

# Introduction of Willingness To Pay

## 1.1 Background / policy context

This report presents the findings from research conducted by the University of Manchester as part of the [#FOODSENSITIVE project](#) led by Aston University and funded by the Food Standards Agency (FSA).

The FSA is an independent government department responsible for protecting public health and consumers' interests in relation to food across England, Wales and Northern Ireland. That public health remit includes protecting the public from potentially adverse and potentially fatal, impacts of food hypersensitivities.

The FSA seeks to ensure that consumers with food hypersensitivities (FHS) are able to understand the products they consume and so make safe and informed choices.

The research reported here contributes to the FSA's assessment of impacts of FHS on quality of life and the scale of the economic costs imposed on UK society by food hypersensitivities. It supports the FSA's intended extension of the FSA's Cost of Illness (COI) model to include the costs of FHS.

The COI model identifies and measures the full social cost of foodborne disease, including both its financial (medical and personal costs) and monetary estimates of its non-financial impacts (pain, grief and suffering).

The costs included in the COI model comprise financial and non-financial costs borne by individuals and carers, businesses and government. The financial costs include direct costs (medical care expenditures including resource use and costs to the NHS and personal expenses) and indirect costs (loss of earnings due to illness and disturbance costs to business). The non-financial costs include the pain, grief and suffering caused by foodborne disease.

The COI model generates estimates of the annual burden to society from foodborne illness in the UK population and to facilitate assessment of cost effectiveness of food safety policy interventions, impact assessments and evaluation.

Extending the model to incorporate FHS values requires an annual value of the financial and non-financial costs associated with FHS. The model can accommodate values disaggregated by the three conditions included in this study (food allergy, coeliac disease and food intolerance) and by whether a 'case' is an adult or a child.

This research generates estimates of annual costs, by condition and parent/child status, associated with food hypersensitivities.

## Project scope

The research reported here contributes to the FSA generating estimates of the annual costs to the UK of food hypersensitivities, with a view to these costs being incorporated in the FSA's COI model.

For the purpose of this report, we define food hypersensitivities (FHS) as:

- Food Allergy
- Coeliac Disease
- Food Intolerance

We estimate an average annual value of removal of people's FHS. Such a removal would yield benefits including:

- averted pain, suffering, inconvenience and anxiety imposed by food hypersensitivities.
- avoided additional expenditure (time and money) associated with managing food hypersensitivities.
- lost earnings because of FHS or caring for those with FHS.

Hence the scope of the costs estimated is

- non-financial costs including the pain, anxiety, inconvenience and anxiety caused by food hypersensitivities
- additional incurred costs (time and money) and lost earnings.

Medical care costs and NHS resource use are not covered by this report. The geographical scope of the project is the UK. We include adults and children (aged 1-17) in the study. Responses regarding children (in terms of their health, and the value associated with removal of their condition) are gathered from parents/carers rather than from children themselves.

## **The objectives of this study are:**

1. Estimate WTP for a year's removal of food hypersensitivity, in aggregate and disaggregated by condition and whether an adult or child.
2. Analyse how WTP values are moderated by individual characteristics - primarily the severity of the condition experienced by the respondent or their child.
3. To test for declining marginal WTP for removal of food hypersensitivity as the duration of removal increases.
4. Estimate the relative importance of the diverse impacts of food hypersensitivities on people's quality of life in order to:
  - test whether the equal weight given to the items in existing instruments is appropriate
  - to facilitate prioritisation of actions to reduce the impact of food hypersensitivities on people's quality of life.

## **Report structure**

The report has 11 sections and 18 appendices.