

## Changes in Malaysian Food Consumption Patterns

Tey Yeong Sheng, Universiti Putra Malaysia  
Mad Nasir Shamsudin, Universiti Putra Malaysia  
Alias Radam, Universiti Putra Malaysia  
Zainalabidin Mohamed, Universiti Putra Malaysia  
Amin Mahir Abdullah, Universiti Putra Malaysia

### Abstract

*Economic and demographic changes have brought a rapid increase in demand for cereal and meat based products. Such phenomena show that as these factors change over time, the food consumption patterns change as well. This study aims to determine the changes in food consumption patterns between 1999/2000 and 2004/2005. The data from Household Expenditure Survey 1999/2000 and 2004/2005 are analyzed via Linear Approximate Almost Ideal Demand System (LA/AIDS) with incorporation of household size and dummy variable of urban in order to obtain expenditure and own-price elasticities. Further estimation of Engel function enables the computation of income elasticities. Demands for all the food items were inelastic to price in 1999/2000 while for higher value (meat and fish) and functional (vegetable and fruit) food items became elastic to price in 2004/2005. The estimated income elasticities of meat, fish, vegetable and fruit were much higher than cereal in both 1999/2000 and 2004/2005. The marginal budget share (MBS) observed Malaysian consumers gained more utility from additional amount of cereal in 1999/2000 but capitalized by meat and fish mostly in 2004/2005. This study shows that Malaysians will be in favor for higher value food items than staple foods in near future.*

### Introduction

Ever since the crisis in 1997, Malaysian economic has been recovering and growing at 6% averagely. The higher per capita income, coupled with rapid urbanization process has empowered changes in lifestyle, which normally refers to better living quality. These economic and demographic changes have caused a rapid increase in demand for cereal and meat based products. Such phenomena show that as these factors change over time, the food consumption patterns change as well.

Several previous studies investigated Malaysian food consumption patterns by using the Household Expenditure Survey 1990 data. Baharumshah and Mohamed (1993) examined the demand for all meat products via Linear Approximate Almost Ideal Demand System (LA/AIDS). Nik Mustapha (1994) incorporated the habit factors in the analysis of demand for fish and meat products with a two-stage budgeting system. The other previous studies (Nik Mustapha *et al.*, 1999, 2000 and 2001; Radam *et al.*, 2005) also used the LA/AIDS model to estimate aggregate food demand.

All the previous studies mentioned above utilized Stone price index in the LA/AIDS estimation. However, Alston *et al.* (1994), Asche and Wessells (1997), and Moschini (1995) argued that the utilization of the Stone price index will introduce the units of measurement error. This is because

