



Agricultural and Applied Economics Seminar

The Broad Penetration of Processed Foods in Rural and Urban Africa and Asia

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12:00 – 1:30 pm

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The literature on food consumption in developing countries has traced the emergence of processed food consumption, especially in urban areas, driven by rising incomes and opportunity costs of women's time. This talk will present new empirical work that shows: (1) processed food has moved from an emerging or niche part of the food budget in rural and urban Africa and Asia to the point of forming the majority of food expenditure; (2) this is so for the middle class but also for the poor; (3) low-processed food is dominant but high processed food is a surprisingly high share; (4) these trends are coupled with the share of purchases in total consumption averaging half to three quarters of food budgets in these areas; (5) processed food is still (as in earlier work) seen to be driven by opportunity cost of time; the importance of rural nonfarm employment magnifies this; (6) but the effect is also the other way: as meso level processed food access is associated with women being able to work outside the home; (7) food processing is dominated by women and an importance source of employment for them. We dwell on the facts, and discuss the interpretation, as well as controversies and the future. For example, will increasing capital/labor ratios in food processing reduce the employment effect of this boom over time? Is the rise of processed food inexorably bad for nutrition in these areas?