Food Demand and the Food Security Challenge with Rapid Economic Growth in Emerging Economies

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Abstract

The paper examines the rise and transformation in food demand, and the food security challenge with rapid economic growth in emerging economies such as India and China. It uses data from the latest 2009-10 National Sample Survey of the government with a huge sample size of 100,794 households to examine the emerging growth and transformation in food demand, against a perspective of similar surveys over the last few decades. Tabulation and econometric analysis is used to examine the changes and behaviour of food demand. In the last 10-15 years, India, with its huge population, has been experiencing rapid economic growth at the rate of 7 to 9 percent. The findings indicate that this is resulting in major changes in the levels and patterns of food consumption, and buying behaviour. Consumers are rapidly increasing their consumption of higher value foods such as animal products, vegetables and fruits, and processed foods, and reducing their consumption of cereals. Production and supply are hard pressed in keeping pace with these changes and this is resulting in rapid food price inflation. High income elasticities of demand are found in many food products such as animal products, processed foods, and eating out in both rural and urban areas. The biggest component in India is dairy products, particularly milk. Besides, the consumption of meats and eggs is also growing rapidly. These poise a new food security challenge requiring urgent attention in countries such as India and China.