THREE ESSAYS ON AGRICULTURAL POLICY AND FOOD DEMAND

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ABSTRACT

These essays study important causes and interactions of agricultural policy and food demand. Essay one identifies the pattern of wheat support and income over historical data. The results indicate that income has statistically significant effects on wheat support, the pattern is non-linear and varies among support mechanisms, and this relationship permits estimation of the future support. Essay two examines the effect of China wheat stock policies in 2006-2013 on the market using a structural economic model. Simulation results suggest that government stock policies stabilized wheat market prices, if measured by the standard deviation, and raised production in China. Essay three applies fixed effect and demand system models to estimate how refrigerator ownership affects food consumption in rural China. Refrigerator ownership reduces total food expenditure and meat consumption quantity, according to the estimation results, and might increase the expenditure share of perishable foods, like meat, egg and seafood. Taken as a whole, the results suggest that scientists should consider the impact of expanding refrigerator ownership, recognize the potential effect of public stocks on the evolution of price, and include the income-to-support relationship in long-run analysis to generate more accurate projections of consumption, price volatility, and agricultural support.