ABSTRACT

Recent food policy changes are expected to play an important role in promoting food intake, especially of the low income group in Sri Lanka. The few studies that have been conducted on consumer behaviour have ignored the endogenous nature of prices and total expenditure. The major objectives of the study are to examine food consumption pattern, and to estimate price and expenditure elasticities of selected food.

Food consumption pattern was studied using data collected in 1988. Price and expenditure elasticities of the selected starch (rice, wheat flour, manioc) and proteins (beef, mutton, chicken, fresh fish, dried fish) food were estimated using the data from the reports published by the Department of Census and Statistics and the Central Bank of Sri Lanka.

The food consumption pattern categorized by different income groups was analysed using simple tables. A Chi-Squared test was used to examine the differences of food intake between food-stamp recipients (FSR) and non-receipients (FSNR). The price and expenditure elasticities were estimated with finite version of the Rotterdam model.

The results show that consumption of starch food increases with the rise in household income upto Rs.25,000 but decreases with further rises in income.

Above an annual income of Rs.25,000. consumers tend to consume more food with higher nutritive values such as pulses, meat, fish, and milk and less of starch food. On the average, consumption of starch, pulses, meat and fish, eggs, powderd milk, and fresh milk are 2343, 142, 219, 5, 44, and 219, grams, per day, respectively. Consumption of shelled coconut, oil, vegetables, chillies, and condiments are 431, 61, 753, 51, and 31 grams per day, per household, respectively. Further, consumption of above foods between FSR and FSNR shows significant differences except consumption of eggs, chillies, and condiments.

The intake of energy, protein, calcium, iron, thiamin, riboflavin, and niacin vary with income which explains the diverse consumption patterns of different income groups. Among these, intake of energy, protein, and calcium is significantly different between FSR and FSNR.

The partial expenditure elasticities for rice, wheat flour, and manioc are 1.09, 0.25, and 0.22, respectively. Partial expenditure elasticities for beef, mutton, chicken, fresh fish, and dried fish are 0.037, 0.223, 0.556, 1.345, and 0.98, respectively. This shows that an increase in income results in an increase in consumption of these food items.

The compensated partial own price elasticities for rice, wheat flour, and manioc are -0.059, -0.355, -0.804 respectively. This implies that manioc is more price responsive than the other two. Further, cross price elasticities for these foods indicate that rice and wheat flour are substitutes while manioc is a complement for both rice and wheat flour. This is due to the fact that most consumers in Sri Lanka use manioc as a curry specially in the rural sector.

The compensated partial own price elasticities for beef, mutton, chicken, fresh fish, and dried fish are -0.245, -0.962, -3.323, -0.189, and -0.368, respectively. This indicates that mutton and chicken are more price responsive than the others. The cross price elasticities for these food indicate that they are substitutes except beef and mutton compared with chicken.

Awareness of food consumption pattern and elasticities are important and should be taken into account when formulating food policy programmes. An increase in income results in an increase in demand for food having a higher nutritive value. Hence, any development strategy must be accompanied by an increased supply of highly nutritive food to avoid unfavourable inflationary effects.