat Disagree
8. Strongly Disagree
5. Don't know
7. Refused

B10. Serious accidents involving genetically modified foods such as Golden Rice are bound to happen

7. Strongly Agree
8. Somewhat Agree
9. Somewhat Disagree
10. Strongly Disagree
11. Don't know
12. Refused

B11. Growing genetically modified crops such as Golden Rice will be harmful to the environment

7. Strongly Agree
8. Somewhat Agree
9. Somewhat Disagree
10. Strongly Disagree
11. Don't know
12. Refused

B12. There are also benefits to developing GM food like Golden Rice such as increased vitamin and mineral content, lower fat content, and better quality protein.

7. Strongly Agree
8. Somewhat Agree
9. Somewhat Disagree
10. Strongly Disagree
11. Don't know
12. Refused

B13. Small-scale farmers could be negatively impacted by the development of GM food products like Golden Rice as the cost of seed will be higher.

7. Strongly Agree
8. Somewhat Agree
9. Somewhat Disagree
10. Strongly Disagree
11. Don't know
12. Refused

Sources of Information about GM

B14. Who/which are your sources of information about GM (please circle those applicable):

1. Books
2. TV/ Radio
3. Public forums and discussions
4. Journals and Science and Technology Publications
5. Newspapers
6. Magazines
7. Internet/ Websites
8. NGOs
9. Government Agencies (e.g., DOST)
10. Classroom Discussions
11. Others (please specify) _____

Most Trusted Source of Information

B15. Who would you trust the most to provide you information about GM (Please circle only one)?

1. Research institutions
2. Multinational companies
3. Policymakers
4. Academe
5. Religious Group
6. Media
7. Farmer group
8. NGOs
9. Others (please specify) _____

Reverse Auction Instructions

Today we will be using what is known as a *reverse auction*. In this auction, you will be presented with several different price combinations for two different products, and you will be asked to indicate how many units of each product you would like to purchase at each of these price combinations. You will write this down on the bid sheet provided and submit this at the end of every round (trial).

Once everyone has done this, the monitor will draw a number at random to determine which of these price combinations will be the binding price pair within each round. After five trials, we will randomly pick the binding round to determine the *binding selling price combination*. You will then be expected to purchase however many units of each product you indicated you wanted to buy at that particular price combination.

You can think of this auction as being like placing a series of orders at a series of different price combinations. But only one of your orders will actually be filled, and that order will be determined by drawing a number at random.

In this type of auction it is always in your best interest to indicate the number of units you would truly like to purchase at each price combination. Understating or overstating the number of units you would like to buy will never make you better off, though it may make you worse off.

Practice Auction

Before proceeding to the real auction, you will have the chance to take part in a practice auction. The candy bar auction is a simplified version of the upcoming real auction, and it is intended to familiarize you with the auction framework. No products will be sold in this practice auction.

Suppose you are bidding on two different candy bars, Candy Bar 1 and Candy Bar 2, and you are presented with three possible price combinations:

	Desired Number of Units of Candy Bar 1	Desired Number of Units of Candy Bar 2
Candy Bar 1 ₱3.00; Candy Bar 2 ₱5.00		
Candy Bar 1 ₱5.00; Candy Bar 2 ₱5.00		
Candy Bar 1 ₱7.00; Candy Bar 2 ₱5.00		

For each price combination, you have to indicate how many units of each candy bar you would like to purchase. For example:

	Desired Number of Units of Candy Bar 1	Desired Number of Units of Candy Bar 2
Candy Bar 1 ₱3.00; Candy Bar 2 ₱5.00	A	B
Candy Bar 1 ₱5.00; Candy Bar 2 ₱5.00	C	D
Candy Bar 1 ₱7.00; Candy Bar 2 ₱5.00	E	F

In this example, if the monitor draws "Candy Bar 1 ₱5.00; Candy Bar 2 ₱5.00" as the selling price combination, there would be a probability that you would need to purchase C units of Candy Bar 1 for ₱5.00 each *and* D units of Candy Bar 2 for ₱5.00 each. After four more rounds/trials where the same procedure is followed, the binding round will then be randomly selected. If the round selected is the first round, then the "Candy Bar 1 ₱5.00; Candy Bar 2 ₱5.00" price combination (which is the binding selling price combination in the first round) and the desired number of units of Candy Bar 1 and Candy Bar 2 indicated will be the basis of the final transactions of all the participants.

Products for Sale

In today's auction you will be bidding on two different types of rice. One variety is genetically modified (GM), popularly known as Golden Rice (which cannot be easily bought outside of this auction). The other is plain ordinary rice that can be purchased at a local store for about ₱15.00 per one-half kilogram.

Both bags of rice weigh one-half kilogram and both are of similar eating quality. The primary difference between them is the golden color of the GM rice which is because Golden Rice was genetically modified to produce provitamin A (beta-carotene). You will be shown a sample of the Golden Rice before the auction. On the other hand, the ordinary rice is derived from a traditional rice variety.

In the real auction that follows, the bag of ordinary rice will always be available for ₱15.00 per half-kilogram bag, roughly the same price at which you could purchase it outside of this auction. The price of the Golden Rice will range from ₱5.00 per bag to ₱25.00 per bag in ₱2.00 increments. After everyone has indicated the number of bags for each kind of rice they would like to purchase at each of these price combinations, the monitor will determine the selling price combination by drawing a number from a jar. Each of the price combinations is equally likely to be drawn.

Real Auction

If there are information sheets enclosed in your packet, you will have to read them before we proceed to the real auction. Please read silently, return the information sheets inside the envelope, and wait for the signal from the monitor to begin.

The auction you are about to participate in is real. People will be expected to pay money for the items they purchase.

Keep in mind that you are allowed to indicate that you want zero units at any or all of the price combinations listed. Also keep in mind that you should not feel limited by the ₱200 participation fee that you have earned. You may choose to spend more than ₱200 but you will need to provide the additional money yourself.

For each of the following price combinations, indicate how many units of each product you would like to buy.

	Desired Number of Bags of Golden Rice	Desired Number of Bags of Ordinary Rice
Golden Rice ₱5.00; Ordinary ₱15.00		
Golden Rice ₱7.00; Ordinary ₱15.00		
Golden Rice ₱9.00; Ordinary ₱15.00		
Golden Rice ₱11.00; Ordinary ₱15.00		
Golden Rice ₱13.00; Ordinary ₱15.00		
Golden Rice ₱15.00; Ordinary ₱15.00		
Golden Rice ₱17.00; Ordinary ₱15.00		
Golden Rice ₱19.00; Ordinary ₱15.00		
Golden Rice ₱21.00; Ordinary ₱15.00		
Golden Rice ₱23.00; Ordinary ₱15.00		
Golden Rice ₱25.00; Ordinary ₱15.00		

Important Notes

At this point the monitor will randomly determine the selling price combination by drawing lots.

We will be having five trials for the real auction. In each of the trials (rounds), we will randomly choose the binding price pair. After five rounds, we will draw lots to determine the binding round. The binding selling price combination of the binding round will be considered in the final transaction.

All participants will be given a claim certificate, reflecting any transactions agreed to, and will be honored on a future date to be announced by the monitor.

Because we will be conducting a similar research later, we ask that you please not discuss this study with anyone within this week.

Thanks again for your participation.