

The Market Impact of the Adoption of Roundup Ready Soybean Technology

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Abstract

This article analyzes the welfare benefits of the adoption of RR by producers and consumers in the United States and the ROW. Based on a survey data and other secondary data sources we calculated economic surpluses that revealed that while producers and consumers in the U.S. gain some welfare benefits from the adoption, the economic surplus accrued by consumers is offset by producer losses. Our estimates also show that consumers in the ROW gained economics surpluses while producers in the ROW lost economic surplus due to the non-adoption of RR soybean technology. The estimated total surplus for the pivotal supply shift (\$4.64 million) was about half that of the parallel shift (\$8.21 million).