Japanese Household Fresh Fruits Demand Pattern

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ABSTRACT

Japanese people consumed at the average of 45.2 kg capita⁻¹ in 1965 and had reached the peak of 54.6 kg capita⁻¹ in 1973 but decreased to 27.5 kg capita⁻¹ in 2006. Fresh fruits household expenses in Japan can be divided into 2 eras which is increasing era (1973-1992) and decreasing era (1992-2006) that shows the consumption pattern for the commodity. In Japan, fruits consumption distribution shows different pattern due to each fruit have different consumption characteristic and trend of demand. Therefore, it is crucial to understand economic characteristic for each fruit by understanding its price and expenditure elasticity. Present study covers the comparison study for the demand of fresh fruits by Japanese household across all over Japan for the period of 1973-1992 and 1992-2006. In this study, we analyze demand elasticity for fruits in general and other 14 fresh fruits available in Japanese market such as apple, pear, peach, persimmon, mandarin orange, orange, other citrus, grapefruits, watermelon, melon, strawberry, grape, banana and other fruit. The demand elasticity estimation was carried out using differentiated double logarithmic demand function. We used SHAZAM software for present regression analysis in this study. Present study have found the demand for fresh fruits by Japanese household are inferior goods and highly affected by the price. Generally, the demand for the fresh fruits by Japanese household is decrease. This study provides important information about the Japanese consumer demand for fresh fruits which could serve as guidelines for understanding consumer spending on fresh fruits as well as making structural marketing adjustments.

Key words: Japanese household, fresh fruits, price elasticity, expenditure elasticity, double logarithmic demand function

INTRODUCTION

Fresh fruit plays a significant part of the Japanese diet and is usually eaten as a dessert or snack. Statistical data has shown that the quantity demand for the fresh fruits by Japanese household had declined since 1973. Japanese household consumed at the average of 45.2 kg capita⁻¹ in 1965 and had reached the peak of 54.6 kg capita⁻¹ in 1973 but decreased to 27.5 kg capita⁻¹ in 2006. The decreases in quantity demand from 1973 to 1992 maybe due to the increases in the price of fresh fruits. However, the decreases in the quantity demand after 1992 are due to the decreases in the average of household income that leads to the decreases in household total expenditure including expenditure for food that also affected the spending allocation for fresh fruits. It is also believed that substantial change in Japanese diets in general has transferred from rice, fish, fresh fruits and vegetables to soy-based food, dairy, meat and poultry products (Chern, 2002).