Household food purchasing behaviour Incomes, Prices and Nutrition

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Motivation

- There is a well established relationship between health outcomes and socioeconomic status
 - Many of these health outcomes are related to diet
- Tackling diet related health problems is a priority of government
- One strategy is income transfers to low income households
- Whether income transfers lead to improved diet depends on relationship between income and food purchasing behaviour

Motivation

- The recent recession led to large declines in household income
 - Employment rates declined
 - Real wages stagnated
 - Asset prices fell
- Recession was contemporaneous with large price level shock and changes in relative food prices
 - Depreciation of sterling led to increase in price of imported goods
 - World commodity prices rose
 - RPI food basket increased by 10% between Oct. 2007 and Oct. 2008 and price increase persisted
 - Price of prepared foods rose by much less than other foods
 - Price of vegetables rose by less (partly because of less imports than other foods - e.g. fruit)



What we do in this paper

- Use income variation from recent recession to identify impact of changes in income on food purchasing behaviour
- Use QUAIDS demand system to control for impact of contemporaneous changes in relative prices
 - Estimate model using panel data on purchases of very disaggregate food products
 - Allowing for household specific prices
 - And heterogeneity in household preferences
- Use model to describe the relationship between income (or total food expenditure) and diet
- And decompose changes in diet over recession into income effect and relative price effect



Expenditure shares

- Assume preferences for food are weakly separable
- Household h (from demographic group D) in period t chooses between J food types
 - Share of period t food budget allocated to good j is given by:

$$\mathbf{w}_{htj} = \alpha_{htj} + \sum_{k} \gamma_{jk}^{D} \ln p_{htk} + \beta_{j}^{D} \ln \left(\frac{\mathbf{x}_{ht}}{\Gamma^{D}(p_{ht})} \right) + \frac{\lambda_{j}^{D}}{\Pi^{D}(p_{ht})} \left[\ln \left(\frac{\mathbf{x}_{ht}}{\Gamma^{D}(p_{ht})} \right) \right]^{2} + \epsilon_{htj}$$

- where:
 - $\bullet \ \alpha_{htj} = \alpha_{1j}^D + \alpha_{2j}^D d_h + \alpha_{3j}^D \tau_t$
 - w_{htj} is household h's period t food expenditure share on j
 - p_{hti} is household h's period t price index for j
 - x_{ht} is household h's period t total food expenditure
 - d_h is household h's vector of demographics
 - τ_t are year and month dummies



Household specific prices

- Food type j comprises N_i more disaggregate sub food types
- We follow Lewbel (1989) by assuming:
 - Preferences over food types are weakly homothetically separable
 - Within food type utility function is Cobb-Douglas
- Implies household h in period t faces price index for food type j given by:

$$p_{htj} = rac{1}{k_j} \prod_{i=1}^{N_j} \left(rac{p_{tij}}{w_{hij}}
ight)^{w_{hij}}$$

- where:
 - k_i is a scaling factor
 - w_{hii} is household h's (mean) food type j expenditure share on i
 - p_{tii} the period t price of product i belonging to food type j



Engel curves

 We trace out the relationship between expenditure shares and total food expenditure by holding the constant and prices at their mean levels and varying total expenditure:

$$\begin{split} \hat{w}_{htj}(\vec{a},\bar{\tau},\bar{p},&x_{ht}/\Gamma^D(p_{ht})) = \\ \hat{\alpha}^D_{1j} + \hat{\alpha}^D_{2j}\bar{d} + \hat{\alpha}^D_{3j}\bar{\tau} + \sum_k \hat{\gamma}^D_{jk} \ln \bar{p}_k + \hat{\beta}^D_j \ln \left(\frac{x_{ht}}{\hat{\Gamma}^D(p_{ht})}\right) + \frac{\hat{\lambda}^D_j}{\hat{\Pi}(\bar{p})} \left[\ln \left(\frac{x_{ht}}{\hat{\Gamma}(p_{ht})}\right)\right]^2 \end{split}$$

- Denote the associated quantity $\hat{q}_{htj}(\bar{d}, \bar{\tau}, \bar{p}, x_{ht}/\Gamma^D(p_{ht}))$
- And the quantity of nutrient n in household h's period t bundle of food type j, n_{htj}
- The Engel curve for nutrient *n* is then:

$$n_{ht} = \sum_{i} \hat{q}_{htj}(ar{d},ar{ au},ar{p},x_{ht}/\Gamma^{D}(p_{ht}))n_{htj}$$



Decomposing 2008-09 income and price shocks

- We decompose the 2008-09 recession's impact on diet into the effect of falling real expenditure and of changes in relative prices
- Let $T = \{0, 1\}$ denote pre 2008 and post 2008, then the change in households h's expenditure share on food type j is given by:

$$\delta_{hj} = \textit{w}_{hj}^{1} - \textit{w}_{hj}^{0} = (\delta_{hj}^{\textit{Price}} + \delta_{hj}^{\textit{Income}} + \delta_{hj}^{\textit{Res}})$$

where:

$$\begin{split} \delta_{hj}^{\textit{Price}} &= \left(\sum_{k} \hat{\gamma}_{jk}^{\textit{D}} \ln \rho_{hk}^{1} - \sum_{k} \hat{\gamma}_{jk}^{\textit{D}} \ln \rho_{hk}^{0}\right) \\ &+ \left(\frac{\hat{\lambda}_{j}^{\textit{D}}}{\Pi^{\textit{D}}(\rho_{h}^{1})} \left[\ln \left(\frac{x_{h}^{0}}{\Gamma^{\textit{D}}(\rho_{h}^{0})}\right)\right]^{2} - \frac{\hat{\lambda}_{j}^{\textit{D}}}{\Pi^{\textit{D}}(\rho_{h}^{0})} \left[\ln \left(\frac{x_{h}^{0}}{\Gamma^{\textit{D}}(\rho_{h}^{0})}\right)\right]^{2}\right) \\ \delta_{hj}^{\textit{Income}} &= \left(\hat{\beta}_{j}^{\textit{D}} \ln \left(\frac{x_{h}^{1}}{\Gamma^{\textit{D}}(\rho_{h}^{1})}\right) - \hat{\beta}_{j}^{\textit{D}} \ln \left(\frac{x_{h}^{0}}{\Gamma^{\textit{D}}(\rho_{h}^{0})}\right)\right) \\ &+ \left(\frac{\hat{\lambda}_{j}^{\textit{D}}}{\Pi^{\textit{D}}(\rho_{h}^{0})} \left[\ln \left(\frac{x_{h}^{1}}{\Gamma^{\textit{D}}(\rho_{h}^{1})}\right)\right]^{2} - \frac{\hat{\lambda}_{j}^{\textit{D}}}{\Pi^{\textit{D}}(\rho_{h}^{0})} \left[\ln \left(\frac{x_{h}^{0}}{\Gamma^{\textit{D}}(\rho_{h}^{0})}\right)\right]^{2}\right) \end{split}$$

Data

- Panel of households; includes all food purchased and brought into the home
- Data records individual transactions; includes prices, quantities and nutritional characteristics
- Our sample includes 3,050 UK households over the period 2006-2009; data are longitudinal and we observe all households during every month of 2007-2008
- Consider how a household allocates its total monthly food expenditure
- Currently use a household's mean monthly transaction price





Demographic groups

	Number of household-months	Number of households	Percentage of households
All households	140,338	3,050	100.0%
Family type			
No kids	58,028	1,256	41.2%
Pensioners	47,228	1,031	33.8%
With kids	35,082	763	25.0%
Social class			
A and B	12,855	280	9.2%
C1 and C2	77,861	1,695	55.6%
D and E	49,622	1,075	35.2%
BMI of main shopper			
Normal (less than 25)	37,631	806	26.4%
Overweight (25 to 30)	31,773	681	22.3%
Obese (greater than 30)	15,551	335	11.0%
Not recorded	55,383	1,228	40.3%
	00,000	.,0	10.070



see Table 3.2

		Share	of
Food type	Calories per 100g	Expenditure	Calories
Fruits	60.4	9.0%	5.6%
Vegetable	52.9	11.1%	6.3%
Grains	261.9	8.8%	19.9%
Dairy	97.3	13.4%	13.3%
Meats	210.5	18.6%	12.4%
Oils	583.3	2.4%	7.8%
Sweeteners	377.1	1.5%	6.4%
Drinks	37.9	5.7%	1.9%
Prepared	214.3	31.5%	30.4%



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All households

VARIABLES	(1) w_Fruit	(2) w_Veg	(3) w_Grains	(4) w_Dairy
Logged real expenditure	0.0206*** (0.00337)	0.0600*** (0.00305)	-0.0317*** (0.00218)	-0.0568*** (0.00352)
Square of logged real expenditure	-0.00214*** (0.000407)	-0.00672*** (0.000368)	0.00179*** (0.000264)	0.00445*** (0.000424)
Constant	0.0950*** [′] (0.00701)	0.0221*** [′] (0.00634)	0.195*** [′] (0.00455)	0.295***´ (0.00731)
Demographics	` Yes ´	Yes	Yes	Yes
Time dummies	Yes	Yes	Yes	Yes
Relative prices	Yes	Yes	Yes	Yes
	(5)	(6)	(7)	(8)
VARIABLES	w_Meat	w_Oils	w_Sweeteners	w_Drinks
Logged real expenditure	0.104***	-0.00601***	-0.00344***	-0.0144***
	(0.00498)	(0.000988)	(0.000750)	(0.00254)
Square of logged real expenditure		0.000160	0.000134	
Square of logged real expenditure	-Ò.00890* [*] *	0.000160	0.000134	0.00268***
	-0.00890*** (0.000601)	0.000160 (0.000119)	0.000134 (9.07e-05)	0.00268*** (0.000307)
Square of logged real expenditure Constant	-0.00890*** (0.000601) -0.145***	0.000160 (0.000119) 0.0338***	0.000134 (9.07e-05) 0.0184***	0.00268*** (0.000307) 0.0703***
Constant	-0.00890*** (0.000601)	0.000160 (0.000119)	0.000134 (9.07e-05)	0.00268*** (0.000307)
	-0.00890*** (0.000601) -0.145*** (0.0103)	0.000160 (0.000119) 0.0338*** (0.00206)	0.000134 (9.07e-05) 0.0184*** (0.00156)	0.00268*** (0.000307) 0.0703*** (0.00526)
Constant Demographics	-0.00890*** (0.000601) -0.145*** (0.0103) Yes	0.000160 (0.000119) 0.0338*** (0.00206) Yes	0.000134 (9.07e-05) 0.0184*** (0.00156) Yes	0.00268*** (0.000307) 0.0703*** (0.00526) Yes

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Time dummies	Yes	Yes	Yes	Yes
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Price elasticities

• Price elasticities for the model estimated across all households:

	Fruit	Veg	Grains	Dairy	Meats	Oils	Sweeteners	Drinks	Prepared
Fruit	-0.80	0.07	-0.09	-0.04	-0.00	-0.03	0.09	0.04	-0.05
Veg	0.08	-0.68	-0.11	-0.06	-0.01	-0.21	-0.06	-0.05	-0.05
Grains	-0.09	-0.09	-0.50	0.00	-0.10	-0.17	0.06	0.01	-0.01
Dairy	-0.05	-0.07	0.01	-0.82	-0.10	0.09	0.12	0.09	-0.00
Meats	-0.01	-0.01	-0.20	-0.12	-0.52	-0.16	-0.06	-0.16	-0.13
Oils	-0.01	-0.04	-0.05	0.00	-0.01	-0.34	-0.07	0.01	-0.01
Sweeteners	0.01	-0.01	-0.01	-0.00	0.01	-0.05	-1.08	0.03	-0.00
Drinks	0.02	-0.02	-0.00	0.03	-0.04	-0.02	0.04	-0.89	-0.01
Prepared	-0.18	-0.15	0.14	0.12	-0.35	0.10	0.14	-0.26	-0.75



• Income elasticities for the model estimated across all households:

Food type	Income elasticity
Fruit	1.01
Veg	0.99
Grains	0.82
Dairy	0.87
Meats	1.13
Oils	0.79
Sweeteners	0.82
Drinks	1.18
Prepared	1.01

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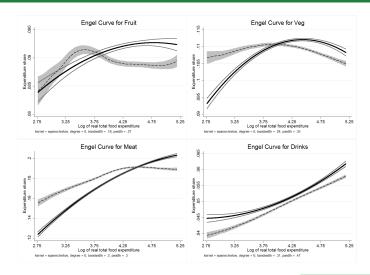
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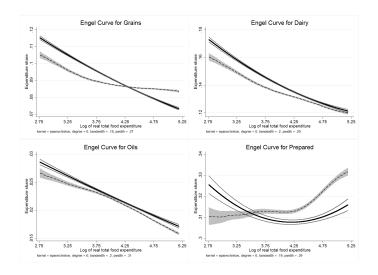
Food types: Luxuries



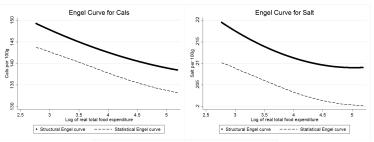
Real expenditure distribution

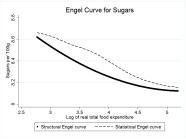


Food types: Necessities

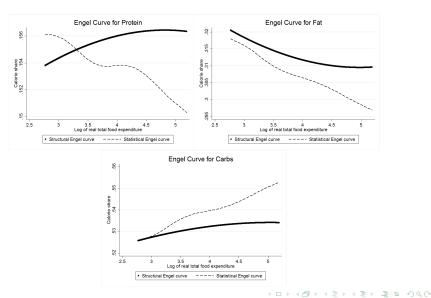


Calories, salt and sugar





Macronutrients



By demographic group

For different food types:



- The Engel curves for households with kids are flatter than the other two family types; while those for pensioner are steeper.
- At all levels of income social classes A and B have higher expenditure shares on fruit and veg, and spend relatively less on prepared food

By demographic group

For different food types:



- The Engel curves for households with kids are flatter than the other two family types; while those for pensioner are steeper.
- At all levels of income social classes A and B have higher expenditure shares on fruit and veg, and spend relatively less on prepared food
- For the other nutrients:



- Households with kids purchase a much lower share of the total calories as protein
- Expenditure on salt falls with social class, as does the share of calories from fat

Changes over the recession: real expenditure

Household type	Average % change in real expenditure on food
All	-2.06%
Family type	
Households without children	-2.22%
Pensioners	-3.12%
Households with children	-0.35%
Social class	
A and B	-1.11%
C1 and C2	-1.86%
D and E	-2.60%
BMI of main shopper	
Normal (less than 25)	-1.63%
Overweight (25-30)	-3.45%
Obese (30+)	-2.80%



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Changes over the recession: relative prices

Food type	Average price in in 2006-2007	Average price in in 2008-9	Average % change
Fruit	1.37	1.57	16.44%
Veg	1.44	1.49	5.59%
Grains	1.55	1.79	16.94%
Dairy	1.26	1.58	27.90%
Meats	4.31	4.89	14.58%
Oils	2.33	2.74	20.93%
Sweeteners	1.37	1.88	38.84%
Drinks	1.70	2.00	32.26%
Prepared	3.13	3.37	9.10%

Notes: Prices are £ per kg.



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Meats	4.31	4.89	14.58%
Oils	2.33	2.74	20.93%
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Notes: Prices are £ per kg.



Expenditure shares

	(1)	(2) =	(3)	+ (4)	+ (5)
Food type	Expenditure share in 2006-7	Percentage point change to 2008-9	Cha Price	inge in shar Income	e due to Residual
Fruit Veg Grains Dairy Meats Oils	9.37% 10.83% 8.63% 13.04% 18.58% 2.02%	-0.84 0.18 0.39 0.62 -0.20 0.18	0.02 -0.20 0.09 0.17 0.17	-0.01 -0.01 0.06 0.07 -0.10 0.02	-0.86 0.40 0.24 0.38 -0.27 0.06
Sweeteners Drinks Prepared	0.86% 4.84% 31.83%	-0.01 0.22 -0.53	0.01 0.08 -0.45	0.01 -0.03 0.01	-0.02 0.16 -0.09

Expenditure shares

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Food type	Expenditure share in 2006-7	Percentage point change to 2008-9	Cha Price	nge in shar Income	e due to Residual
Fruit	9.37%	-0.84	0.02	-0.01	-0.86
Veg	10.83%	0.18		-0.01	0.40
Grains	8.63%	0.39	0.09	0.06	0.24
Dairy	13.04%	0.62	0.17	0.07	0.38
Meats	18.58%	-0.20		-0.10	-0.27
Oils	2.02%	0.18	0.11	0.02	0.06
Sweeteners	0.86%	-0.01		0.01	-0.02
Drinks	4.84%	0.22	0.08	-0.03	0.16
Prepared	31.83%	-0.53		0.01	-0.09

Expenditure shares

	(1)	(2) =	(3)	+ (4)	+ (5)
Food type	Expenditure share in 2006-7	Percentage point change to 2008-9	. , .		e due to Residual
Fruit	9.37%	-0.84	0.02	-0.01	-0.86
Veg	10.83%	0.18	-0.20	-0.01	0.40
Grains	8.63%	0.39	0.09	0.06	0.24
Dairy	13.04%	0.62	0.17	0.07	0.38
Meats	18.58%	-0.20	0.17	-0.10	-0.27
Oils	2.02%	0.18	0.11	0.02	0.06
Sweeteners	0.86%	-0.01	0.01	0.01	-0.02
Drinks	4.84%	0.22	0.08	-0.03	0.16
Prepared	31.83%	-0.53	-0.45	0.01	-0.09



Expenditure shares

	(1)	(2) =	(3)	+ (4)	+ (5)
Food type	Expenditure share in 2006-7	Percentage point change to 2008-9	Cha Price	nge in sha Income	re due to Residual
Fruit	9.37%	-0.84	0.02	-0.01	-0.86
Veg	10.83%	0.18	-0.20	-0.01	0.40
Grains	8.63%	0.39	0.09	0.06	0.24
Dairy	13.04%	0.62	0.17	0.07	0.38
Meats	18.58%	-0.20	0.17	-0.10	-0.27
Oils	2.02%	0.18	0.11	0.02	0.06
Sweeteners	0.86%	-0.01	0.01	0.01	-0.02
Drinks	4.84%	0.22	0.08	-0.03	0.16
Prepared	31.83%	-0.53	-0.45	0.01	-0.09

	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)	
Food type	Calories in 2006-7	Change to 2008-9	Fixed fall	Allowing Price	reallocation reallocation reallocation	on due to Residual	
Fruit	129.2	-17.5	-3.9	-8.7	-10.9	2.2	
Veg	127.3	7.1	-3.7	10.2	-1.2	-1.9	
Grains	423.3	-4.7	-11.6	2.7	-1.4	-6.0	
Dairy	305.4	-16.5	-8.9	-7.4	2.7	-11.8	
Meats	282.2	-15.8	-8.7	1.5	-7.3	-9.9	
Oils	157.8	-0.5	-4.4	3.7	0.0	-4.2	
Sweeteners	76.1	-9.9	-1.8	-9.2	-3.4	2.7	
Drinks	38.6	-0.9	-1.3	-0.1	-0.7	-0.2	
Prepared	663.0	-11.5	-19.9	12.5	-20.2	-3.8	
Total	2202.1	-70.1	-64.3	5.3	-42.3	-33.1	



	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)	
Food type	Calories in 2006-7	Change to 2008-9	Fixed fall	Allowing Price	reallocation Income	on due to Residual	
Fruit Veg Grains Dairy Meats Oils Sweeteners Drinks Prepared	129.2 127.3 423.3 305.4 282.2 157.8 76.1 38.6 663.0	-17.5 7.1 -4.7 -16.5 -15.8 -0.5 -9.9 -0.9	-3.9 -3.7 -11.6 -8.9 -8.7 -4.4 -1.8 -1.3	-8.7 10.2 2.7 -7.4 1.5 3.7 -9.2 -0.1	-10.9 -1.2 -1.4 2.7 -7.3 0.0 -3.4 -0.7 -20.2	2.2 -1.9 -6.0 -11.8 -9.9 -4.2 2.7 -0.2 -3.8	
Total	2202.1	-70.1	-64.3	5.3	-42.3	-33.1	



	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)	
Food type	Calories in 2006-7	Change to 2008-9	Fixed fall	Allowing Price	reallocati Income	on due to Residual	
Fruit	129.2	-17.5	-3.9	-8.7	-10.9	2.2	
Veg	127.3	7.1	-3.7	10.2	-1.2	-1.9	
Grains	423.3	-4.7	-11.6	2.7	-1.4	-6.0	
Dairy	305.4	-16.5	-8.9	-7.4	2.7	-11.8	
Meats	282.2	-15.8	-8.7	1.5	-7.3	-9.9	
Oils	157.8	-0.5	-4.4	3.7	0.0	-4.2	
Sweeteners	76.1	-9.9	-1.8	-9.2	-3.4	2.7	
Drinks	38.6	-0.9	-1.3	-0.1	-0.7	-0.2	
Prepared	663.0	-11.5	-19.9	12.5	-20.2	-3.8	
Total	2202.1	-70.1	-64.3	5.3	-42.3	-33.1	



	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)	(7)
Food type	Calories in 2006-7	Change to 2008-9	Fixed fall	Allowing Price	reallocation income	on due to Residual	(5)–(3) Diff
Fruit	129.2	-17.5	-3.9	-8.7	-10.9	2.2	7.0
Veg	127.3	7.1	-3.7	10.2	-1.2	-1.9	2.5
Grains	423.3	-4.7	-11.6	2.7	-1.4	-6.0	10.2
Dairy	305.4	-16.5	-8.9	-7.4	2.7	-11.8	11.6
Meats	282.2	-15.8	-8.7	1.5	-7.3	-9.9	1.4
Oils	157.8	-0.5	-4.4	3.7	0.0	-4.2	-4.4
Sweeteners	76.1	-9.9	-1.8	-9.2	-3.4	2.7	-1.6
Drinks	38.6	-0.9	-1.3	-0.1	-0.7	-0.2	0.6
Prepared	663.0	-11.5	-19.9	12.5	-20.2	-3.8	-0.3
Total	2202.1	-70.1	-64.3	5.3	-42.3	-33.1	22.0



Purchase of calories by demographic group

	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)	
Food type	Calories in 2006-7	Change to 2008-9	Fixed fall	Allowing Price	reallocatio	on due to Residual	1
туре	111 2000-7	10 2000-9	Iali	11100	IIICOIIIC	riesiduai	
All	2202.1	-70.1	-64.3	5.3	-42.3	-33.1	
Family type							
No kids	2144.1	-67.0	-66.4	5.6	-46.7	-25.9	
Pensioners	2338.9	-108.1	-91.0	5.8	-63.6	-50.3	
With kids	2112.8	-23.8	-24.8	-2.8	-8.3	-12.6	
Social class							
A and B	2102.9	-39.8	-40.1	6.9	-16.4	-30.3	
C1 and C2	2180.6	-62.7	-60.0	5.9	-36.8	-31.8	
D and E	2261.9	-89.5	-77.4	3.5	-58.0	-35.0	
BMI group							
Normal	2138.8	-54.2	-50.7	8.1	-27.8	-34.6	
Overweight	2199.5	-99.7	-93.5	2.3	-67.3	-34.6	
Obese	2314.1	-94.7	-87.3	1.0	-69.4	-26.3	

Purchase of calories by demographic group

	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)
Food	Calories	Change	Fixed		reallocati	
type	in 2006-7	to 2008-9	fall	Price	Income	Residual
All	2202.1	-70.1	-64.3	5.3	-42.3	-33.1
Family type						
No kids	2144.1	-67.0	-66.4	5.6	-46.7	-25.9
Pensioners	2338.9	-108.1	-91.0	5.8	-63.6	-50.3
With kids	2112.8	-23.8	-24.8	-2.8	-8.3	-12.6
Social class						
A and B	2102.9	-39.8	-40.1	6.9	-16.4	-30.3
C1 and C2	2180.6	-62.7	-60.0	5.9	-36.8	-31.8
D and E	2261.9	-89.5	-77.4	3.5	-58.0	-35.0
BMI group						
Normal	2138.8	-54.2	-50.7	8.1	-27.8	-34.6
Overweight	2199.5	-99.7	-93.5	2.3	-67.3	-34.6
Obese	2314.1	-94.7	-87.3	1.0	-69.4	-26.3

Purchase of calories by demographic group

	(1)	(2)	(3)	(2) = (4)	+ (5)	+ (6)	(7)
Food type	Calories in 2006-7	Change to 2008-9	Fixed fall	Allowing Price	reallocation	on due to Residual	(5)–(3) Diff
- type	111 2000 7	10 2000 0	lun	1 1100	moonic	ricoldudi	
All	2202.1	-70.1	-64.3	5.3	-42.3	-33.1	22.0
Family type							
No kids	2144.1	-67.0	-66.4	5.6	-46.7	-25.9	19.7
Pensioners	2338.9	-108.1	-91.0	5.8	-63.6	-50.3	27.4
With kids	2112.8	-23.8	-24.8	-2.8	-8.3	-12.6	16.5
Social class							
A and B	2102.9	-39.8	-40.1	6.9	-16.4	-30.3	23.7
C1 and C2	2180.6	-62.7	-60.0	5.9	-36.8	-31.8	23.2
D and E	2261.9	-89.5	-77.4	3.5	-58.0	-35.0	19.4
BMI group							_
Normal	2138.8	-54.2	-50.7	8.1	-27.8	-34.6	22.9
Overweight	2199.5	-99.7	-93.5	2.3	-67.3	-34.6	26.2
Obese	2314.1	-94.7	-87.3	1.0	-69.4	-26.3	17.9



	(1)	(2)	(3)	(4)	(3) = (5)	+	(6)	+	(7)
Nutrient	per adul	t per day	%	Fixed	Allowing	real	locatio	n du	e to
type	in 2006-7	in 2008-9	change	fall	Price	Inc	ome	Res	sidual
Calories	2202.1	2132.1	-3.2%	-2.9%	0.2%	-1	.9%	-	1.5%
Salt (g)	3.2	3.1	-2.7%	-2.9%	2.4%	-0	.0%	-	5.1%
Sugar (g)	134.9	127.5	-5.5%	-2.9%	-2.5%	-4	.0%		0.9%
Fibre (g)	20.5	20.1	-1.6%	-2.9%	1.7%	-2	.1%	-	1.2%
Protein (g)	85.1	82.3	-3.3%	-2.9%	-0.1%	-2	.2%	-	1.0%
Fats (g)	90.8	88.2	-3.0%	-2.9%	1.4%	-1	.0%	-	3.4%
Carbs (g)	278.5	269.2	-3.3%	-2.9%	-0.5%	-2	.6%	-	0.2%



	(1)	(2)	(3)	(4)	(3) = (5)	+	(6)	+	(7)
Nutrient	per adul	t per day	%	Fixed	Allowing	reallo	catio	n due	e to
type	in 2006-7	in 2008-9	change	fall	Price	Incor	me	Res	idual
Calories	2202.1	2132.1	-3.2%	-2.9%	0.2%	-1.9	9%	-	1.5%
Salt (g)	3.2	3.1	-2.7%	-2.9%	2.4%	-0.0)%	-:	5.1%
Sugar (g)	134.9	127.5	-5.5%	-2.9%	-2.5%	-4.0)%	(0.9%
Fibre (g)	20.5	20.1	-1.6%	-2.9%	1.7%	-2.1	1%	-	1.2%
Protein (g)	85.1	82.3	-3.3%	-2.9%	-0.1%	-2.2	2%	-	1.0%
Fats (g)	90.8	88.2	-3.0%	-2.9%	1.4%	-1.0)%	-;	3.4%
Carbs (g)	278.5	269.2	-3.3%	-2.9%	-0.5%	-2.6	6%	-(0.2%



	(1)	(2)	(3)	(4)	(3) = (5)	+	(6)	+	(7)
Nutrient	per adul	t per day	%	Fixed	Allowing	reallo	catio	n due	e to
type	in 2006-7	in 2008-9	change	fall	Price	Inco	me	Res	idual
Calories	2202.1	2132.1	-3.2%	-2.9%	0.2%	-1.5	9%	-	1.5%
Salt (g)	3.2	3.1	-2.7%	-2.9%	2.4%	-0.	0%	-	5.1%
Sugar (g)	134.9	127.5	-5.5%	-2.9%	-2.5%	-4.	0%		0.9%
Fibre (g)	20.5	20.1	-1.6%	-2.9%	1.7%	-2.	1%	-	1.2%
Protein (g)	85.1	82.3	-3.3%	-2.9%	-0.1%	-2.	2%	-	1.0%
Fats (g)	90.8	88.2	-3.0%	-2.9%	1.4%	-1.	0%	-	3.4%
Carbs (g)	278.5	269.2	-3.3%	-2.9%	-0.5%	-2.	6%	-	0.2%



	(1)	(2)	(3)	(4)	(3) = (5)	+	(6)	+	(7)
Nutrient	per adult per day		%	Fixed	Allowing reallocation due to			e to	
type	in 2006-7	in 2008-9	change	fall	Price	Inco	me	Res	idual
Calories	2202.1	2132.1	-3.2%	-2.9%	0.2%	-1.	9%	-	1.5%
Salt (g)	3.2	3.1	-2.7%	-2.9%	2.4%	-0.	0%	-:	5.1%
Sugar (g)	134.9	127.5	-5.5%	-2.9%	-2.5%	-4.	0%		0.9%
Fibre (g)	20.5	20.1	-1.6%	-2.9%	1.7%	-2.	1%	-	1.2%
Protein (g)	85.1	82.3	-3.3%	-2.9%	-0.1%	-2.	2%	-	1.0%
Fats (g)	90.8	88.2	-3.0%	-2.9%	1.4%	-1.	0%	-:	3.4%
Carbs (g)	278.5	269.2	-3.3%	-2.9%	-0.5%	-2.	6%	-1	0.2%



	(1)	(2)	(3)	(4)	(3) = (5)	+	(6)	+	(7)
Nutrient	per adult per day		%	Fixed	Allowing reallocation due to			e to	
type	in 2006-7	in 2008-9	change	fall	Price	Incor	me	Res	idual
Calories	2202.1	2132.1	-3.2%	-2.9%	0.2%	-1.9	9%	-	1.5%
Salt (g)	3.2	3.1	-2.7%	-2.9%	2.4%	-0.0)%	-:	5.1%
Sugar (g)	134.9	127.5	-5.5%	-2.9%	-2.5%	-4.0)%	(0.9%
Fibre (g)	20.5	20.1	-1.6%	-2.9%	1.7%	-2.1	1%	-	1.2%
Protein (g)	85.1	82.3	-3.3%	-2.9%	-0.1%	-2.2	2%	-	1.0%
Fats (g)	90.8	88.2	-3.0%	-2.9%	1.4%	-1.0)%	-;	3.4%
Carbs (g)	278.5	269.2	-3.3%	-2.9%	-0.5%	-2.6	5%	-(0.2%

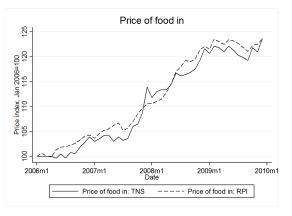


What next?

- Use model to conduct ex ante policy evaluation
 - What would be the effect of a policy which increases/decreases the food expenditure of some groups by a given amount
- Currently assume within food type preferences are homothetic
 - But we have estimated Engel curves for different types of meats and they show evidence that preferences with meat are not homothetic
 - We could allow for more than 9 food types, but then we would have many more zeros in data
- Instrument for total food expenditure?
 - We control for demographics and demographic specific time effects
 - Possibly could include household fixed effects
- Combining data with EFS to allow for incorporation of food in vs. food out choice in model



Price of food

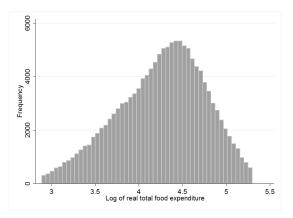


Notes: Price of food consumed in the home from the RPI.





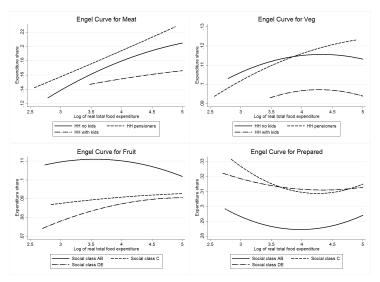
Distribution of logged real expenditure



Notes: Distribution of household-months. Truncated at the 1st and 99th percentiles.



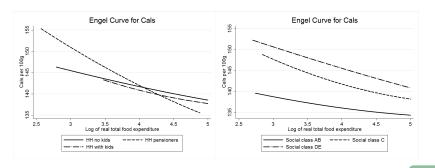
Engel curves for different food types







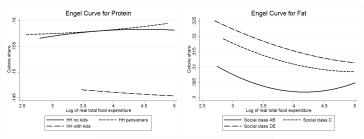
Engel curves for calories

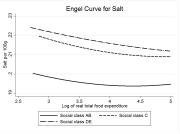






Engel curves for other nutrients









Nutritional content

see Table 3.2

		per 1	00g	Calorie share			
Food type	Calories	Salt	Sugar	Fibre	Protein	Fat	Carbs
Fruits	60.4	0.02	13.14	1.14	6%	5%	90%
Vegetables	52.9	0.04	2.95	1.85	17%	14%	69%
Grains	261.9	0.39	6.18	4.14	14%	11%	74%
Dairy	97.3	0.13	5.88	0.13	24%	48%	28%
Meats	210.5	0.39	0.85	0.62	38%	56%	6%
Oils	583.3	0.53	0.54	0.08	0%	99%	1%
Sweeteners	377.1	0.14	71.51	0.09	1%	0%	99%
Drinks	37.9	0.05	6.28	0.30	8%	6%	86%
Prepared	214.3	0.40	13.61	1.53	12%	41%	47%

