

# **Demand for Food Quantity and Quality in Urban China** Sachintha S. Mendis<sup>a</sup>, Vardges Hovhannisyan<sup>b</sup> <sup>a</sup>Colorado State University, <sup>b</sup>University of Wyoming

# Why China?

- qualitative aspects of food<sup>1</sup>



### **Modeling Strategy**

### A fixed-effects Linear-Approximated Exact Affine Stone Index demand model (LA-EASI)<sup>4</sup>

 $\mu_{r}, \alpha_{0j}, \alpha_{ij}, \beta_{ik}$  Parameters  $y_{tr}^k$  - Real food expenditures in province r in year t  $x_t$  - Total expenditure in year t

## Engel Relationships for Income Elasticity of Food Quality<sup>1</sup>





IE	ID	IQ
0.491 <sup>a</sup>	<b>0.488</b> <sup>a</sup>	0.003 <sup>a</sup>
0.571 <sup>a</sup>	0.558 <sup>a</sup>	0.013 <sup>a</sup>
0.624 <sup>a</sup>	0.499 <sup>a</sup>	0.125 <sup>a</sup>
0.677 <sup>a</sup>	0.560 <sup>a</sup>	0.117
<b>0.284</b> <sup>a</sup>	0.580 <sup>a</sup>	-0.296 <sup>a</sup>
<b>0.705</b> <sup>a</sup>	0.474 <sup>a</sup>	0.230 <sup>a</sup>
0.690 <sup>a</sup>	0.470 <sup>a</sup>	0.220 <sup>a</sup>
<figure></figure>	Xinjiang Uygur	Fruits
Annu Xizang (Tibet) Xizang (	Xizang (Tibet) > 0,23 (0) 0,22 to 0,23 (10) 0,21 to 0,22 (7) 0,20 to 0,21 (6) 0,21 to 0,22 (7) 0,20 to 0,21 (6) 0,19 to 0,20 (4) 0,18 to 0,19 (2) 0,17 to 0,18 (1) < 0,17 (0)	uinghai Sichuan Guizhou Hunar Diangu Guizhou Hunar Diangu Guangxi Zhuang Macau Hairian
Quality Elasticity   • Quantity Elasticity   • Expenditure Elasticity	Quality Elasticity	Quantity Elasticity
Quality Elasticity• Quantity Elasticity• Expenditure Elasticity3.944.14.24.34.44.54.6Log Income	Quality Elasticity 3.8 3.9 4	Quantity Elasticity Expenditure Elasticity 4.1 4.2 4.3 4.4 4.5 4.6 Log Income