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**CHAPTER III**

**CONSUMPTION  
BEHAVIOUR IN INDIA**

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## CONSUMPTION BEHAVIOUR IN INDIA

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*“Consumer behaviour reflects the totality of consumer’s decisions with respect to the acquisition and dispositions of goods, services, time and ideas by (human) decision-making units [over time].”*

*- (Jacoby, 1976, p. 332)*

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### 3.1 INTRODUCTION

Among the central problems of the economy viz. what to produce, how to produce and for whom to produce, the post facto analysis of the problem of what to produce and for whom to produce can be carried out by studying the Consumer behaviour. From an economics perspective, the study of consumer behaviour includes study of how consumers spend, how they evaluate choices and how they decide in order to derive maximum satisfaction from their purchases.

In its entirety the study of Consumer Behaviour is one of the most challenging concepts in economics as it is a multi-disciplinary field which draws its theories and beliefs from several knowledge pools like psychology, sociology, social psychology, cultural anthropology and economics. Since it combines the concepts of behavioural science to understand human behaviour, it’s recognised as an applied field. In addition to economics, it is also useful to organisations in developing their marketing strategy, to government authorities in framing their policies and to consumer groups in influencing consumption behaviour.

This chapter is further divided into eight sections. Section 3.2 presents meaning and definition of consumer behaviour and Section 3.3 covers the empirics of consumer behaviour in India. Section 3.4 deals with the trends of private final consumption expenditure as share of GDP and among food and non-food items. Section 3.5 further studies the trends in share of expenditure on various food and non-food items in both urban and rural areas. Section 3.6 presents the interstate differences in consumption pattern in urban and rural areas which is followed by trends in the consumption of major food items in Section 3.7. Section 3.8 outlines the monthly per capita expenditure across income group of both food and non-food items in urban and rural areas. Lastly, Section 3.9 presents the summary and major takeaways.

### **3.2 CONSUMER BEHAVIOUR: MEANING AND DEFINITION**

To put simply, Consumer Behaviour is the study which deals with the various stages a consumer goes through before purchasing products or services for his end use (Aggrawal, 2014).

“Consumer behaviour is the study of individuals, groups, or organizations and the process they use to select, secure, and dispose of products, services, experiences and ideas, which are associated with the satisfaction of their needs. It also includes consideration of the impact of these processes upon consumers, organisations and society in general” (Baker and Hart, 2015, p. 151). It refers to the actions of the consumers in the market place and the underlying motives for those actions.

“Consumer behaviour..... is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires” (Solomon, Bamossy, Askegaard, and Hogg, 2006, p. 6).

Schiffman and Kanuk, (as cited in Jisana, 2014, p. 34) take a similar approach in defining consumer behaviour, “the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.”

### **3.3 EMPIRICS OF CONSUMER BEHAVIOUR IN INDIA**

Prior to independence in 1947 consumer behaviour in India did not get its due importance. The legacy of data collection methods left behind by the colonial rulers was far from adequate to study consumer behaviour. To be honest it did not even provide the elementary data required for estimation of national income. During 1950's under the aegis of Prime Minister, Pandit Jawaharlal Nehru the foundation of a strong statistical base was laid. Today, in the official statistical system the Department of Statistics set up by the Government of India is the apex body. In terms of the organisational structure the Central Statistical Organisation (CSO), the National Sample Survey Organisation (NSSO) and the Computer Centre (CC) operate under the Department of Statistics.

Setup by the Department of Statistics of the Government of India in 1950, the National Sample Survey Organization (NSSO) is a permanent survey organization which

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collects the data relating to a wide variety of aspects of the Indian economy through country wide sample surveys. These surveys contribute vital information that helps decision makers in socio-economic planning and policy making.

The NSSO is entrusted with conducting annual surveys with each year having a definite scheduled area of focus. Surveys are conducted on Consumer Expenditure and Employment and Unemployment, Social Consumption (health, education, etc.), Unorganised Manufacturing, Services Sector, Land and Livestock holdings, Debt and Investment and on any other topic as required. While some are annual surveys, others are conducted twice in a decade.

The NSSO is an institution of excellence which received international acclaim, in fact its work has inspired other developing nations to establish similar organisations. Its journey began in 1950-51 when the NSS conducted its first round in covering rural India. From then onwards, the NSSO has been conducting regular and comprehensive surveys covering a wide area topics. The data gathered is of significant importance to policy makers, social scientists, marketers and others.

As part of consumer expenditure survey (CES) the NSSO presents time-series of consumption data categorised under food and non-food items among rural and urban areas. The report further provides details with respect to states and income group. The CES reports are significantly important for the policy makers, indicators like distribution of households over a consumption spending range assist the apex planning and decision-making process in allocating the nation's resources among sectors, regions, and socio-economic groups, and assess the "inclusiveness" of economic growth. CES also provides shares of various commodities within the budget of urban and rural population, which are used to prepare the weighing diagram for official consumer price indices (CPIs) (NSSO Report, 555, 2011-12).

The NSSO has been carrying out the household consumer expenditure survey (CES), which is generally conducted along with the employment-unemployment survey of the NSS at five year intervals often referred to as quinquennial intervals. This provides a series of CES's. Thus, "quinquennial" surveys were conducted in the 27<sup>th</sup> round, 32<sup>nd</sup> round, 38<sup>th</sup> round, 43<sup>rd</sup> round, 50<sup>th</sup> round, 55<sup>th</sup> round, 61<sup>st</sup> round and 66<sup>th</sup> round of NSS, at roughly 5-year intervals on consumer expenditure and employment-unemployment.

In its 32<sup>nd</sup> Meeting held on 23<sup>th</sup> - 24<sup>th</sup> April 2010, the National Statistical Commission (NSC) felt that 2009-10, being a non-normal year, may not be a true representation of the economic situation and may pose problems; hence, it was appropriate to repeat the survey once again in respect of consumer expenditure as well as employment-unemployment issues. Formally, in its 33<sup>rd</sup> meeting held on 19<sup>th</sup> - 21<sup>th</sup> May 2010, the NSC decided to repeat the quinquennial survey on “consumer expenditure and employment-unemployment” in the 68<sup>th</sup> Round (2011-12) of NSS.

Table 3.1 below brings out the quinquennial rounds of CES with its corresponding NSSO survey and the conforming reference period.

**Table 3.1 NSSO Rounds – Quinquennial Survey**

<b>Quinquennial</b>	<b>Round</b>	<b>Period</b>
1 <sup>st</sup>	27 <sup>th</sup>	Sept 1972 – Oct 1973
2 <sup>nd</sup>	32 <sup>nd</sup>	July 1977 – June 1978
3 <sup>rd</sup>	38 <sup>th</sup>	Jan 1983 – Dec 1983
4 <sup>th</sup>	43 <sup>rd</sup>	July 1987 – June 1988
5 <sup>th</sup>	50 <sup>th</sup>	July 1993 – June 1994
6 <sup>th</sup>	55 <sup>th</sup>	July 1999 – June 2000
7 <sup>th</sup>	61 <sup>st</sup>	July 2004 – June 2005
8 <sup>th</sup>	66 <sup>th</sup>	July 2009 – June 2010
9 <sup>th</sup>	68 <sup>th</sup>	July 2011 – June 2012

**Source:** NSSO Reports various years.

### **3.4 PRIVATE FINAL CONSUMPTION EXPENDITURE (PFCE)**

#### **3.4.1 Trends in Share of Private Final Consumption Expenditure (PFCE) in Gross Domestic Product (GDP) (1980-81 to 2014-15)**

Private consumption expenditure is a key component in determining the growth of an economy. It acts as an indicator to acknowledge the levels of employment, savings, investment and other aspects of an economy. Private Final Consumption Expenditure (PFCE) is nothing but the expenditure incurred by the private households and non-profit institutions serving these households on the final goods and services.

GDP is the value of goods and services produced in an economy in a year. Looked from different perspective GDP is the total value of the spending on goods and services in

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the nation in a year towards consumption and capital formation together with the value of foreign trade.

**Table 3.2 Components of Gross Domestic Product (As Percentage of GDP)**

Year	PFCE	GFCE	GDCF	Trade Deficit (negative)
1980-81	79%	10%	18%	3%
1981-82	77%	10%	22%	3%
1982-83	76%	11%	22%	2%
1983-84	77%	11%	20%	2%
1984-85	76%	11%	22%	1%
1985-86	74%	11%	23%	2%
1986-87	74%	12%	23%	2%
1987-88	72%	13%	23%	1%
1988-89	71%	12%	24%	1%
1989-90	69%	12%	24%	1%
1990-91	68%	12%	25%	1%
1991-92	68%	12%	22%	0%
1992-93	67%	11%	24%	1%
1993-94	66%	12%	21%	0%
1994-95	66%	11%	23%	0%
1995-96	65%	11%	26%	1%
1996-97	65%	11%	22%	1%
1997-98	65%	12%	25%	1%
1998-99	65%	13%	24%	2%
1999-00	65%	13%	27%	2%
2000-01	65%	13%	24%	1%
2001-02	65%	12%	26%	1%
2002-03	64%	12%	25%	1%
2003-04	62%	11%	26%	1%
2004-05	59%	11%	32%	2%
2005-06	58%	11%	34%	3%
2006-07	58%	10%	36%	3%
2007-08	57%	10%	38%	4%
2008-09	58%	11%	36%	5%
2009-10	57%	12%	36%	5%
2010-11	56%	11%	37%	4%
2011-12	57%	11%	36%	6%
2012-13	57%	12%	35%	7%
2013-14	57%	12%	31%	4%
2014-15	58%	13%	31%	4%

**Source:** Researcher's own calculation based on Table A-1.

**Notes:** 1. Data for 2014-15 are Provisional Estimates.

2. The sum total of components may not equal the GDP on account of errors and omissions.

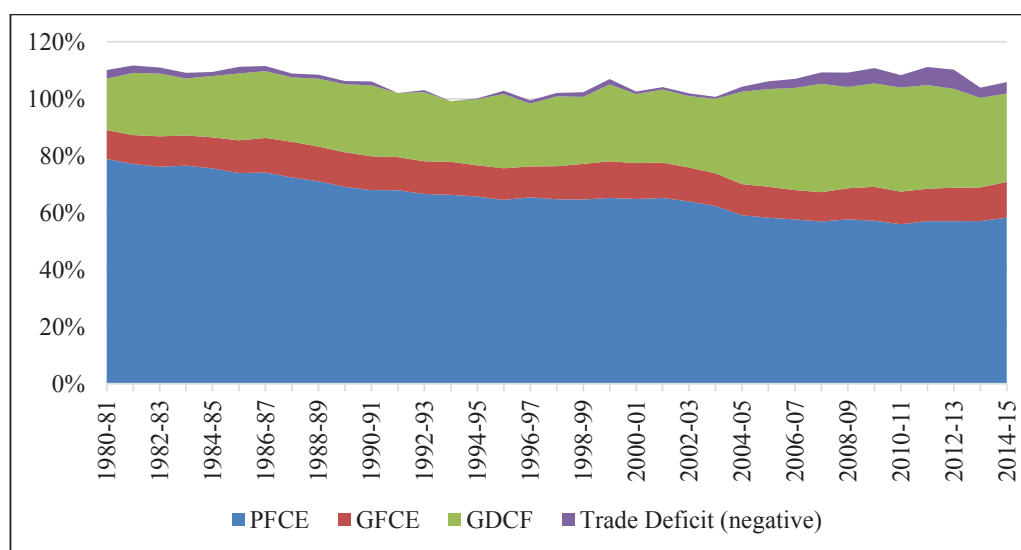
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In terms the GDP can be represented as;

$$\text{GDP} = \text{Private Final Consumption Expenditure (PFCE)} + \text{Government Final Consumption Expenditure (GFCE)} + \text{Investment Expenditure or Gross Domestic Capital Formation (GDCF)} + (\text{Exports} - \text{Imports})$$

where, GDCF includes Gross Fixed Capital Formation, Changes in Stocks and Valuables and Trade Deficit = Export – Import

**Figure 3.1 Trend in Share of PFCE in GDP (1980-81 to 2014-15)**



**Source:** Researcher's own compilation based on Table 3.2.

Table 3.2 and Figure 3.1 reveal that the proportion of PFCE in the GDP of India has been steadily declining and has reduced from 79% in 1980-81 to 58% in 2014-15. Over the same period there has been a rise in investment from 18% to 31%, increase in government consumption from 10% to 13% and marginal rise in trade deficit from 3% to 4%.

While the proportion of PFCE in GDP has declined, it continues to remain the single most important contributor towards the GDP. The recent high growth rate of the Indian economy is largely attributable to the high consumption. A rising and aspirational middle class, spurred by higher IT and service sector wages, coupled with a low interest rate regime led to the exponential growth of hire purchase schemes, which translated into a boom for the consumer goods and services industries (Natarajan, 2008).

Growing cult of investments for future has also contributed to GDP growth. The investments have been channel through various schemes of channeling idle money into the banking system through financial inclusion measures. Access to banking system mainly in hinterland thru recent Government program of Jan Dhan Yojna and PM Bima Yojnas, etc. which hitherto were out of reach has substantially been helpful in growth of financial inclusion and investments. In urban areas increased incomes/salaries and urge to save for a rainy day has also helped investments in Deposits, Mutual Funds and Insurance premiums which help in channel the savings to investments. Lately systematic investment plans have become habit of middle class family and is presently a behemoth contributor to investments (Bisht and Singhal, 2011). The rise in income levels coupled with increasing young working-age population is working towards increasing the share of discretionary spending in private final consumption expenditure and raising the savings rate.

Over the last three decades the government expenditure's contribution to GDP has been steady whereas that of trade deficit has risen this is primarily resulting from the heightened pace of depreciation that the Indian Rupee witnessed from 2007-08 onwards and with that the effect of the trade deficit began widening.

### **3.4.2 Trends of Private Final Consumption Expenditure (PFCE) on Food and Non-Food Items**

The total Private Final Consumption Expenditure (PFCE) has been classified by National Sample Survey Organization (NSSO) into two categories, as expenditure on food items and expenditure on non-food items. In order to understand the components of consumption, the food items and non-food items were separately considered under the Private Final Consumption Expenditure.

The expenditure on food items include “expenditure on cereals and bread, pulses, sugar and gur, oil and oilseeds, fruits and vegetables, potato and tubers, milk and milk products, meat, egg and fish, coffee, tea and cocoa, spices and beverages, pan, intoxicants, tobacco and its products.” The expenditure on non-food items comprises of “expenses of hotel and restaurants, clothing and footwear, gross rent and fuel and power, furniture, furnishing appliances and services, medical care and health services, transport and communication, recreation and education and cultural services and other miscellaneous goods and services.”



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Table 3.3 and Figure 3.2 reveal that over the last four decades there has been a consistent increase in the non-food expenditure and decline in the proportion of food items. In 1972-73 (27th round) non-food contributed to about 39% of the total private final consumption expenditure which rose to 45% in 1993-94 (50th round) to 64% in 2011-12 (68th round). For the same period the contribution of food item was 61%, then declined to 55% and then 36%.

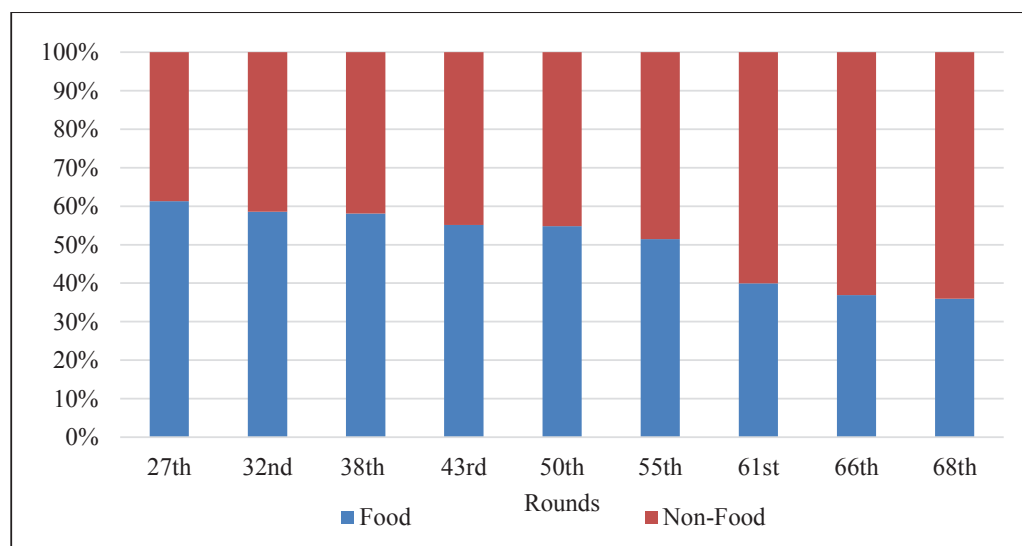
**Table 3.3: Private Final Consumption Expenditure on Food and Non-Food Items (1972-73 to 2011-12)**

(Rs. Crores)					
Rounds	Food		Non-Food		Total PFCE
27th	28519	(61%)	18010	(39%)	46529
32nd	48744	(59%)	34461	(41%)	83205
38th	101255	(58%)	73131	(42%)	174386
43rd	143508	(55%)	116687	(45%)	260195
50th	315243	(55%)	259529	(45%)	574772
55th	651262	(51%)	614087	(49%)	1265349
61st	769500	(40%)	1156092	(60%)	1925592
66th	1371888	(37%)	2349566	(63%)	3721454
68th	1858707	(36%)	3308739	(64%)	5167446

**Source:** Researcher's own calculation by using database from Private Final Consumption Expenditure by Object in India, NAS Reports, various years (Annual data).

**Notes:** Figures in parentheses denote the percentage of the total Private Final Consumption Expenditure.

**Figure 3.2 Private Final Consumption Expenditure on Food and Non-Food Items (1972-73 to 2011-12)**



**Source:** Researcher's own compilation based on Table 3.3

### 3.5 TRENDS IN SHARE OF EXPENDITURE ON VARIOUS FOOD AND NON FOOD ITEMS IN TOTAL CONSUMPTION EXPENDITURE: URBAN AND RURAL

Lifestyle of Indian consumer has been changing fast towards better living standards with comforts. This phenomenon which has been earlier in urban consumers has now spread over rural consumers also. Not only the personal needs and requirements are affecting these changes but to a large degree the present social conditions and behaviour are driving these changes especially younger generation. An individual or family has large influence by the society in which he/she moves and tries to follow the others when it comes to living standards and gadgets/appliances used in daily use. This is driving consumerism fast and is reflected today in increased consumption and spending on services.

Table 3.4 and Figure 3.3 show that there has been a decrease in the proportion of expenditure on food items in the last four decades in both urban and rural areas, however the expenditure on food continued to remain higher in rural areas as compared to urban areas.

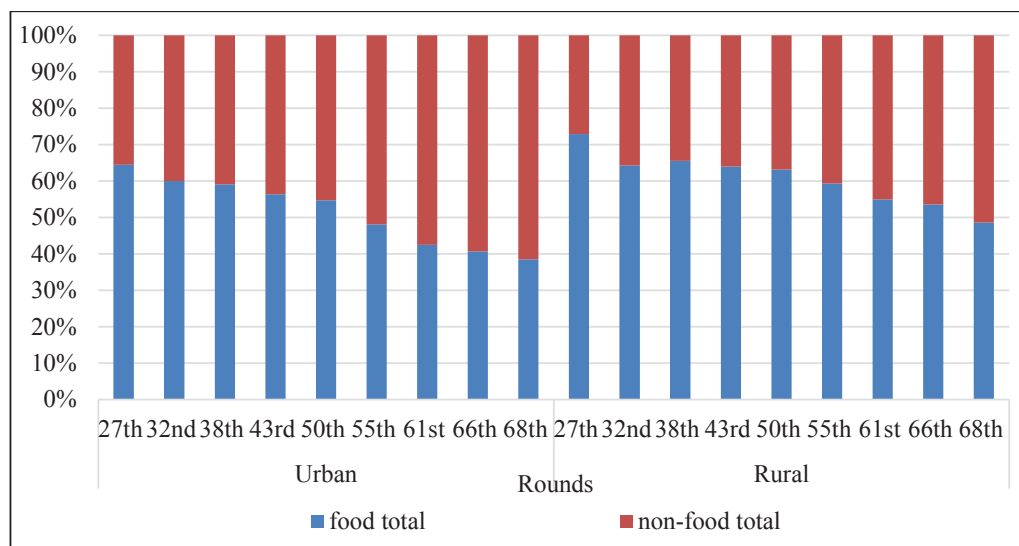
The share of food items in total consumer expenditure in both urban and rural areas have declined. In urban area the share has fallen from 64.5% in 1972-73 (27<sup>th</sup> round) to 54.7% in 1993-94 (50<sup>th</sup> round) and later to 38.5% in 2011-12 (68<sup>th</sup> round). In the same time span, the share of food items in rural areas has also been falling, it dropped from 72.9% to 63.2% and later to 48.6%.

**Table 3.4 Percentage Share of Expenditure on Various Food and Non-Food Items in Urban and Rural Areas (1972-73 to 2011-12)**

Rounds	Urban		Rural	
	Food Total	Non-Food Total	Food Total	Non-Food Total
27th	64.5	35.5	72.9	27.1
32nd	60	40	64.3	35.7
38th	59.1	40.9	65.6	34.4
43rd	56.4	43.6	64	36
50th	54.7	45.3	63.2	36.8
55th	48.1	51.9	59.4	40.6
61st	42.5	57.5	55	45
66th	40.7	59.3	53.6	46.4
68th	38.5	61.5	48.6	51.4

**Source:** NSSO Report 402, Level and pattern of Consumer Expenditure, 1993-94 and Key Indicators of Household Consumer Expenditure in India, 2011-12.

**Figure 3.3 Percentage Share of Expenditure on Various Food and Non-Food Items in Urban and Rural Areas (1972-73 to 2011-12)**



**Source:** Researcher’s own compilation based on Table 3.4.

The proportion of expenditure on non-food items in urban areas has increased from 35.5% in 1972-73 (27<sup>th</sup> round) to 45.3% in 1993-94 (50<sup>th</sup> round) and further rose to 61.5% in 2011-12 (68<sup>th</sup> round) in rural areas. Comparatively, over the years, the proportion of expenditure on non-food items in rural areas increased from 27.1% to 36.8% and further to 51.4%.

### 3.5.1 Trends in Share of Expenditure on Various Food Items in Total Expenditure on Food Items: Urban and Rural

Over time, there have been changes not only in the broader categories of food and non-food but also within the food basket. The food basket is comprised of cereals, pulses, milk and milk products, fruits and nuts, vegetables, edible oil, sugar, salt and spices, beverages and poultry and meat products.

#### 3.5.1.1 Trends in Share of Expenditure on Various Food Items in Total Expenditure on Food Items: Urban Areas

Table 3.5 and Figure 3.4 show that for urban India the percentage share of cereals and substitutes in total food expenditure have decreased from 37% in 1972-73 (27<sup>th</sup> round) to 26% in 1993-94 (50<sup>th</sup> round) and to 19% in 2011-12 (68<sup>th</sup> round). Sugar has also declined remarkably half of its share from 6% in 1972-73 to 3% in 2011-12.

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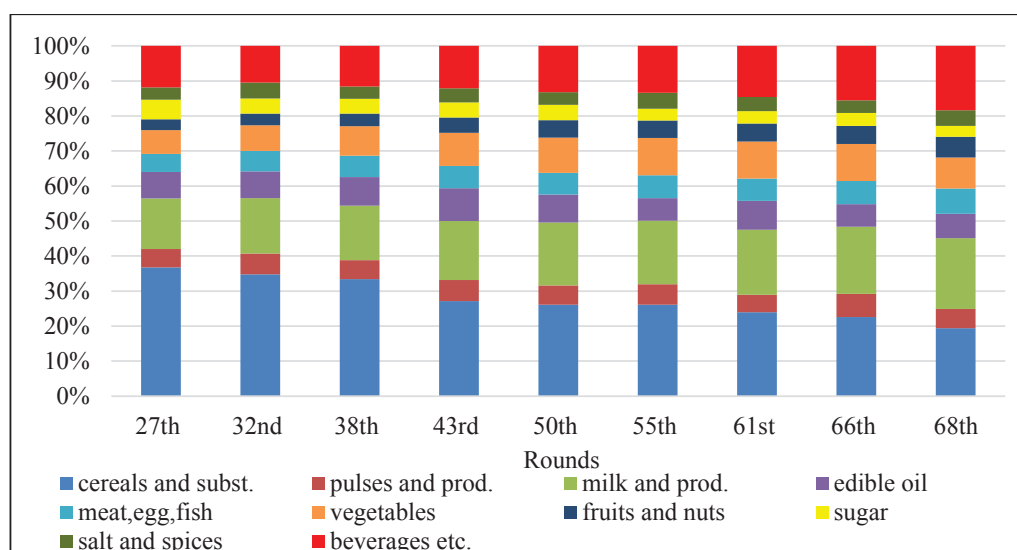
For the same period milk and milk products increased from 14% in 1972-73 to 18% in 1993-94 and further to 20% in 2011-12 as well as beverages percentage share raised from 12% to 13% and furthermore to 18%. The share of fruits and nuts has notably doubled from 3% in 1972-73 to 6% in 2011-12. There was a slight increase in the share of meat, egg, and fish from 5% (1972-73) to 7% (2011-12). The share of vegetables in total food consumption has increased from 7% in 1972-73 to 10% in 1993-94 and then slightly declined in 2011-12 to 9%. There was no significant change in the share of pulses and products, salt and spices and edible oil for the same time span.

**Table 3.5 Percentage Share of Expenditure on Various Food Items in Total Food Consumption Expenditure: Urban Areas**

ITEM	Rounds								
	27th	32nd	38th	43rd	50th	55th	61st	66th	68th
cereals and subst.	37%	35%	33%	27%	26%	26%	24%	23%	19%
pulses and prod.	5%	6%	5%	6%	5%	6%	5%	7%	5%
milk and prod.	14%	16%	16%	17%	18%	18%	19%	19%	20%
edible oil	8%	8%	8%	9%	8%	6%	8%	6%	7%
meat, egg, fish	5%	6%	6%	6%	6%	6%	6%	7%	7%
vegetables	7%	7%	8%	9%	10%	11%	11%	11%	9%
fruits and nuts	3%	3%	4%	4%	5%	5%	5%	5%	6%
sugar	6%	4%	4%	4%	4%	3%	4%	4%	3%
salt and spices	4%	4%	4%	4%	4%	5%	4%	4%	4%
beverages etc.	12%	10%	12%	12%	13%	13%	15%	15%	18%

Source: Researcher's own calculation based on Table A-2

**Figure 3.4 Percentage Share of Expenditure on Various Food Items in Total Food Consumption Expenditure: Urban Areas**



Source: Researcher's own compilation based on Table 3.5

### 3.5.1.2 Trends in Share of Expenditure on Various Food Items in Total Expenditure on Food Items: Rural Areas

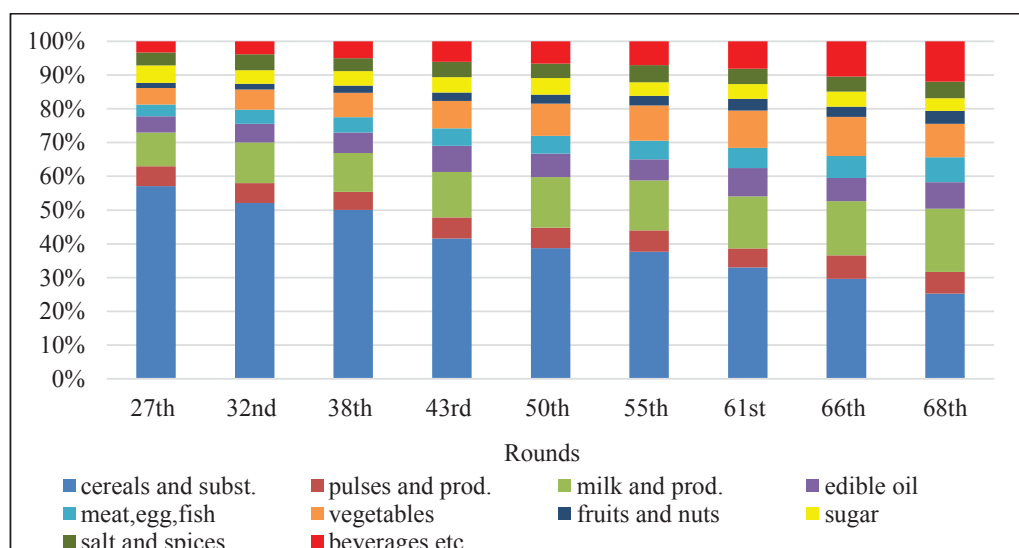
Table 3.6 and Figure 3.5 show that there was a notable change in cereals and substitute declining from 57% in 1972-73 (27<sup>th</sup> round) to 39% in 1993-94 (50<sup>th</sup> round) and further to 25% in 2011-12 (68<sup>th</sup> round).

**Table 3.6 Percentage Share of Expenditure on Various Food Items in Total Food Consumption Expenditure: Rural Areas**

ITEMS	Rounds								
	27th	32nd	38th	43rd	50th	55th	61st	66th	68th
cereals and subst.	57%	52%	50%	42%	39%	38%	33%	30%	25%
pulses and prod.	6%	6%	5%	6%	6%	6%	6%	7%	6%
milk and prod.	10%	12%	11%	13%	15%	15%	15%	16%	19%
edible oil	5%	6%	6%	8%	7%	6%	8%	7%	8%
meat, egg, fish	3%	4%	5%	5%	5%	6%	6%	7%	7%
vegetables	5%	6%	7%	8%	9%	10%	11%	12%	10%
fruits and nuts	2%	2%	2%	3%	3%	3%	3%	3%	4%
sugar	5%	4%	4%	5%	5%	4%	4%	4%	4%
salt and spices	4%	5%	4%	5%	4%	5%	5%	4%	5%
beverages etc.	3%	4%	5%	6%	7%	7%	8%	10%	12%

Source: Researcher's own calculation based on Table A-3

**Figure 3.5 Percentage Share of Expenditure on Various Food Items in Total Food Consumption Expenditure: Rural Areas**



Source: Researcher's own compilation based on Table 3.6

For the same period milk and milk products raised from 10% to 15% and further to 19%, meat, egg, fish raised from 3% to 5% and to 7%. Vegetables and fruits and nuts doubled from 5% and 2% in 1972-73 to 10% and 4% in 2011-12 respectively. The percentage share of beverage contribution increased from 3% in 1972-73 to 7% in 1993-94 and furthermore to 12% in 2011-12. There was a slight increase in the share of edible oil from 5% in 1972-73 to 8% in 2011-12. In rural areas there wasn't any significant change in sugar, salt and spices and pulses and products for the same time span.

From both the Figures 3.4 and 3.5, we can say that in both urban and rural areas, the percentage share of cereal and substitutes has declined and the share of milk and milk products, beverages and fruits and nuts have increased. There was no significant change in the share of pulses and products and salt and spices in both the areas.

In urban areas the percentage share of sugar has decreased whereas in rural areas there was no significant change in the share of sugar. There was no significant change in the share of edible oil in urban area whereas slightly increased in the rural area. The share of meat, egg, fish and vegetables in the total food expenditure have increased in both rural and urban areas.

### **3.5.2 Trends in Share of Expenditure on Various Non-Food Items in Total Expenditure on Non-Food Items: Urban and Rural**

While the non-food consumption expenditure has been rising, its composition has undergone change over time. The non-food consumption comprised of pan tobacco and intoxicants, fuel and light, clothing and footwear, durable goods and miscellaneous goods and services.

#### **3.5.2.1 Trends in Share of Expenditure on Various Non-Food Items in Total Expenditure on Non-Food Items: Urban Areas**

Table 3.7 and Figure 3.6 depicted that in urban India the largest contributor to the non-food consumption expenditure were miscellaneous goods and services, which includes educational and medical expenses, and expenditure on amusement, goods for personal care and effect, toilet articles, consumer services, and conveyance. The share of miscellaneous goods and services has increased from 54% in 1972-73 (27<sup>th</sup> round) to 61% in 1993-94 (50<sup>th</sup> round) and further to 65% in 2011-12 (68<sup>th</sup> round). In 1972-73

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the second highest contributors were fuel and light and clothing and footwear at 16% which dropped to 12% and 11% respectively in 2011-12.

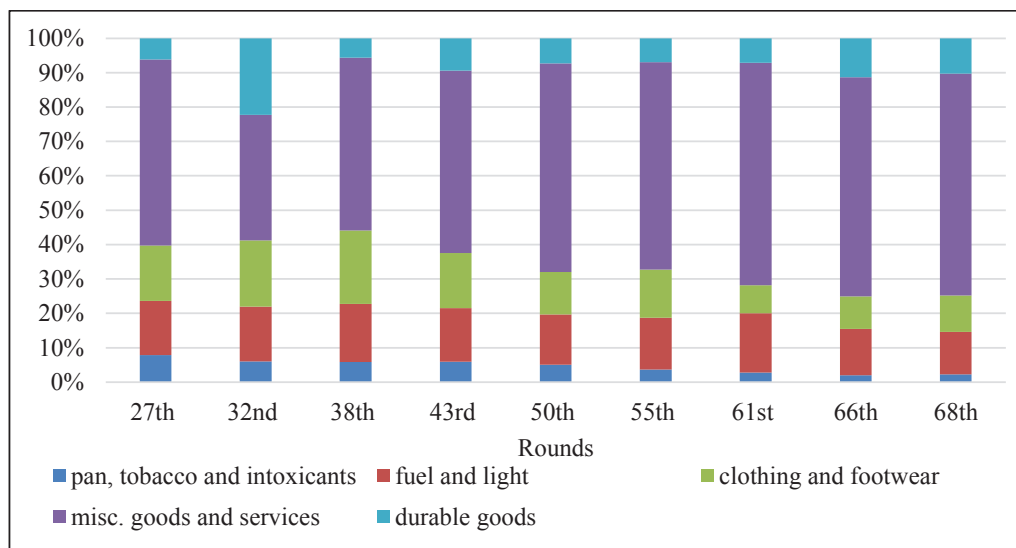
The share of durable goods has increased from 6% in 1972-73 to 10% in 2011-12. For the same period the share of pan, tobacco and intoxicants has decreased notably from 8% to 2%.

**Table 3.7 Percentage Share of Expenditure on Various Non-Food Items in Total Non-Food Consumption Expenditure: Urban Areas**

ITEM	27th	32nd	38th	43rd	50th	55th	61st	66th	68th
pan, tobacco and intoxicants	8%	6%	6%	6%	5%	4%	3%	2%	2%
fuel and light	16%	16%	17%	16%	15%	15%	17%	13%	12%
clothing and footwear	16%	19%	21%	16%	12%	14%	8%	9%	11%
misc. goods and services	54%	37%	50%	53%	61%	60%	65%	64%	65%
durable goods	6%	22%	6%	9%	7%	7%	7%	11%	10%

Source: Researcher's own calculation based on Table A-2

**Figure 3.6 Percentage Share of Expenditure on Various Non-Food Items in Total Non-Food Consumption Expenditure: Urban Areas**



Source: Researcher's own compilation based on Table 3.7

### 3.5.2.1 Trends in Share of Expenditure on Various Non-Food Items in Total Expenditure on Non-Food Items: Rural Areas

Table 3.8 and Figure 3.7 show that in rural areas also the largest contributor to the non-food consumption expenditure were miscellaneous goods and services whose share has

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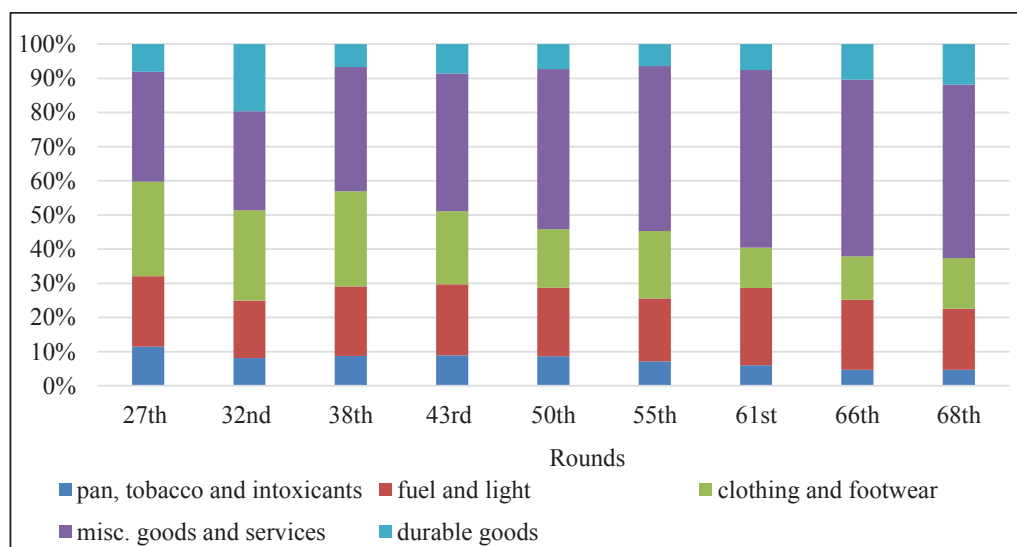
increased from 32% in 1972-73 to 47% in 1993-94 to 51% in 2011-12. In 1972-73 the second highest contributor was clothing and footwear at 28% which dropped to 15% in 2011-12. The percentage share of fuel and light and pan, tobacco and intoxicants have decreased from 21% and 11% in 1972-73 to 18% and 5% in 2011-12 respectively. For the same period the share of durable goods has increased from 8% to 12%.

**Table 3.8 Percentage Share of Expenditure on Various Non-Food Item in Total Non-Food Consumption Expenditure: Rural Areas**

ITEM	Round								
	27th	32nd	38th	43rd	50th	55th	61st	66th	68th
pan, tobacco and intoxicants	11%	8%	9%	9%	9%	7%	6%	5%	5%
fuel and light	21%	17%	20%	21%	20%	18%	23%	20%	18%
clothing and footwear	28%	26%	28%	21%	17%	20%	12%	13%	15%
misc. goods and services	32%	29%	36%	40%	47%	48%	52%	52%	51%
durable goods	8%	20%	7%	9%	7%	6%	8%	10%	12%

Source: Researcher's own calculation based on Table A-3

**Figure 3.7 Percentage Share of Expenditure on Various Non-Food Items in Total Non-Food Consumption Expenditure: Rural Areas**



Source: Researcher's own compilation based on Table 3.8

From both the Figures 3.6 and 3.7, we can say that rural areas have largely mirrored that of the urban areas. The most significant change over the years has been that of the contribution of miscellaneous goods and services which has increased significantly in both the areas. The miscellaneous goods and services were followed by clothing and



footwear, though share has decreased over the years. The share of fuel and light and pan and tobacco and intoxicants has also decreased in both the urban and rural areas. There was an increasing trend in the share of durable goods in both urban and rural India.

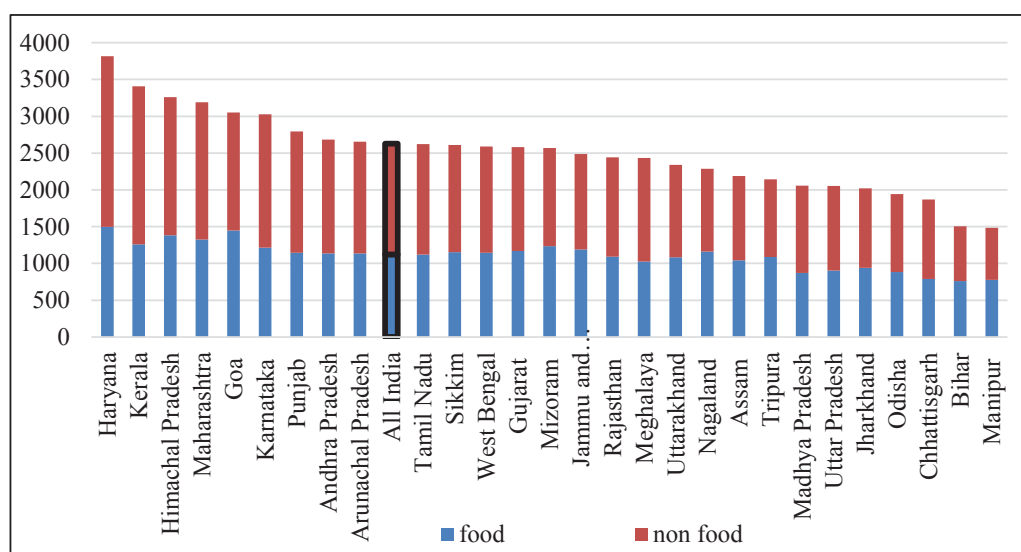
### 3.6 INTERSTATE DIFFERENCES IN CONSUMPTION PATTERN (68th ROUND, 2011-12)

The consumption pattern not only differ among urban and rural areas but are also significantly different across states. Differences among states in terms of food and non-food expenditure are mainly due to the level of per capita income. Regions or states with low per capita income exhibit lower non-food expenditure as a significant portion of the income goes towards meeting the basic necessities mainly food. States with higher per capita income display higher non-food expenditure. Diversity of per-capita income among states is often associated with fertility of land, irrigation, level of industrialisation, connectivity to trade hubs etc.

#### 3.6.1 Interstate Food and Non-Food Monthly Per capita Consumption Expenditure in Urban Area (2011-12)

Figure 3.8 charts the state-wise per-capita monthly expenditure for urban areas ranked in decreasing order. These are as per the 68th round conducted for the year 2011-12.

**Figure 3.8 Interstate Food and Non-Food Monthly Per Capita Consumption Expenditure in Urban Area (2011-12)**



**Source:** Researcher’s own compilation using database from Level and Pattern of Consumer Expenditure, 2011-12, NSSO Report 555

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The said figure brings out the fact that there are high number of states which are below the all-India average versus the ones that are above it i.e. in relation to the all-India average there are nine states which are above the average and nineteen that are below.

**Table 3.9 Total, Food and Non-Food Monthly Per capita Consumption Expenditure in Urban Area (2011-12) – Ranking of States**

(Rs.)						
Ranks	Name of States	TE	Name of States	Food	Name of States	Non-Food
1	Haryana	3817.33	Haryana	1494.72	Haryana	2322.62
2	Kerala	3408.45	Goa	1447.01	Kerala	2148.22
3	Himachal P*	3258.54	Himachal P*	1382.21	Himachal P*	1876.35
4	Maharashtra	3189.14	Maharashtra	1325.36	Maharashtra	1863.79
5	Goa	3051.19	Kerala	1260.23	Karnataka	1812.89
6	Karnataka	3025.52	Mizoram	1235.72	Punjab	1649.02
7	Punjab	2794.02	Karnataka	1212.63	Goa	1604.22
8	Andhra P*	2685.09	J and K	1188.48	Andhra P*	1549.43
9	Arunachal P*	2654.17	Gujarat	1167.17	Arunachal P*	1515.99
<b>10</b>	<b>All-India</b>	<b>2629.65</b>	Nagaland	1160.13	<b>All-India</b>	<b>1508.78</b>
11	Tamil Nadu	2622.18	Sikkim	1151.22	Tamil Nadu	1502.88
12	Sikkim	2607.87	West Bengal	1146.2	Sikkim	1456.69
13	West Bengal	2591.04	Punjab	1145	West Bengal	1444.84
14	Gujarat	2581.28	Arunachal P*	1138.17	Gujarat	1414.12
15	Mizoram	2567.72	Andhra P*	1135.65	Meghalaya	1410.23
16	J and K	2485.34	<b>All-India</b>	<b>1120.88</b>	Rajasthan	1348.99
17	Rajasthan	2442.4	Tamil Nadu	1119.31	Mizoram	1332.02
18	Meghalaya	2435.66	Rajasthan	1093.42	J and K	1296.88
19	Uttarakhand	2338.99	Tripura	1085.35	Uttarakhand	1255.15
20	Nagaland	2284.43	Uttarakhand	1083.86	Madhya P*	1189.61
21	Assam	2189.15	Assam	1043.63	Uttar P*	1148.83
22	Tripura	2144.45	Meghalaya	1025.4	Assam	1145.55
23	Madhya P*	2058.02	Jharkhand	939.26	Nagaland	1124.34
24	Uttar P*	2051.22	Uttar P*	902.4	Chhattisgarh	1079.95
25	Jharkhand	2018.29	Odisha	881.67	Jharkhand	1079.03
26	Odisha	1940.61	Madhya P*	868.42	Tripura	1059.1
27	Chhattisgarh	1867.86	Chhattisgarh	787.92	Odisha	1058.97
28	Bihar	1506.58	Manipur	777.64	Bihar	745.47
29	Manipur	1482.63	Bihar	761.11	Manipur	705.03

**Source:** Researcher's own calculation using database from Level and Pattern of Consumer Expenditure, 2011-12, NSSO Report 555.

**Notes:** \*Pradesh, J and K – Jammu and Kashmir and TE – Total Expenditure/Consumption.

The top five states in terms of per-capita monthly expenditure are Haryana, Kerala, Himachal Pradesh, Maharashtra and Goa, the bottom five are Manipur, Bihar,

Chhattisgarh, Odisha and Jharkhand. A compilation of these are captured in Table 3.9. In terms of the food and non-food bifurcation one would notice that the states that have high consumption are also the ones that have high food and non-food consumption. Barring a few changes in order the top five states remain more or less the same.

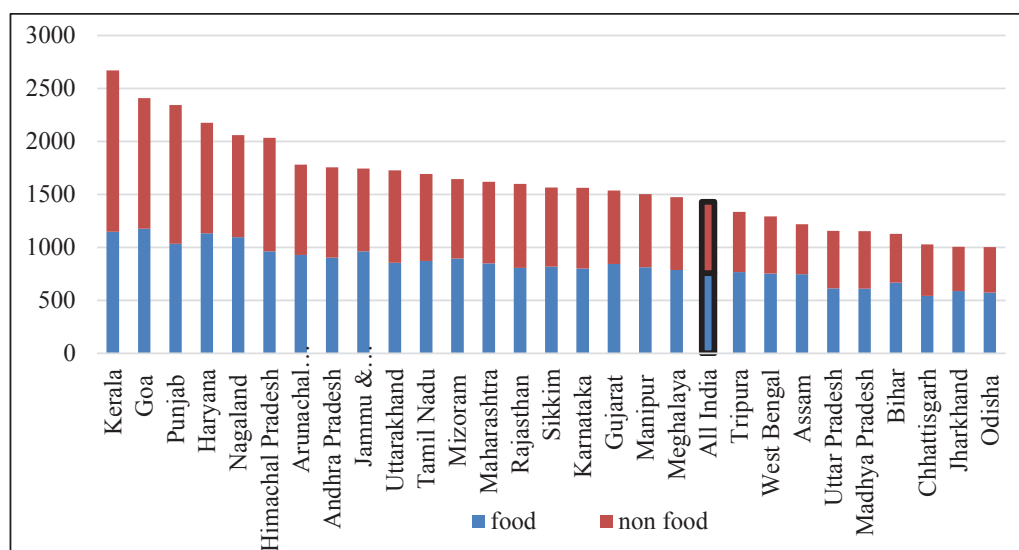
The top five states with respect to per-capita food consumptions are the same as overall level and in terms of the bottom five states we have Madhya Pradesh in place of Jharkhand. For food consumption there are fifteen states above the national average and thirteen that are below the national average, indicating that variations are relatively less in food consumption.

Regarding non-food consumption the top-four states are the same as overall followed by Karnataka. The bottom five states are again the same with the exception of Tripura replacing Chhattisgarh. Similar to the order in the overall rankings, the all-India average has nine states above it and nineteen states below it. This further reiterates the fact that in urban areas non-food expenditure has more weightage in the overall consumption basket.

### 3.6.2 Interstate Food and Non-Food Monthly Per capita Consumption Expenditure in Rural Area (2011-12)

Figure 3.9 shows the state-wise per-capita monthly expenditure for rural areas.

**Figure 3.9 Interstate Food and Non-Food Monthly Per capita Consumption Expenditure in Rural Area (2011-12)**



**Source:** Researcher’s own compilation using database from Level and Pattern of Consumer Expenditure, 2011- 12, NSSO Report 555.

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Figure 3.9 depicts the state-wise per-capita monthly expenditure for rural areas ranked in descending order as per the 68th NSSO round conducted for the year 2011-12. Unlike the urban areas the rural areas have the average set at a relatively lower level with nineteen states above the all-India average and nine states below the average.

**Table 3.10 Total, Food and Non-Food Monthly Per capita Consumption Expenditure in Rural Area (2011-12) – Ranking of States**

(Rs.)						
Ranks	Name of States	TE	Name of States	Food	Name of States	Non-Food
1	Kerala	2668.7	Goa	1174.42	Kerala	1521.51
2	Goa	2407.9	Kerala	1147.22	Punjab	1311.8
3	Punjab	2344.7	Haryana	1133.34	Goa	1233.47
4	Haryana	2176	Nagaland	1095	Himachal P*	1071.83
5	Nagaland	2058.6	Punjab	1032.87	Haryana	1042.7
6	Himachal P*	2034.2	J and K	963.03	Nagaland	963.58
7	Arunachal P*	1781.7	Himachal P*	962.32	Uttarakhand	869.94
8	Andhra P*	1754	Arunachal P*	927.48	Arunachal P*	854.28
9	J and K	1742.6	Andhra P*	901.58	Andhra P*	852.4
10	Uttarakhand	1725.8	Mizoram	894.94	Tamil Nadu	821.38
11	Tamil Nadu	1692.9	Tamil Nadu	871.55	Rajasthan	791.13
12	Mizoram	1643.7	Uttarakhand	855.84	J and K	779.62
13	Maharashtra	1619.2	Maharashtra	848.72	Maharashtra	770.5
14	Rajasthan	1597.5	Gujarat	842.74	Karnataka	759.57
15	Sikkim	1564.9	Sikkim	818.81	Mizoram	748.76
16	Karnataka	1561.3	Manipur	812.78	Sikkim	746.1
17	Gujarat	1535.7	Rajasthan	806.38	Gujarat	692.92
18	Manipur	1501.9	Karnataka	801.72	Manipur	689.14
19	Meghalaya	1474.8	Meghalaya	785.68	Meghalaya	689.12
<b>20</b>	<b>All-India</b>	<b>1430</b>	Tripura	766.71	<b>All-India</b>	<b>673.47</b>
21	Tripura	1334.4	<b>All-India</b>	<b>756.49</b>	Tripura	567.68
22	West Bengal	1290.7	West Bengal	751.75	Uttar P*	543.75
23	Assam	1218.6	Assam	747.51	Madhya P*	542.79
24	Uttar P*	1156	Bihar	667.64	West Bengal	538.93
25	Madhya P*	1152.4	Uttar P*	612.28	Chhattisgarh	485.26
26	Bihar	1126.8	Madhya P*	609.61	Assam	471.08
27	Chhattisgarh	1026.7	Jharkhand	587.12	Bihar	459.1
28	Jharkhand	1005.6	Odisha	573.05	Odisha	429.57
29	Odisha	1002.6	Chhattisgarh	541.47	Jharkhand	418.4

**Source:** Researcher's own calculation using database from Level and Pattern of Consumer Expenditure, 2011-12, NSSO Report 555.

**Notes:** \*Pradesh, J and K – Jammu and Kashmir and TE – Total Expenditure/Consumption.

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The top five states in terms of per-capita monthly expenditure are Kerala, Goa, Punjab, Haryana and Nagaland. The bottom five are Madhya Pradesh, Bihar, Chhattisgarh, Jharkhand and Odisha. A complete ranking for overall consumption expenditure and its bifurcation into food and non-food is captured in Table 3.10.

Similar to urban areas, in rural areas as well of the food and non-food bifurcation one would notice that the states that have high consumption are also the ones that have high food and non-food consumption. Not including a few changes in order the top five states remain more or less the same.

The top five states with respect to per-capita food consumptions are the same as overall level and in terms of the bottom five states we have Uttar Pradesh in place of Bihar. For food consumption there are twenty states above the national average and eight that are below the national average.

Regarding non-food consumption among the top five the only change from the overall ranking is the inclusion of Himachal Pradesh in place of Nagaland. The bottom five states are again the same with the exception of Assam replacing Madhya Pradesh. Similar to the order in the overall rankings, the all-India average has nineteen states above it and nine states below it. This reaffirms the fact that in rural areas food and non-food expenditure hold nearly equal weightage in the overall consumption basket.

To sum up, the following are the observations in terms of the state wise monthly per capita expenditure. Firstly, in both urban and rural areas states that have overall high per-capita consumption expenditure are also the ones that high in ranking in terms of food and non-food expenditure. Secondly, the consumption expenditure is higher in urban areas vs. the rural areas. Thirdly, there are fewer states being above the all-India average in urban areas than rural areas. Finally, findings show that non-food consumption expenditure carries higher weightage in urban areas compared to rural areas.

### **3.7 TRENDS IN CONSUMPTION OF MAJOR FOOD ITEMS**

#### **3.7.1 Trends in Consumption of Cereals**

Cereals are the most important component of the diet in both urban and rural areas. As the food basket and food habits differ among urban and rural areas so does their monthly

per capita consumption of cereals. The average amount of cereals consumed per person has been declining steadily over the past two or three decades.

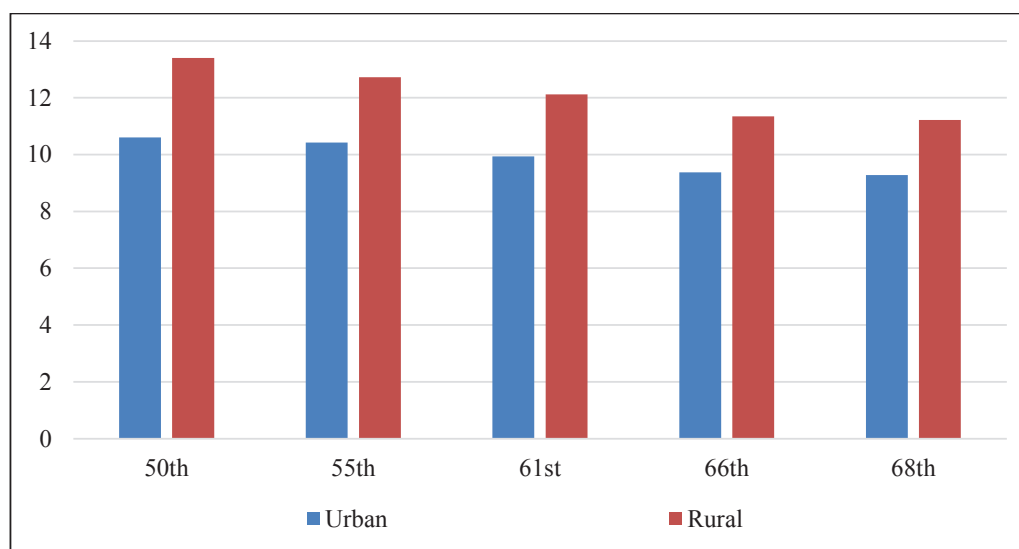
Table 3.11 and Figure 3.10 show that the average cereal consumption per person per month has declined from 10.6 kg in 1993-94 (50<sup>th</sup> round) to 9.94 kg in 2004-05 (61<sup>st</sup> round) and further to 9.28 kg in 2011-12 (68<sup>th</sup> round) in urban India and in rural areas it has decreased from 13.4 kg to 12.12 kg to 11.22 kg for the same period.

**Table 3.11 Per Capita Quantity (kg) of Cereals Consumed in 30 Days**

<b>Rounds</b>	<b>50th</b>	<b>55th</b>	<b>61st</b>	<b>66th</b>	<b>68th</b>
<b>Urban</b>	10.6	10.42	9.94	9.37	9.28
<b>Rural</b>	13.4	12.72	12.12	11.35	11.22

**Source:** NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.10 Per Capita Quantity (kg) of Cereals Consumed in 30 Days**



**Source:** Researcher's own compilation based on Table 3.11

### 3.7.1.1 Trends in the Consumption of Different Types of Cereals

Analysing the consumption pattern of the individual components of the cereal basket, we can make out that rice and wheat are the most significant food items.

Table 3.12 and Figure 3.11 show that over the period 1993-94 (50<sup>th</sup> round) to 2011-12 (68<sup>th</sup> round), the consumption of rice has shown a steady decline from 5.13 kg in 1993-94 to 4.49 kg in 2011-12 in urban areas and from 6.79 kg to 5.98 kg in rural areas for the same time span. Over the same period the consumption of wheat in urban regions

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has declined from 4.44 kg to 4.01 kg and rural areas has more or less been constant at approximately 4.30 kg barring minor variations.

Among other cereals viz. jowar, bajra and maize (coarse grains) the per capita consumption has fallen from 1.7 kg in 1972-73 to 0.57 kg in 2011-12 in rural areas while in urban areas their consumption has been relatively marginal.

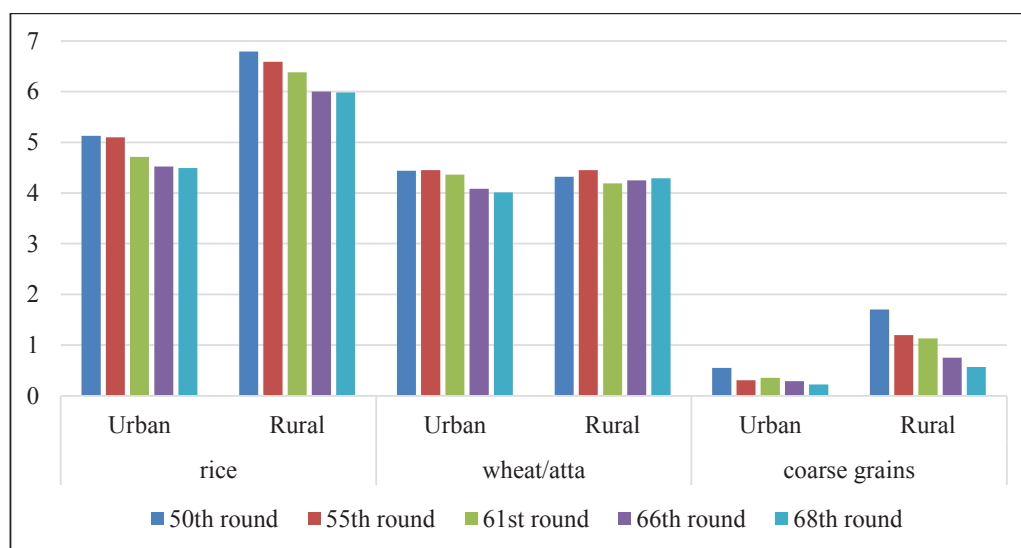
**Table 3.12 Per Capita Quantity (kg) of Different Cereals Consumed in 30 Days**

Rounds	rice		wheat/atta		coarse grains	
	Urban	Rural	Urban	Rural	Urban	Rural
50th	5.13	6.79	4.44	4.32	0.55	1.7
55th	5.1	6.59	4.45	4.45	0.31	1.2
61st	4.71	6.38	4.36	4.19	0.355	1.13
66th	4.52	6	4.08	4.25	0.291	0.75
68th	4.49	5.98	4.01	4.29	0.224	0.57

**Source:** Researcher's own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Notes:** Coarse grains includes jowar, bajra and maize.

**Figure 3.11. Per Capita Quantity (kg) of Different Cereals Consumed in 30 Days**



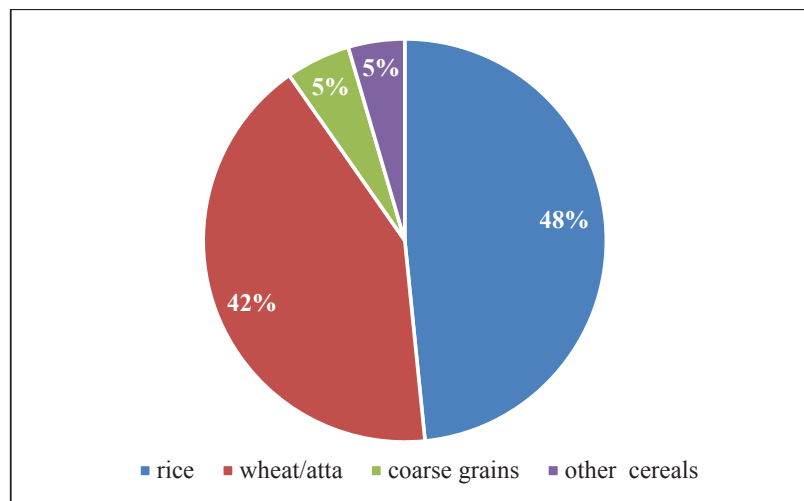
**Source:** Researcher's own compilation based on Table 3.12

### 3.7.1.2 Changes in the Composition of Different Types of Cereals

During the year 1993-94 the cereal consumption composition in urban areas was 48% rice, 42% wheat and 10% was made up of jowar, bajra, maize (coarse grains) and other

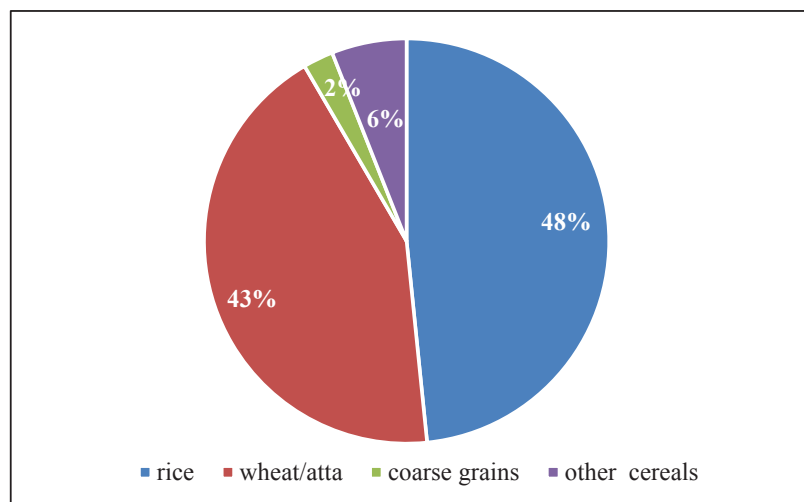
cereals. This composition did not undergo a significant change in 2011-12 it was made up of 48% rice, 43% wheat and 8% of others (Figure 3.12(a) and (b)).

**Figure 3.12(a) Changes in the Composition of Cereals in Consumption: Urban Areas (50<sup>th</sup> Round, 1993-94)**



**Source:** Researcher's own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.12(b) Changes in the Composition of Cereals in Consumption: Urban Areas (68<sup>th</sup> Round, 2011-12)**



**Source:** Researcher's own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

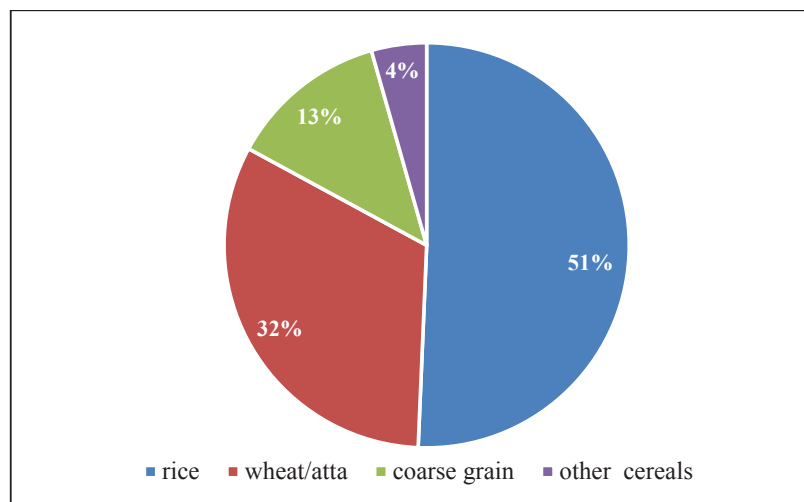
**Notes:** Total may not add up to 100 due to rounding of differences.

Similarly, for rural areas comprised of 51% of rice, 32% of wheat and the balance 17% consisted of jowar, bajra, maize and other cereals. This composition changed to 53% rice, 38% wheat and 8% of the others. Thus the share of wheat increased by 6



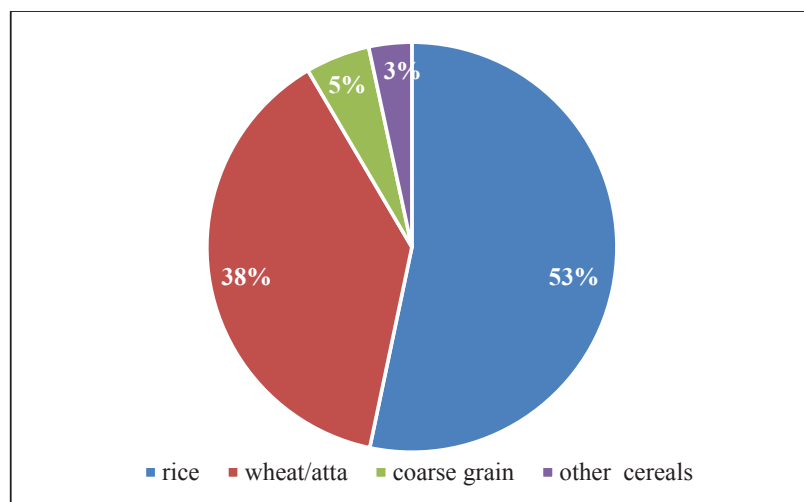
percentage points and that of rice increased by 2 percentage points between 1993-94 and 2011-12 in rural areas. (Figure 3.13(a) and (b)).

**Figure 3.13(a) Changes in the Composition of Cereals in Consumption: Rural Areas (50<sup>th</sup> Round, 1993-94)**



**Source:** Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.13(b) Changes in the Composition of Cereals in Consumption: Rural Areas (68<sup>th</sup> Round, 2011-12)**



**Source:** Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Notes:** Total may not add up to 100 due to rounding of differences.

### 3.7.2 Trends in Consumption of Pulses

Pulses are the major source of protein in the Indian diet. Table 3.13 and Figure 3.14 present that for the group of pulses as a whole the per capita monthly consumption for

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urban areas displayed an increasing trend of 0.86 kg to 1 kg from 1993-94 (50<sup>th</sup> round) to 1999-2000 (55<sup>th</sup> round), then declined to 0.79 kg in 2009-10 (66<sup>th</sup> round) and later rose again to 0.9 kg in 2011-12 (68<sup>th</sup> round).

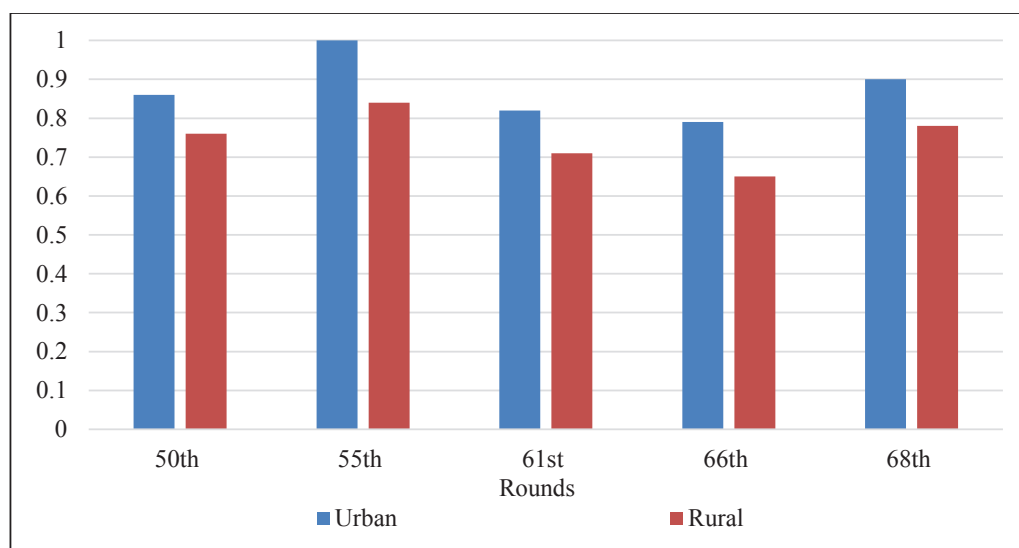
For the rural areas, the trend mirrored that of urban areas, the per capita monthly consumption rose from 0.76 kg to 0.84 kg from 1993-94 to 1999-2000, then dropped to 0.65 kg by 2009-10 and rose back up to 0.78 kg by 2011-12.

**Table 3.13 Per Capita Quantity (kg) of Pulses Consumed in 30 Days**

Round	50th	55th	61st	66th	68th
Urban	0.86	1	0.82	0.79	0.9
Rural	0.76	0.84	0.71	0.65	0.78

**Source:** Researcher's own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.14. Per Capita Quantity (kg) of Pulses Consumed in 30 Days**



**Source:** Researcher's own compilation based on Table 3.13

### 3.7.2.1 Trends in the Consumption of Different Types of Pulses

Pulses are an important component of the food basket for both urban and rural India. The major pulses consumed in India are arhar, moong, masur, urad and split gram. As with the overall trend of pulses consumption the individual components have also seen an inconsistent pattern over the last two decades. In case of arhar and moong, the urban per capita consumption was significantly higher than rural areas while for masur, urad and split gram the urban and rural consumption were quite similar.

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Table 3.14 and Figure 3.15 show that in urban areas the per capita consumption of arhar fell from 0.33 kg in 1993-94 (50<sup>th</sup> round) to 0.26 kg in 2009-10 (66<sup>th</sup> round) and then rose to 0.3 kg in 2011-12 (68<sup>th</sup> round). Similarly for rural India, the per capita consumption of arhar dropped from 0.24 kg in 1993-94 to 0.16 kg in 2009-10 and then rose to 0.21 kg in 2011-12.

For moong, barring the intermittent changes the consumption in urban areas has changed little from 0.13kg in 1993-94 to 0.12kg in 2011-12, in rural areas the change over the same period was from 0.10kg to 0.09 kg. For masur, urd and gram (split) taken together there was no significant change in both urban and rural areas.

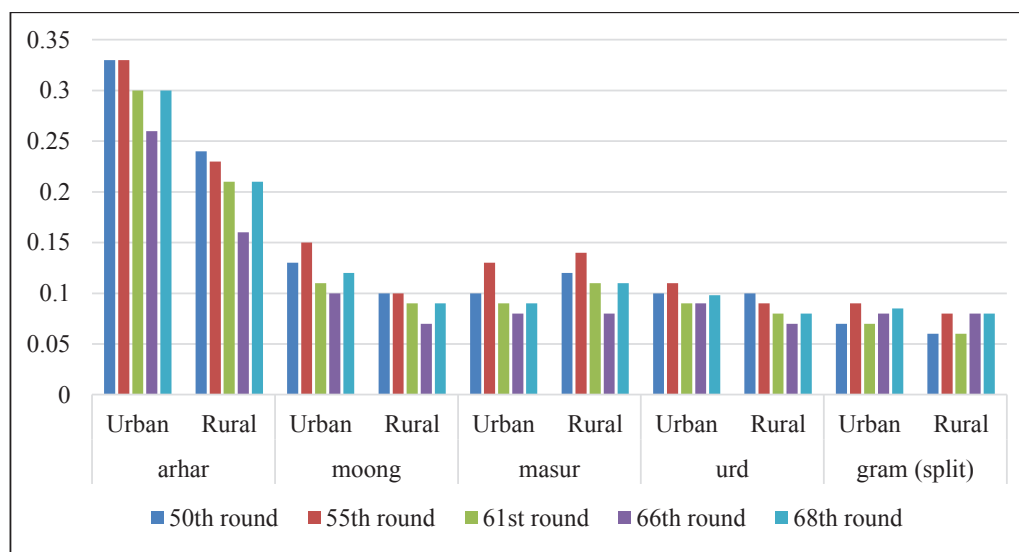
**Table 3.14 Per Capita Quantity (Kg) of Pulses Consumed in Last 30 Days**

Round	Arhar		Moong		Masur		Urd		Gram (split)	
	U	R	U	R	U	R	U	R	U	R
50th	0.33	0.24	0.13	0.1	0.1	0.12	0.1	0.1	0.07	0.06
55th	0.33	0.23	0.15	0.1	0.13	0.14	0.11	0.09	0.09	0.08
61st	0.3	0.21	0.11	0.09	0.09	0.11	0.09	0.08	0.07	0.06
66th	0.26	0.16	0.1	0.07	0.08	0.08	0.09	0.07	0.08	0.08
68th	0.3	0.21	0.12	0.09	0.09	0.11	0.10	0.08	0.09	0.08

**Source:** NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Notes:** U = Urban and R = Rural

**Figure 3.15 Per Capita Quantity (Kg) Of Pulses Consumed In Last 30 Days**



**Source:** Researcher's own compilation based on Table 3.14

### 3.7.2.2 Changes in the Composition of Different Types of Pulses

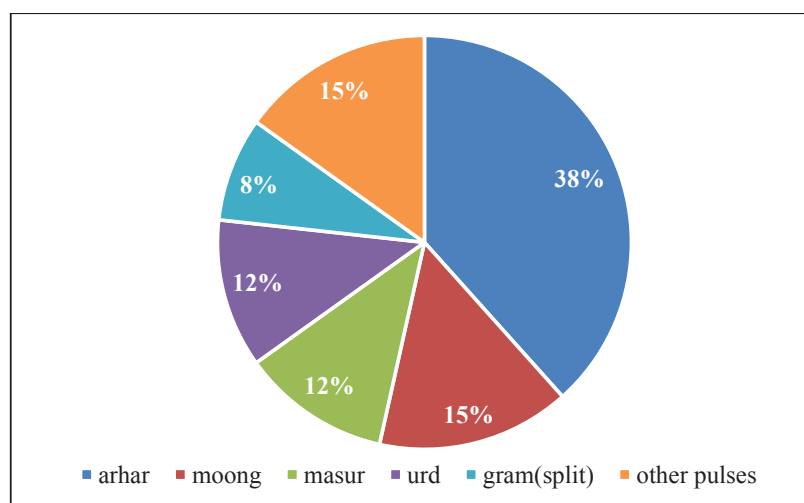
Figure 3.16(a) and (b) show that in urban area arhar accounted 38% in 1993-94 which declined to 33% in 2011-12. The share of moong and masur together contributed 27% in 1993-94 which decreased to 23% in 2011-12.

In the year 1993-94 arhar accounted 38% for urban and 32% for rural which declined to 33% for urban and 27% for rural in 2011-12 (Figure 3.16(a) and (b) and 3.17(a) and (b)). In urban areas the share of Moong and Masur together contributed 27% which decreased to 23% and in rural areas the share has decreased from 29% to 26% for the same time span.

For the same period i.e., 1993-94 to 2011-12, there was no significant change in both urban and rural sector in the percentage share of urd and gram (split). Further, there was a significant change in the percentage share of other pulses in both rural and urban areas, in urban area share has increased from 15% to 23% and in rural area 18% to 27% over the period 1993-94 to 2011-12.

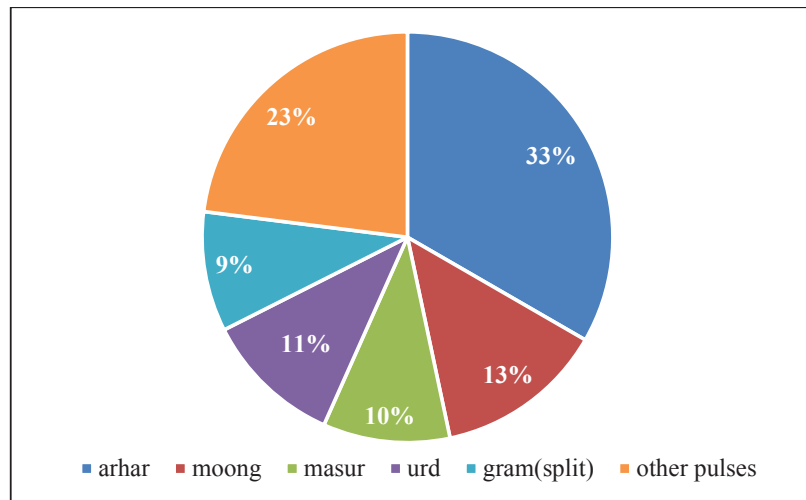
On an overall basis, both in urban and rural areas the highest expenditure on pulses was incurred on arhar, followed by moong for urban areas and masur for rural areas.

**Figure 3.16(a) Changes in the Composition of Pulses in Consumption in Urban Areas - 50th Round (1993-94)**



**Source:** Researcher's own calculation based on database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

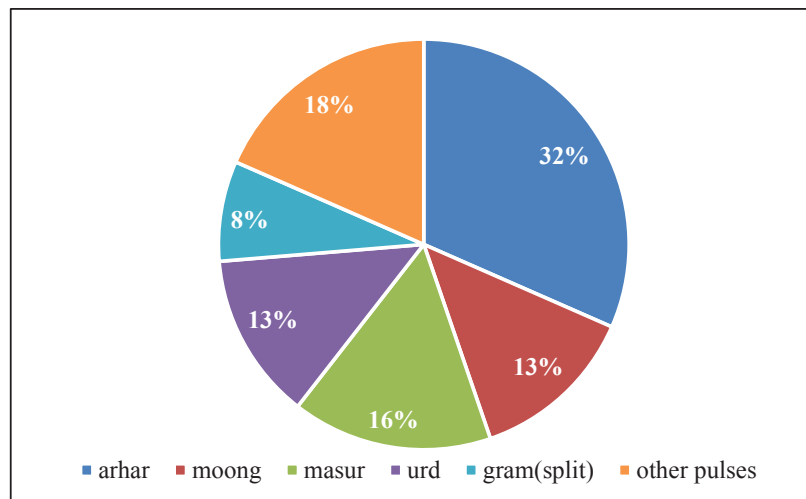
**Figure 3.16(b) Changes in the Composition of Pulses in Consumption in Urban Areas - 68th Round (2011-12)**



**Source:** Researcher's own calculation based on database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

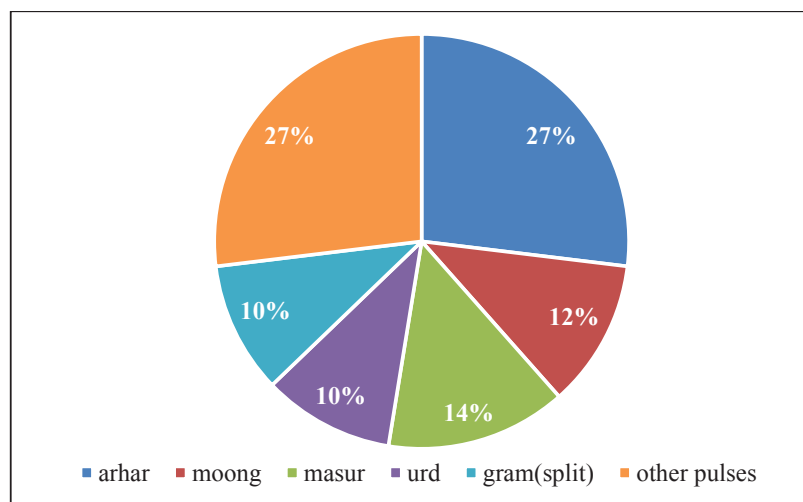
**Notes:** Total may not add up to 100 due to rounding of differences.

**Figure 3.17(a) Changes in the Composition of Pulses in Consumption in Rural Areas – 50th Round (1993-94)**



**Source:** Researcher's own calculation based on NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.17(b) Changes in the Composition of Pulses in Consumption in Rural Areas – 68th Round (2011-12)**



**Source:** Researcher’s own calculation based on NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

### 3.7.3 Trends in Consumption of Milk and Milk Products

The per capita consumption of milk and milk products in the last two decades in both urban and rural areas has increased steadily.

Table 3.15 and Figure 3.18 show that the per capita milk consumption has risen from 4.89 litres in 1993-94 (50<sup>th</sup> round) to 5.42 litres in 2011-12 (68<sup>th</sup> round) in urban areas.

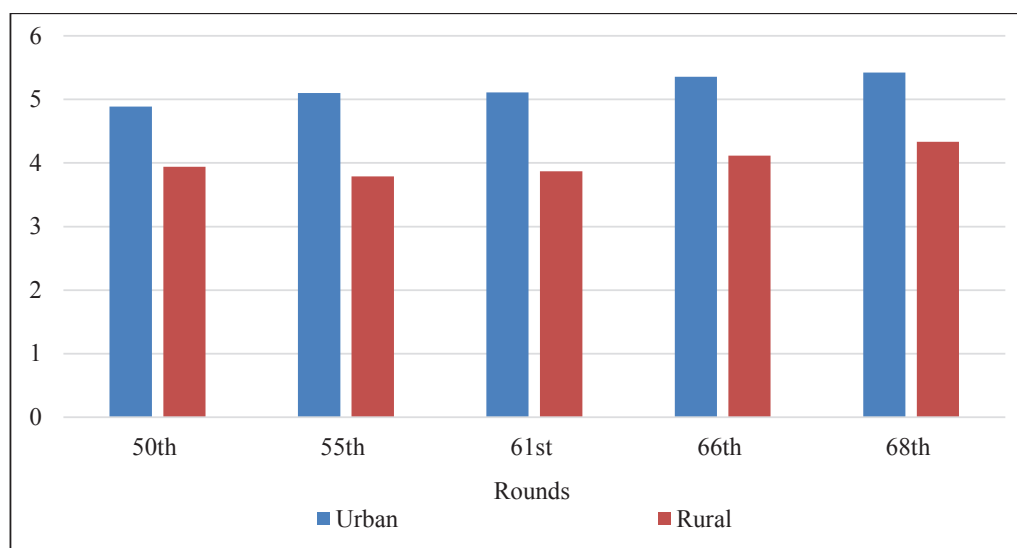
In rural areas the per capita consumption of milk has increased from 3.94 litres to 4.33 litres in rural areas for the same period.

**Table 3.15 Per Capita Quantity (litres) of Milk and Milk Products Consumed in 30 Days**

Round	50th	55th	61st	66th	68th
Urban	4.89	5.1	5.11	5.36	5.42
Rural	3.94	3.79	3.87	4.12	4.33

**Source:** Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.18 Per Capita Quantity of Milk and Milk Products Consumed in 30 Days**



Source: Researcher’s own compilation based on Table 3.15

### 3.7.4 Trends in Consumption of Fruits and Nuts

Table 3.16 and Figure 3.19 show the five most commonly consumed fruits and nuts over the period from 1993-94 to 2011-12. The consumption of fruits is much higher in urban areas as compared to rural areas. There is a general increase over this period in per capita consumption of fruits and nuts.

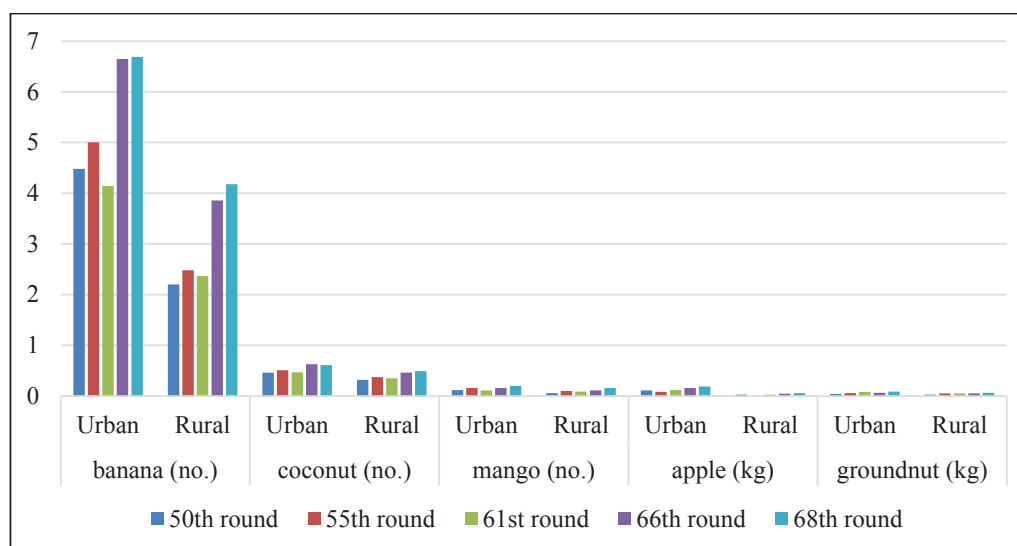
**Table 3.16 Per Capita Consumption of Various Fruits and Nuts in 30 days**

Rounds	Banana (no.)		Coconut (no.)		Mango (no.)		Apple (kg)		Groundnut (kg)	
	U	R	U	R	U	R	U	R	U	R
<b>50th</b>	4.48	2.2	0.46	0.32	0.12	0.06	0.11	0.03	0.04	0.03
<b>55th</b>	5	2.48	0.51	0.37	0.16	0.1	0.08	---	0.06	0.05
<b>61st</b>	4.14	2.37	0.47	0.35	0.11	0.09	0.12	0.03	0.08	0.05
<b>66th</b>	6.65	3.86	0.63	0.46	0.16	0.11	0.16	0.05	0.07	0.05
<b>68th</b>	6.69	4.18	0.61	0.49	0.2	0.16	0.19	0.06	0.09	0.063

Source: Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

Notes: U = Urban and R = Rural

**Figure 3.19 Per Capita Consumption of Various Fruits and Nuts in 30 days**



Source: Researcher’s own compilation based on Table 3.16

Banana and coconut are the highest consumed fruits in both urban and rural areas. The per capita consumption of banana has increased from 4.48 in 1993-94 (50<sup>th</sup> round) to 6.69 in 2011-12 (68<sup>th</sup> round) in urban area and 2.2 in 1993-94 to 4.18 in 2011-12 in rural areas. For the same period, the per capita quantity consumed of coconut also rose from 0.46 to 0.61 in urban area and 0.32 to 0.49 in rural area.

### 3.7.5 Trends in Consumption of Edible Oil

Edible oil consumption has shown a steady upward trend both in rural and urban households. The urban per capita consumption was observed to higher than the rural for all the periods over the last two decades.

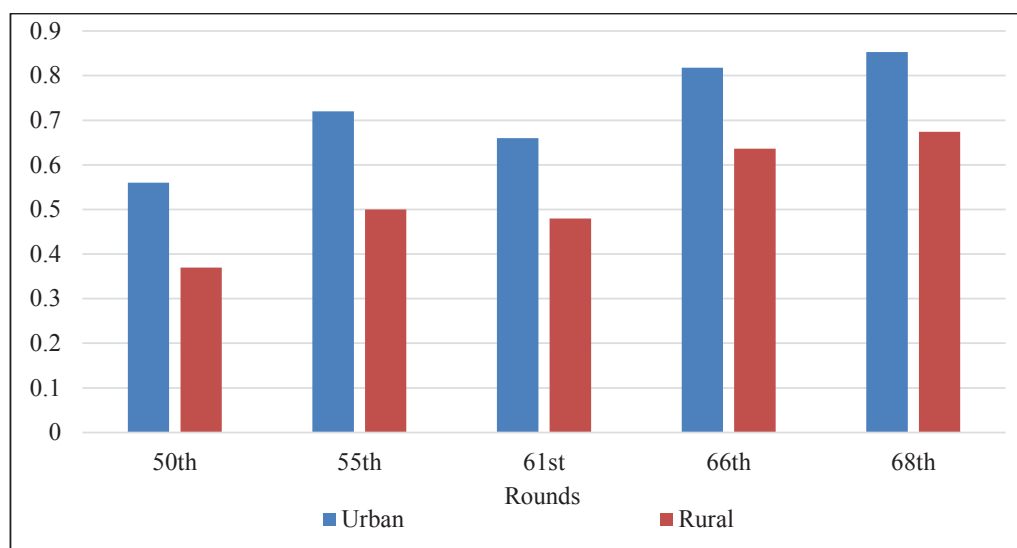
Table 3.17 and Figure 3.20 present that the per capita monthly consumption has risen from 0.56 kg in 1993-94 (50<sup>th</sup> round) to 0.85 kg in 2011-12 (68<sup>th</sup> round) in urban area and from 0.37 kg to 0.67 kg in rural areas for the same period.

**Table 3.17 Per Capita Quantity (kg) of Edible Oil Consumed in 30 Days**

Rounds	50th	55th	61st	66th	68th
<b>Urban</b>	0.56	0.72	0.66	0.82	0.85
<b>Rural</b>	0.37	0.5	0.48	0.64	0.67

Source: Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.



**Figure 3.20 Per Capita Quantity (kg) of Edible Oil Consumed in 30 Days**

Source: Researcher's own compilation based on Table 3.17

### 3.7.6 Trends in Consumption of Meat, Egg and Fish

The consumption of eggs, fish, meat/mutton and chicken is higher in urban areas as compared to rural areas. Eggs and fish are the highest consumed products both in urban and rural sectors.

Table 3.18 and Figure 3.21 present that the consumption of eggs has increased in the past decades. Per capita egg consumption has increased from 1.48 to 3.18 (urban) and 0.64 to 1.94 (rural) from 1993-94 to 2011-12. Fish consumption has also registered a steady increase during this period from 0.2 kg to 0.252 kg in urban areas and 0.18 kg to 0.266 kg in rural areas.

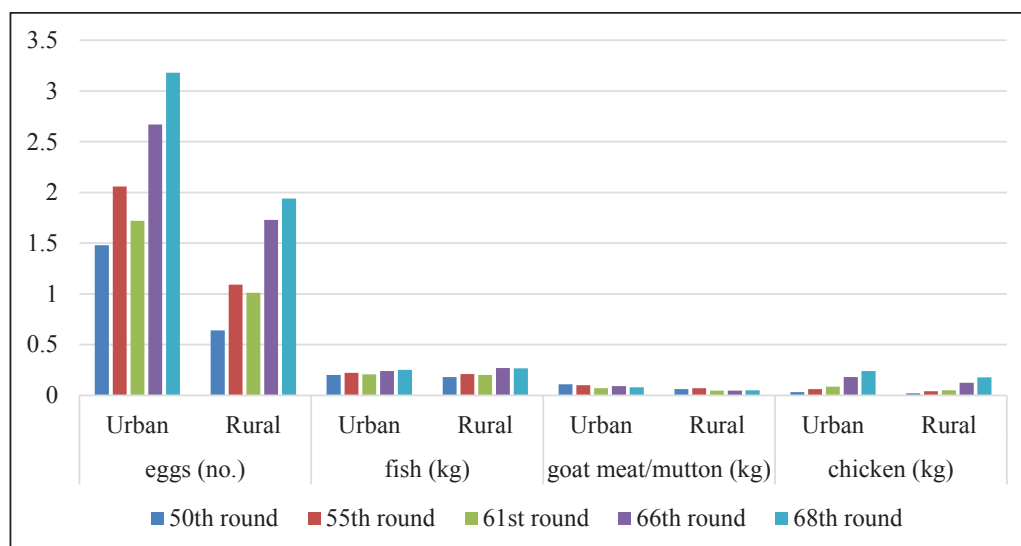
The consumption of mutton registered a declining trend during 1993-94 to 2011-12, more drastically in urban households (0.11 kg to 0.079 kg) than in rural households (0.06 kg to 0.049 kg). On the other hand, consumption of poultry meat registered an exponential growth during the same period i.e., from 0.03 kg to 0.239 kg in urban area and 0.02 kg to 0.178 kg in rural area. The higher poultry meat consumption is attributed to larger supplies and its relatively lower prices vis-a-vis mutton. The poultry sector has registered a significant growth during the past decade due to introduction of improved breeding stocks, larger availability of feed stocks such as maize and soybean meal, and better marketing infrastructure.

**Table 3.18 Per Capita Quantity Consumed of Egg, Fish and Meat in 30 Days**

Rounds	Eggs (no.)		Fish (kg)		Goat Meat /Mutton (kg)		Chicken (kg)	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
50th	1.48	0.64	0.2	0.18	0.11	0.06	0.03	0.02
55th	2.06	1.09	0.22	0.21	0.1	0.07	0.06	0.04
61st	1.72	1.01	0.206	0.201	0.07	0.047	0.085	0.05
66th	2.67	1.73	0.238	0.269	0.091	0.047	0.18	0.123
68th	3.18	1.94	0.252	0.266	0.079	0.049	0.239	0.178

Source: Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Figure 3.21 Per Capita Quantity Consumed of Egg, Fish and Meat in 30 Days**



Source: Researcher’s own compilation based on Table 3.18

### 3.7.7 Trends in Consumption of Vegetables

The major vegetables tracked are potato, onion, brinjal, cauliflower and tomato. The most consumed vegetables are potato and onion.

Table 3.19 and Figure 3.22 depict that the per capita consumption of potato has increased over the years from 1.08 kg in 1993-94 (50<sup>th</sup> round) to 1.61 kg in 2011-12 (68<sup>th</sup> round) in urban area and 1.24 kg per month in 1993-94 to 1.97 kg in 2011-12 in rural areas. The per capita rural consumption of potatoes has outstripped that in urban areas over the last two decades, with rural areas consuming more than the urban areas. Similarly, the per capita consumption of onion rose from 0.56 kg in 1993-94 to 0.95 kg in 2011-12 in urban sector and in rural sector from 0.46 kg to 0.84 kg.

The per capita consumption of other tracked vegetables has also risen steadily over the last two decades.

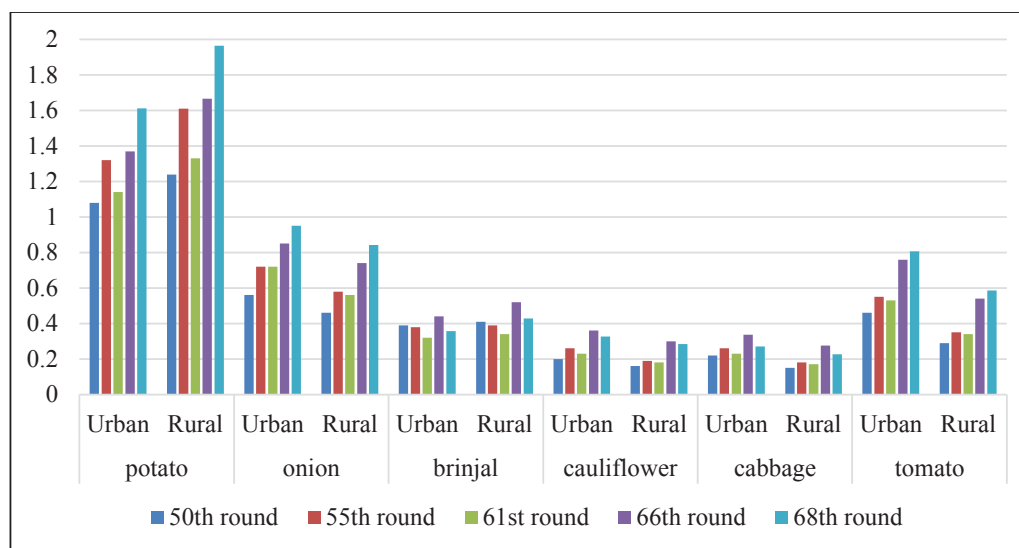
**Table 3.19 Per Capita Quantity (kg) Consumption of Various Vegetables in 30 Days**

Rounds	Potato		Onion		Brinjal		Cauliflower		Cabbage		Tomato	
	U	R	U	R	U	R	U	R	U	R	U	R
50th	1.08	1.24	0.56	0.46	0.39	0.41	0.2	0.16	0.22	0.15	0.46	0.29
55th	1.32	1.61	0.72	0.58	0.38	0.39	0.26	0.19	0.26	0.18	0.55	0.35
61st	1.14	1.33	0.72	0.56	0.32	0.34	0.23	0.18	0.23	0.17	0.53	0.34
66th	1.37	1.67	0.85	0.74	0.44	0.52	0.36	0.3	0.34	0.28	0.76	0.54
68th	1.61	1.97	0.95	0.84	0.36	0.43	0.33	0.28	0.27	0.23	0.81	0.59

**Source:** Researcher’s own calculation by using database from NSSO Report 509, Vol. 1, and 558, Household Consumption of Various Goods and Services in India, 2004-05 and 2011-12.

**Notes:** U = Urban and R = Rural

**Figure 3.22 Per Capita Consumption (kg) of Various Vegetables in 30 days**



**Source:** Researcher’s own compilation based on Table 3.19

### 3.8 MONTHLY PER CAPITA CONSUMER EXPENDITURE (MPCE)

The NSS consumer expenditure survey also generates estimates of average household monthly per capita consumer expenditure (MPCE). The reports published are quite detailed and provide information from various aspects. They provide distribution of persons and households over the MPCE range, the break-up of average MPCE by commodity group, distinctly for urban and rural areas, for States and UTs, and for

various socio-economic groups. These indicators are important indicators as they throw light upon the state of living and help policy makers to allocate nations resources and make decision that reduce poverty and disparity across states and regions. In other words, it can help realise the objective of “inclusive growth”. (NSSO Report, 558, 2011-12, p. 2).

NSSO in each of its survey years categorises the population into 12 income classes or 12 fractiles, the first two and the last two classes are of 5% each while the other intermediate classes are of 10% each. Thus the 12 classes are 0-5%, 5-10%, 10-20%, 20-30%, 30-40%, 40-50%, 50-60%, 60-70%, 70-80%, 80-90%, 90-95%, and 95-100%. Thus a 0-5% fractile represents that 5% of the population falls in a particular income range. Against each of the classes survey publishes the proportion of per capita monthly income spent on that particular food or non-food item in the last 30 days.

For the sake of simplicity, in this study we have considered the MPCE divided into 10 income classes of 10% each i.e. into 10 deciles. In the following section have analysed the MPCE for the survey relating to year 2011-12 (68<sup>th</sup> round) for both urban and rural areas.

### **3.8.1 Consumption of Food Items across Income Groups**

#### **3.8.1.1 Consumption of Cereals across Income Groups**

The rural areas exhibited a higher consumption of cereals versus the urban areas across the MPCE deciles.

Table 3.20 and Figure 3.23 show that in both urban and rural areas as the MPCE level increases the share of cereals (including cereal substitutes) in total consumer expenditure decline steadily.

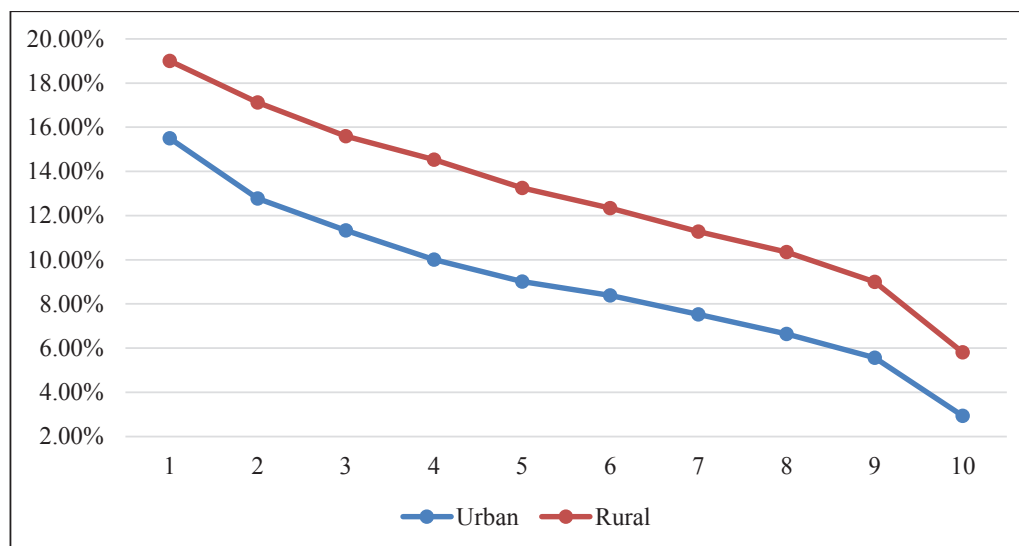
The share of cereals decline from 15.50% for the bottom decile class to 2.94% for the top decile class in urban areas and 19% for the bottom decile class to 5.81% for the top decile class in rural areas. Overall the cereals consumption show that as the income increases the proportion of income spent on cereals reduces.

**Table 3.20 Percentage Share of Cereals in Consumer Expenditure  
(In Percentage)**

Decile	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	15.50	12.78	11.33	10.02	9.02	8.39	7.53	6.64	5.57	2.94
<b>Rural</b>	19.00	17.12	15.59	14.54	13.26	12.34	11.27	10.35	9.00	5.81

Source: Researcher’s own calculation based on Table A-4

**Figure 3.23 Percentage Share of Cereals in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.20

### 3.8.1.2 Consumption of Pulses and Products across Income Groups

MPCE for pulses has a declining trend implying that the proportion of income spent on pulses declines as income rises for urban and rural areas. Also in rural areas the MPCE is higher than urban areas for all deciles.

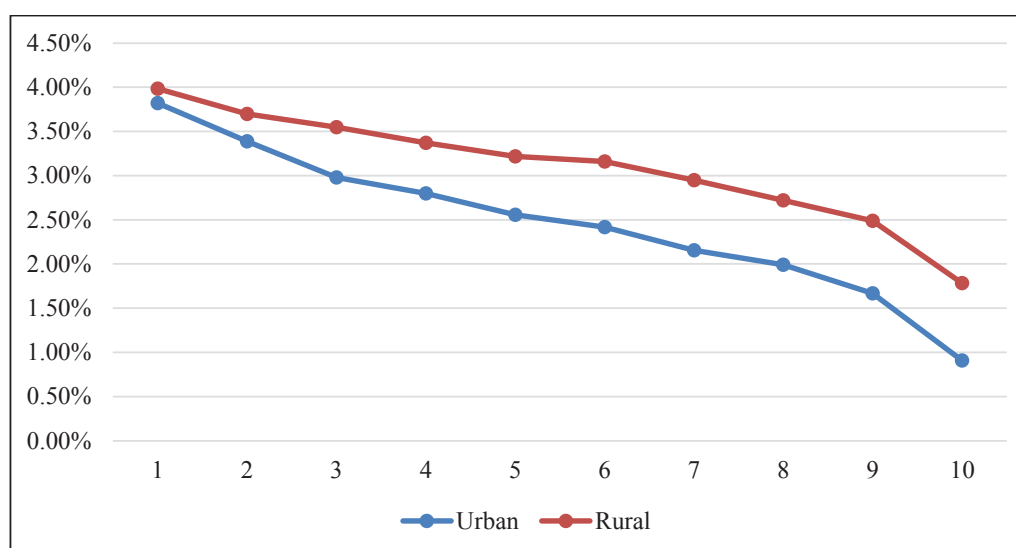
Table 3.21 and Figure 3.24 present that for both rural and urban areas the share of pulses is approximately 4% in the bottom decile class. As one move towards higher decile class the share falls to 0.91% and 1.78% in urban and rural areas respectively.

**Table 3.21 Percentage Share of Pulses in Consumer Expenditure  
(In Percentage)**

Deciles	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	3.82	3.39	2.98	2.80	2.56	2.42	2.16	1.99	1.67	0.91
<b>Rural</b>	3.98	3.70	3.55	3.37	3.22	3.16	2.95	2.72	2.49	1.78

Source: Researcher’s own calculation based on Table A-4

**Figure 3.24 Percentage Share of Pulses in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.21

### 3.8.1.3 Consumption of Milk and Milk Products across Income Groups

Table 3.22 and Figure 3.25 show that urban areas witnessed an inverted u-shaped pattern, with the consumption initially increasing as we move ahead along the income classes and then falls later. However, the share of urban India was 6.20% for the lowest decile class and after that flattens around 8 - 8.35% for the middle MPCE class and then falls as MPCE level increases and reaches 4.92% for the highest decile class.

There was an upward trend in the share of rural consumption expenditure for milk and milk products till 9<sup>th</sup> decile from 4.16% to 9.55%. For the last decile the consumption falls to 8.10%.

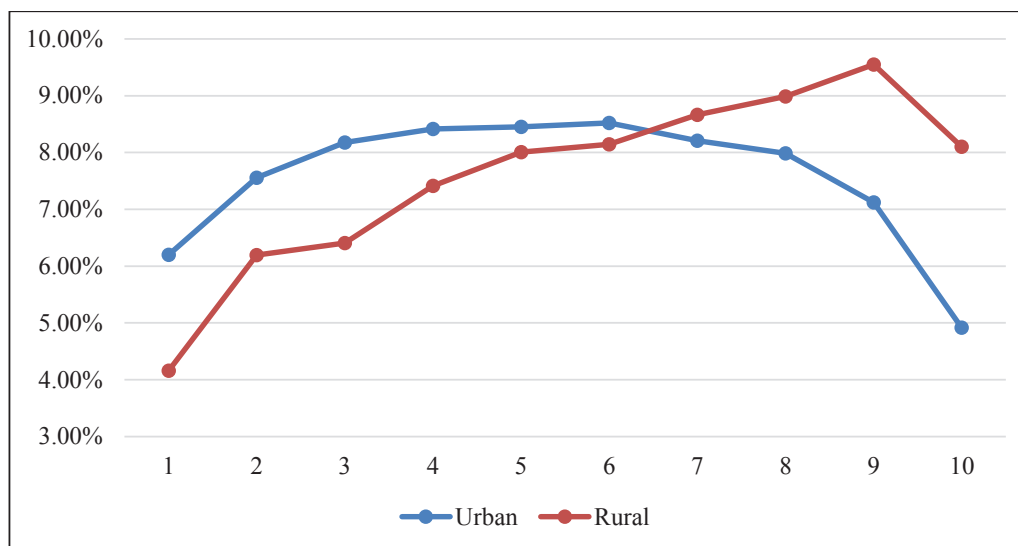
To sum, as the income rises the consumption of milk and milk products increases up to a level and then falls.

**Table 3.22 Percentage Share of Milk and Milk Products in Consumer Expenditure**

	(In Percentage)									
Decile	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	6.20	7.55	8.18	8.41	8.45	8.52	8.21	7.99	7.12	4.92
<b>Rural</b>	4.16	6.19	6.41	7.42	8.01	8.15	8.66	8.99	9.55	8.10

Source: Researcher’s own calculation based on Table A-5

**Figure 3.25 Percentage Share of Milk and Milk Products in Consumer Expenditure**



Source: Researcher’s own calculation based on Table 3.22

### 3.8.1.4 Consumption of Fruits and Nuts across Income Groups

The share of fruits and nuts in total consumer expenditure rises with the rise in MPCE level in both urban and rural sectors.

The share in urban sector was 1.80% and rural 1.01% for the lowest decile class. But with the increase in MPCE level the share has also increased to 3.45% in urban India and 3.50% in rural India and the MPCE gap narrows at the end.

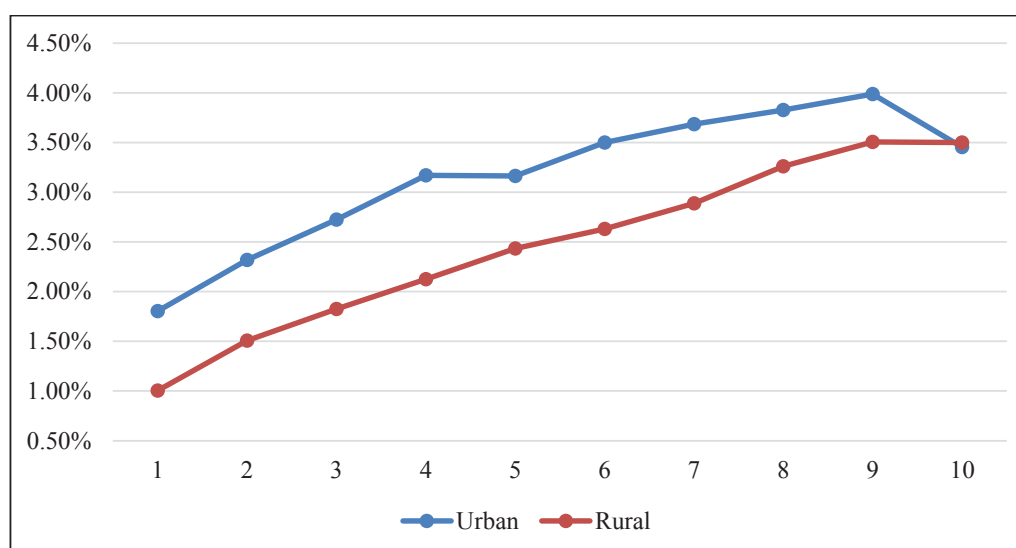
Fruits and Nuts largely represent high income effect i.e. as the income increases so does the consumption.

**Table 3.23 Percentage Share of Fruits and Nuts in Consumer Expenditure (In Percentage)**

Deciles	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	1.80	2.32	2.72	3.17	3.16	3.50	3.68	3.83	3.99	3.45
<b>Rural</b>	1.01	1.51	1.83	2.12	2.43	2.63	2.89	3.26	3.50	3.50

Source: Researcher’s own calculation based on Table A-5

**Figure 3.26 Percentage Share of Fruits and Nuts in Consumer Expenditure**



Source: Researcher’s own calculation based on Table 3.23

### 3.8.1.5 Consumption of Edible Oil across Income Groups

Edible oil consumption saw a declining trend as income rose both in urban as well as rural areas.

Table 3.24 and Figure 3.27 show that the share of edible oil in total consumer expenditure starts with roughly 5% for both urban and rural areas. In urban area the percentage share of edible oil was 4.95% and in rural area 5.02% for the bottom decile class.

After that when one moves towards higher MPCE level, the share of this group begin to fall to 1.27% in urban area and 2.40% in rural area and the fall in urban areas was little steeper than that in rural areas.

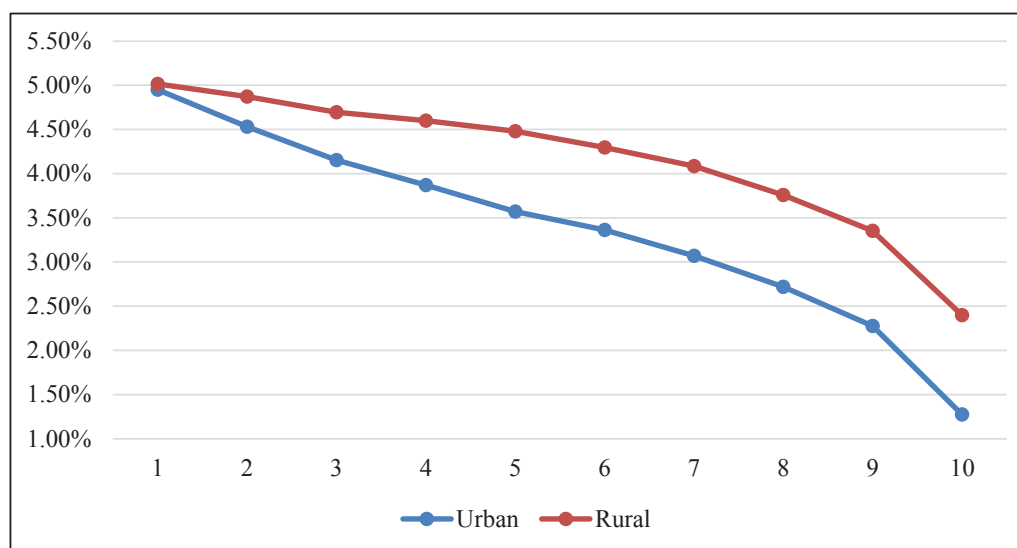
**Table 3.24 Percentage Share of Edible Oil in Consumer Expenditure (In Percentage)**

Deciles	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	4.95	4.53	4.15	3.87	3.57	3.36	3.07	2.72	2.27	1.27
<b>Rural</b>	5.02	4.87	4.70	4.60	4.48	4.29	4.09	3.76	3.35	2.40

Source: Researcher’s own calculation based on Table A-6



**Figure 3.27 Percentage Share of Edible Oil in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.24

### 3.8.1.6 Consumption of Egg, Fish and Meat across Income Groups

The MPCE pattern for egg, fish and meat is quite similar to that displayed by milk i.e. there is inverted u-shaped pattern depicting that as the income rises the consumption expenditure rises however after a point it begins to decline.

Table 3.25 and Figure 3.28 show that for the urban sector the share of egg, fish and meat in total consumer expenditure initially increased till the 4<sup>th</sup> decile (3.99% to 4.97%) but after that it decreased (4.97% to 2.32%).

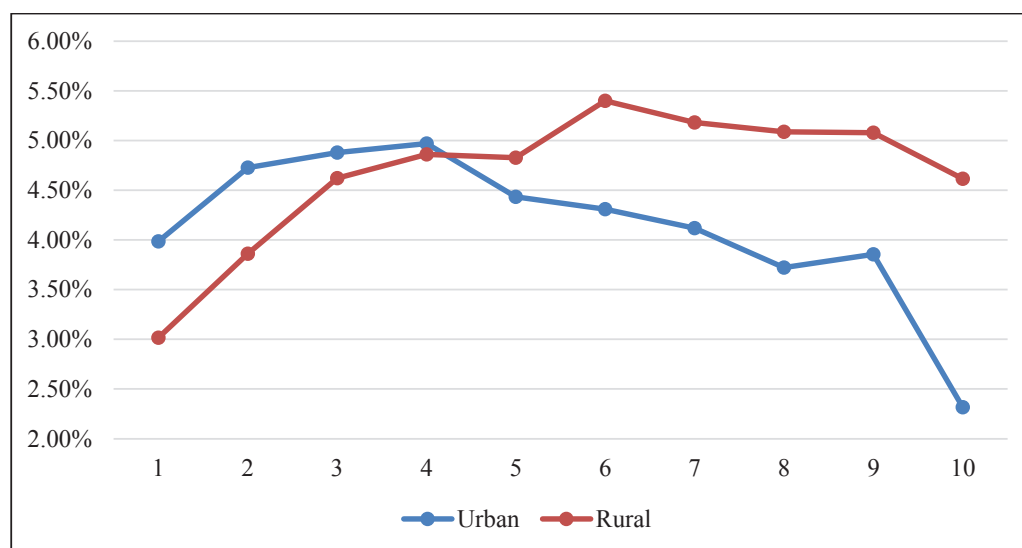
Whereas in the rural sector the share has increased by 1.60 percentage point (from 3.02% to 4.62%) from the bottom decile class to top decile class.

**Table 3.25 Percentage Share of Egg, Fish and Meat in Consumer Expenditure (In Percentage)**

Deciles	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	3.99	4.73	4.88	4.97	4.43	4.31	4.12	3.72	3.85	2.32
<b>Rural</b>	3.02	3.86	4.62	4.86	4.83	5.40	5.18	5.09	5.08	4.62

Source: Researcher’s own calculation based on Table A-6

**Figure 3.28 Percentage Share of Egg, Fish and Meat in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.25

### 3.8.1.7 Consumption of Vegetables across Income Groups

The trend of this group is quite similar to that of cereals. As the graphs are downward sloping, they indicate a declining trend in both the urban and rural sectors.

Table 3.26 and Figure 3.29 depict that in the urban sector the share declined from 8.44% for the bottom decile class to 2.41% for the top decile class and in the rural sector 9.78% for the bottom decile class to 4.18% for the top decile class.

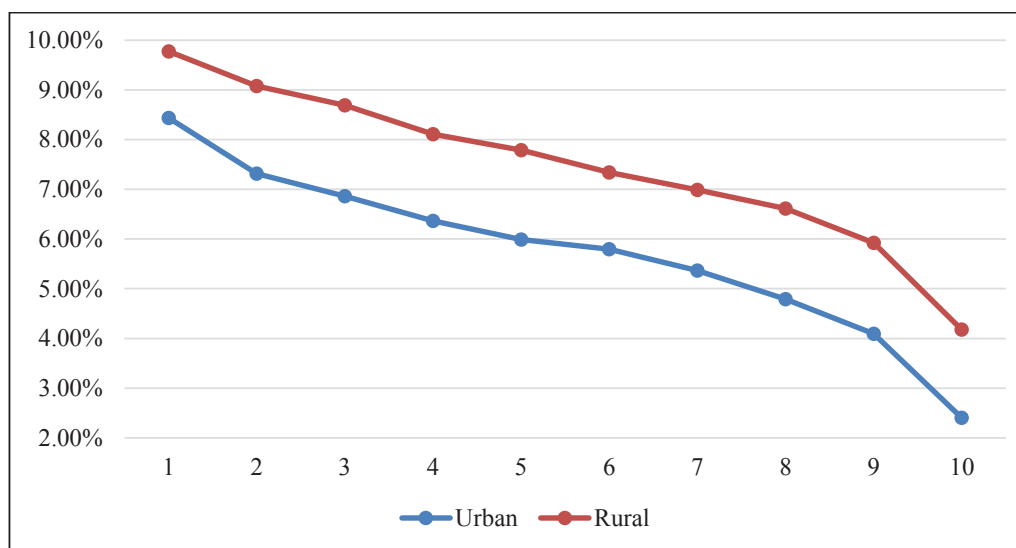
Both the curves run parallel to each other and rural remains above the urban all through.

**Table 3.26 Percentage Share of Vegetables in Consumer Expenditure (In Percentage)**

Deciles	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	8.44	7.31	6.86	6.36	5.99	5.79	5.37	4.79	4.10	2.41
<b>Rural</b>	9.78	9.08	8.69	8.11	7.79	7.34	6.99	6.61	5.92	4.18

Source: Researcher’s own calculation based on Table A-6

**Figure 3.29 Percentage Share of Vegetables in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.26

### 3.8.2 Consumption of Non-Food Items across Income Groups

#### 3.8.2.1 Consumption of Durable Goods across Income Groups

Table 3.27 and Figure 3.30 show that durable goods depicts a rising consumption trend with rise in income in both urban and rural areas.

In the urban sector the share rose from 1.54% for the bottom decile class to 10.29% for the top decile class and in the rural sector 1.82% for the bottom decile class to 10.31% for the top decile class.

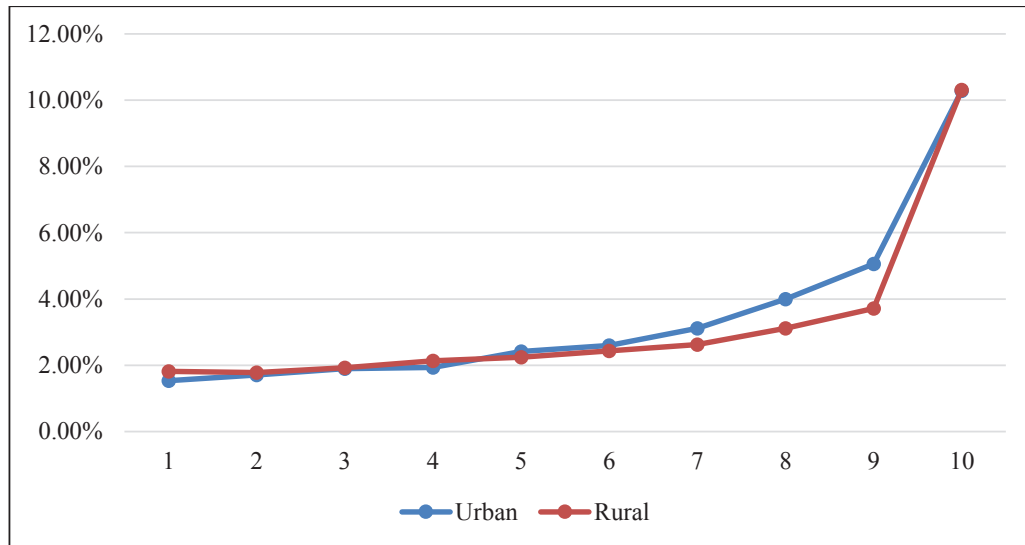
The consumption ranges from 2% to 5% up to the 9<sup>th</sup> decile for both urban and rural areas and then rises to around 10% in the highest decile. Till the 9<sup>th</sup> decile class, rural graph and urban graphs rise in a largely linear manner and then spike up in the last decile.

**Table 3.27 Percentage Share of Durable Goods in Consumer Expenditure (In Percentage)**

Deciles	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	1.54	1.71	1.90	1.93	2.42	2.60	3.11	4.00	5.06	10.29
<b>Rural</b>	1.82	1.78	1.93	2.13	2.24	2.43	2.62	3.12	3.72	10.31

Source: Researcher’s own calculation based on Table A-7

**Figure 3.30 Percentage Share of Durable Goods in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.27

### 3.8.2.2 Consumption of Fuel and Light across Income Groups

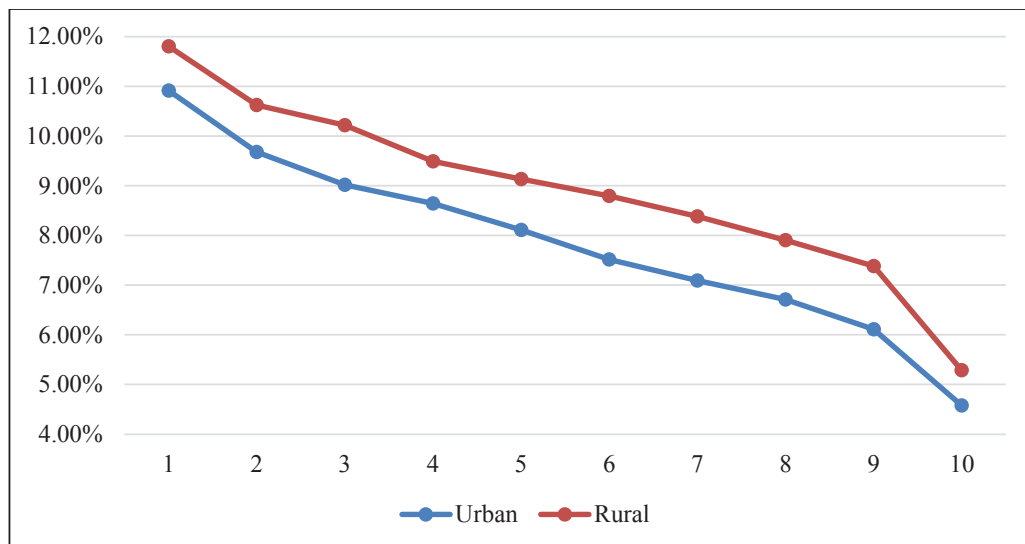
There was a declining trend in the percentage share of this group in both urban and rural India, the rural share little above the urban share all through.

**Table 3.28 Percentage Share of Fuel and Light in Consumer Expenditure (In Percentage)**

Decile	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	10.91	9.68	9.02	8.64	8.11	7.52	7.09	6.71	6.11	4.58
<b>Rural</b>	11.80	10.62	10.21	9.49	9.13	8.79	8.38	7.90	7.38	5.29

Source: Researcher’s own calculation based on Table A-7

**Figure 3.31 Percentage Share of Fuel and Light in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.28

The share in the total expenditure falls at a steady rate from 10.91% in urban area and 11.8% in rural area with the increase in the MPCE level and as it reaches the highest decile class, it falls at a steeper rate to 4.58% in urban areas and 5.29% in rural areas (Table 3.28 and Figure 3.31).

### 3.8.2.3 Consumption of Pan, Tobacco and Intoxicants across Income Groups

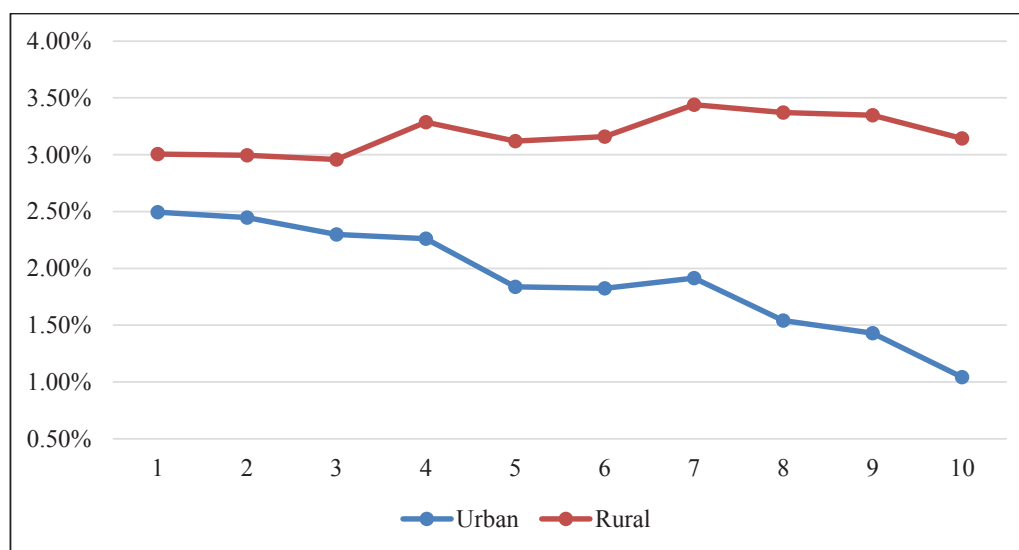
The MPCE for intoxicants showed a declining trend for urban areas and a near rising trend for rural areas.

**Table 3.29 Percentage Share of Pan, Tobacco and Intoxicants in Consumer Expenditure**

	(In Percentage)									
Decile	1	2	3	4	5	6	7	8	9	10
Urban	2.49	2.45	2.30	2.26	1.84	1.82	1.91	1.54	1.43	1.04
Rural	3.01	3.00	2.96	3.29	3.12	3.16	3.44	3.37	3.35	3.14

Source: Researcher’s own calculation based on Table A-8

**Figure 3.32 Percentage Share of Pan, Tobacco and Intoxicants in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.29

Table 3.29 and Figure 3.32 show that for the lowest decile the consumption was at 2.49% for urban areas and at 3.01% for rural areas. At the highest decile the MPCE was 1.04% for urban areas and 3.14% for rural areas. At all levels the MPCE at rural areas exceeded that of urban areas.

### 3.8.2.4 Consumption of Clothing and Footwear across Income Groups

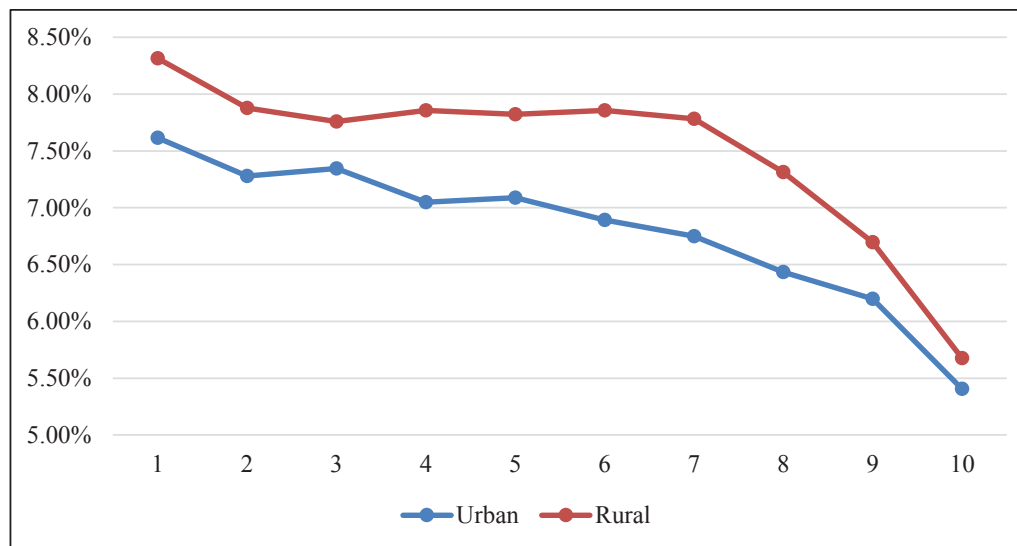
The share of clothing and footwear in total consumption expenditure falls moderately in both urban and rural sectors as MPCE rises with the share of rural sector is little higher than that of urban.

**Table 3.30 Percentage Share of Clothing and Footwear in Consumer Expenditure**

	(In Percentage)									
Decile	1	2	3	4	5	6	7	8	9	10
<b>Urban</b>	7.62	7.28	7.35	7.05	7.09	6.89	6.75	6.43	6.20	5.41
<b>Rural</b>	8.32	7.88	7.76	7.86	7.82	7.86	7.78	7.32	6.70	5.68

Source: Researcher's own calculation based on Table A-8

**Figure 3.33 Percentage Share of Clothing and Footwear in Consumer Expenditure**



Source: Researcher's own compilation based on Table 3.30

Table 3.30 and Figure 3.33 depict that the share of this category in the bottom decile class was 7.62% in urban sector and 8.32% in rural sector which declined to 5.41% in urban sector and 5.68% in rural sector for the top decile class.

### 3.8.2.5 Consumption of Miscellaneous Goods and Services across Income Groups

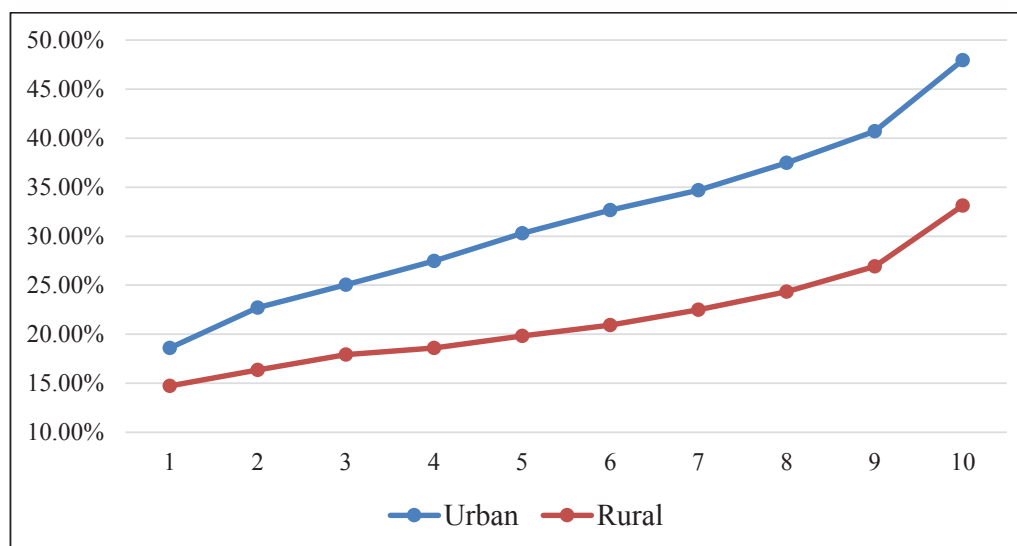
Table 3.31 and Figure 3.34 present that the share of miscellaneous goods and services like education, medical, conveyance, consumer services, entertainment, rent, taxes and cesses in total consumer expenditure rises steadily with rise in MPCE class from 18.59% to 47.95% in urban India and 14.72% to 33.14% in rural India. The proportion of income spent in urban areas exceeds that in rural areas across all deciles.

**Table 3.31 Percentage Share of Miscellaneous Goods and Services in Consumer Expenditure**

	(In Percentage)									
Decile	1	2	3	4	5	6	7	8	9	10
Urban	18.59	22.70	25.06	27.46	30.31	32.66	34.70	37.48	40.70	47.95
Rural	14.72	16.37	17.93	18.59	19.82	20.94	22.51	24.33	26.91	33.14

Source: Researcher’s own calculation based on Table A-9

**Figure 3.34 Percentage Share of Miscellaneous Goods and Services in Consumer Expenditure**



Source: Researcher’s own compilation based on Table 3.31

## 3.9 CONCLUSION

Over the last four decades private final consumption expenditure has been a significant contributor to the Indian GDP. Since India was among the less developed countries at the time of independence and the major expenditure was towards sustenance thus the expenditure was classified into two broad categories i.e. food and non-food. NSSO as

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an institution of excellence has conducted regular surveys to bring out the dynamics of consumer expenditure in both urban and rural areas.

During the period 1972-73 to 2011-12, the share of food items in total consumer expenditure has been on a constant decline and the proportion of non-food expenditure has risen steadily. This trend of rising non-food expenditure was evident in both the urban and rural areas, though the pace of rise was higher in the urban areas.

In terms of trend in food expenditure, for both rural and urban areas major decline has been seen in the expenditure on cereals, correspondingly there has been a substantial rise in the expenditure on milk and milk products, fruits and nuts and beverages.

Regarding non-food expenditure the most significant change over the years has been that of the contribution of miscellaneous goods and services and durable goods which has increased significantly in both urban and rural areas. On the other hand, the share of fuel and light and pan and tobacco and intoxicants have decreased in both the urban and rural areas.

Table 3.32 shows the most consumed food items in urban and rural sectors.

**Table 3.32 Most Consumed Food Items**

<b>Items</b>	<b>Urban</b>	<b>Rural</b>
<b>Cereals</b>	Rice	Rice
	Wheat	Wheat
<b>Pulses and Pulse Products</b>	Arhar	Arhar
	Moong	Masur
<b>Fruits and Nuts</b>	Banana	Banana
	Coconut	Coconut
<b>Eggs, Fish and Meat</b>	Egg	Egg
	Fish	Fish
<b>Vegetable</b>	Potato	Potato
	Onion	Onion

**Source:** Researcher's own calculation

The state-wise analysis of monthly per-capita consumption expenditure revealed three aspects; firstly, that in both urban and rural areas, the states that have overall high per capita expenditures, are also the ones that are high in ranking in terms of food and non-food expenditure. Secondly, the consumption expenditure is higher in urban areas versus rural areas and there are fewer states being above the all-India average in urban



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areas than rural areas. Finally, findings showed that the non-food consumption expenditure carries higher weightage in urban areas as compared to rural areas.

The MPCE gives a good picture of the proportion of income that households of varied income classes spend on food and non-food products. Among food items that form the basic food basket in India like cereals, pulses, edible oil and vegetables exhibited that as income rises the MPCE drops, relatively more expensive food items like milk and milk products and eggs, fish and meat witnessed that MPCE rises as income rises and then falls in the higher deciles. The most expensive category that is fruits and nuts displayed that as income rises the MPCE also rises.

Similarly, among non-food essentials like fuel and lighting and clothing and footwear showed a declining MPCE with rising income classes. The semi-luxury and luxury category like durable goods and miscellaneous goods and services showed increasing MPCE with rising income.