ABSTRACT

Indonesia's rapid economic growth as one of the world's largest economies has led to significant changes in household consumption patterns. There has been a shift from staple carbohydrate-based foods to more nutritious animal-based products. However, this transformation has created new challenges for national food security, particularly regarding price volatility and unequal food access for low-income households. This study aims to examine the demand responsiveness of animal-based commodity groups to changes in household income and prices using the Quadratic Almost Ideal Demand System (QUAIDS) approach and Ordinary Least Squares (OLS) method. The data was sourced from the March 2023 National Socio-Economic Survey (Susenas), which includes various economic and social variables related to household consumption.

The findings indicate that animal-based foods are classified as normal goods. The negative Marshallian and Hicksian price elasticities align with demand theory, demonstrating that price increases reduce the quantity demanded. These results are consistent with previous studies on food demand behavior across various economic contexts.

Furthermore, cross-price elasticity analysis reveals interconnected demand relationships among animal-based food commodity groups. Price increases in one animal-based food group can affect demand for other groups, either as substitutes or complements. These findings have important implications for food security policy formulation, particularly in maintaining price stability and food availability for the population.

Keywords   :   Animal-Based Food, Consumer Behavior, Food Demand, Ordinary Least Squares, QUAIDS

JEL Classifications :   C31, D01, D11, D12, Q02, Q11

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