

THE NATURE OF CONSUMER DEMAND FOR FOOD IN SRI LANKA :

A case study of Badulla District

By

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Thesis

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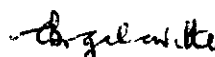
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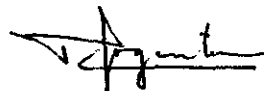
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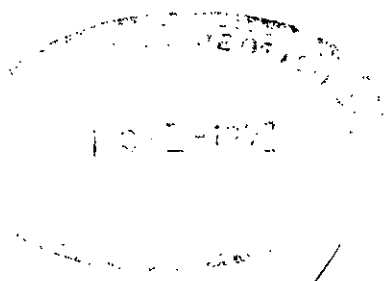
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## ABSTRACT

The planning of food production or fixing of import targets necessitates an estimate of the prospective final demand for food. The prime component of the final demand is households' consumption. This study, therefore, attempts to identify and examine factors that influence household consumption of food items, calorie and protein intake, and the direction and size of their impact in the urban, rural and estate sectors. In addition, this study also attempts to predict future consumer demand for the major food commodities and to formulate policy measures to improve the level of nutritional intake.

A field survey was conducted with a sample of 200 households in the Badulla district in order to estimate the demand for food. And demand models were estimated and tested using Generalized Least Squares method.

The sectoral differences in the pattern of food consumption and mode of expenditure were observed from the above study. It noted that the proportion of income spent on food diminished as income rises. The estimated overall per capita intake of calorie was adequate, but protein was inadequate to meet the minimum requirements set by the Medical Research Institute of Sri Lanka. However, the disaggregated data indicated that the lowest income group; particularly in the rural sector, was considerably undernourished. The regression results suggested that the consumers

were less income and (except for the staple foods) more price responsive in allocating their budget among food items. And they were less income and price responsive for calorie and protein intake.

The findings suggested the importance of a short term commodity-specific food subsidy scheme to protect the most vulnerable income group from further deterioration in their living standards. In the long term, a package of policy measures, such as increased calorie and protein availability from vegetables and selected animal sources, increased participation of rural population in economic growth for their dietary improvement, improved nutritional education and family planning programmes have to be explored and experimented to meet the requirement of various sections of the community.