Analysis of Milk Consumption in Czech Households

Abstract:

Food is the one of the basic human needs. Its place in human life cannot be substituted and it also constitutes a significant part of daily expenditures. The goal of this thesis is to analyse the consumption behaviour of Czech households with respect to food, especially milk. The assessment was carried out using budget survey data from 1993 to 2011 which were collected by the Czech Statistical Office and include approximately 3,000 households for each year. First, the food is analyzed. The development of income of Czech households and their expenses on food are described and the Engel law is verified. The second part focuses on the liquid milk only. The object of analysis is to determine the characteristics of households which influence the probability of milk purchase through a probit model with socio-demographic variables. The consumption of milk is described and then the main topic follows. It is the estimation of milk demand elasticities. Brief results are the income elasticity 0.3 and own price elasticity -1.1.