Analysis of the Structural Changes in
Vietnamese Households’ Food Demand: 2010 to 2030

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Selected Poster prepared for presentation at the
2015 Agricultural & Applied Economics Association and Western Agricultural Economics
Association Joint Annual Meeting, San Francisco, CA, July 26-28

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copies.
According to the General Statistics Office of Vietnam (GSO), real per capita income based on household surveys almost doubled between 2002 and 2010 (GSO, 2011b). The consumption of rice, the country’s major staple and key agricultural export, consistently declined while the consumption of other non-rice food increased. However, the proportion of food expenditure in total income remained around 40% during this period, indicating that food remained important in the consumption basket of Vietnamese households.

Since Vietnam’s economy is expected to grow and many more households will get richer in the next decades, it is important for policy makers and analysts to know the potential directions and magnitudes of food consumption in order to design appropriate and timely food policies.

The Quadratic Almost Ideal Demand System (QUAIDS) originally developed by Banks, Blundell, & Lewbel (1997) and modified by Poi (2013) to include demographic variables is used.

\[ \dot{w}_i = a_i + \sum_{j=1}^{m} \gamma_{ij} \ln P_j + \beta_j \ln \left( \frac{m}{a_j} \right) + \frac{2}{b_j} \ln \left( \ln \left( \frac{m}{a_j} \right) \right)^2 \]

Data are obtained from the Vietnam’s Household Living Standard Survey conducted in 2010 by GSO. After some attributions, the final data set contains the food expenditure and demographic information of 9,319 households.

Except for rice, all food groups have positive expenditure elasticities at the national average. Consistent with our expectation, all food groups show a declining trend in elasticities at higher levels of expenditure.

**RESULTS – Base model**

**CONCLUSION**

- Per capita rice demand declines in 2020 from the 2010 level and continues to decline in 2030. The per capita demand for pork continues to increase at higher levels of food expenditures but its growth rate is slower than that of meat and fish.

- The effect of urbanization is more remarkable for rice while it is quite modest for the remaining food groups.

**Reference**

