

Food consumer patterns in urban and rural areas: Theoretical models, analysis of their application and the purpose of measures taken in this field

By Li Dongsheng
Published by *The Chinese Economic Press*

Abstract

I. Characteristics of the structure of consumption in urban and rural areas

1. Salient features: the level of socialization has increased significantly; food consumption in rural households is tending to be more consumerist; a diminishing proportion of money is being spent on staples, which are also being gradually replaced by rapidly increasing consumption of secondary products.

2. Trends in structural changes of consumer patterns: a continued downturn of the Engels curve; the continued growth in the socialization and commercial aspect of consumerism; an overall stability in the consumption of staples which, nevertheless, shows signs of slowing down; a substantial increase in the consumption of non-essential foods; the globalization of agricultural product consumption will affect food consumption both in towns and rural areas.

II. Evidence based analysis of food demand in urban and rural areas

1. Economic cycles: 1) Changes in household income influence expenditure on food. 2) Currently, spending on food is heavily dependent on level of income. 3) During an economic slowdown, living standards improve at a slower pace or may even regress. 4) Economic cycles influence the demand for food products to varying degrees.

2. The impact of urbanization: 1) Urbanization affects not only the level of consumption of food products, but its structure too. 2) Changes in the structure of food demand are a likely cause for the rapid changes in food consumption.

III. Food demand in rural areas

1. Influence of the market economy: the development of a market economy has spurred consumption of food products such as meat and fruit, but slowed that of home grown produce (cereals, vegetables).

2. Stratification of income; its influence on households; the increasingly consumerist aspect of consumption: 1) Per capita consumption of staples will continue to progress in parallel with income for a relatively long period. Only when annual income exceeds 3,500 Yuan per head will an increase in revenue be accompanied by a relative fall in the consumption of staples. 2) Based on current levels of revenue, consumption of food and drink should grow in line with earnings.

IV. Main conclusions and purpose of political measures

Conclusions:

The Engels curve for the population is still following a downward trend, but the wealth gap will continue to grow. The socialization level of food consumption is rising significantly. Popular consumption of staples will remain stable while showing a tendency to fall as consumption of secondary products increases. There will be an increased demand for higher quality agricultural products. At present, there is still a high correlation between income levels and expenditure on food. Economic fluctuations affect income elasticity and consumption levels. The main cause for the difference in food products consumed in towns and rural areas is urbanization. Higher earnings influence the structure of citizens' food needs. Previously, demand influenced cereal production for human consumption, but now it is driving the production of cereals for animals.

Purpose of political measures:

1. Measures to adapt agricultural development to demand: sort out structural problems in agriculture, control the transfer of products to the food processing industry, improve the quality of agricultural products, adhere to an agricultural brand-building strategy, advocate the industrialization of the food sector.
2. Measures to improve distribution of agrifood products to meet demand: speed up the process of establishing a food market, stimulate the national as well as the international market, increase agrifood demand, implement a distribution policy for agricultural products using the synergy between the market economy and government involvement.
3. Consumer measures to stimulate food demand: create a food sector based on scientific standards that coincide with Chinese culinary habits; develop measures that provide guidance in advertising and education in food; introduce a government-backed food production support mechanism.

[End]

Li Dongsheng, The Chinese Economic Press



<http://creativecommons.org/licenses/by-nd/2.0/fr/deed.fr>