

PRICE AND INCOME ELASTICITIES OF DEMAND FOR SELECTED VEGETABLES IN SRI LANKA

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Vegetables play an important role in Sri Lankan diet; hence it provides micro nutrient for a healthier life. Thus, it may reduce the risk of non-communicable diseases and cancers. However, in today's context, the daily intake of vegetable is far less than the recommended amount by WHO. Hence this study investigates the price and income elasticities and the effect of demographic factors for the consumption of selected low country vegetable in Sri Lanka by utilizing the secondary data of Household Income and Expenditure Survey (HIES) 2016. of Department of Census and Statistics. The sample size was 21,756 housing units representing the all three sectors (Urban, Rural, Estate) in Sri Lanka. Data were collected by 12 months survey. The data were analyzed by using double log demand function. The own price has negatively significant for all vegetables and positively significant for income at ($p < 0.05$). Own price elasticity and income elasticity were, Okra (-0.48, 0.01), Bitter gourd (-0.37, 0.02), Long bean (-0.53, 0.04), Snake gourd (-0.40, 0.01), Ridge gourd (-0.47, 0.04), Pumpkin (-0.50, 0.03), Tomato (-0.54, 0.02), Wing bean (-0.36, 0.01), Drumstick (-0.39, 0.03), *Kekiri* (-0.52, 0.02), Eggplant (-0.42, 0.03), *Thibbatu* (-0.43, 0.03). Among the demographic factors, education was negatively significant ($p \leq 0.05$) for all selected vegetables except Wing bean, Eggplant and *Thibbatu*. Age of the household head and family size were not significant. However sector wise has a minor impact on consumption of vegetables. This inelastic price demand conclude that vegetables have limited substitutes and as a result choice remain the same. Based on results high vegetable prices adversely affect for the consumption. Therefore affordable vegetables prices are important to promote the consumption. Income has shown a positive impact on vegetable consumption. Further, due to the positive impact of income and hence the market opportunity producers are recommended to cultivate low country vegetables.

Keywords: Double log demand function, Income elasticity, Low country Vegetables, Price elasticity