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SEMI-ANNUAL REPORT

December 1, 1980 - May 31, 1981

Consumption Effects of Economic Policy

Contract AID/DSAN-C-0008

Department of Agricultural Economics
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East Lansing, Michigan 48824

CONSUMPTION EFFECTS OF ECONOMIC POLICY

Semi-Annual Report for the Period from
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Sierra Leone Study

During this period Report No. 4, "Single-Equation Estimation of Food Consumption Choices in Rural Sierra Leone", was finished and Report No. 5, "Determinants of Food Consumption in Rural Sierra Leone: Application of the Quadratic Expenditure System to the Consumption-Leisure Component of a Household-Firm Model", was written. In addition John Strauss estimated the production part of his systems model of the household firm and derived the price and income elasticities of consumption, output and caloric availability from the combined model.

We also derived estimates of per capita consumption figures for the entire rural population of the area covered by the sample and calculated estimates of the variances of those figures. These estimates of per capita consumption for the population as a whole became the basis of a food accounting matrix which we developed for the rural sector of Sierra Leone.

In March Dr. Kathryn Kolasa and Dr. Victor E. Smith traveled to Sierra Leone to discuss our results with government officials and scholars there who were interested in problems of food consumption, production and nutrition. We were well received in Sierra Leone, and brought back a quantity of useful information. In the light of some of this information we have revised certain portions of Report No. 4. Other information obtained on this trip forms the basis of the investigations we are now making into the policy implications of our regression results.

Lastly, three papers were written growing out of the work done on this project. John Strauss completed Econometrics Workshop Paper No. 8006

(February, 1981), entitled, "Application of the Quadratic Expenditure System with Demographic Variables to Cross-Section Household Data Exhibiting Regional Price Variation."

"Food Consumption in Sierra Leone", by Kathryn Kolasa, Victor Smith, John Strauss, Peter Schmidt and William Whelan, was written for delivery at the Symposium on Food Problems in Africa, University of Illinois, Urbana, April 22-24, 1981. Dr. Kolasa had been invited to give a paper at the Symposium, but was unable to attend because of a conflicting appointment. Therefore Victor Smith delivered the paper.

Finally, "Food Consumption Patterns in Rural Sierra Leone", by Victor Smith, Kathryn Kolasa, John Strauss, William Whelan and Linda Bingen, was submitted to the FAO journal, Food and Nutrition. This has been accepted for publication.

Kano State Study

During this period Whelan completed his work on the preparation of the Kano State data for analysis and calculated the quantities of foods consumed for each of the households in his sample. He then began regression analysis of the determinants of the food consumption patterns.

Budget and Expenditures

<u>Line Items</u>	<u>Total Obligated Funding 6/1/78- 8/31/81</u>	<u>(Yr. 1) Expen- ditures 6/1/78- 5/31/79</u>	<u>(Yr. 2) Expen- ditures 6/1/79- 5/31/80</u>	<u>(Yr. 3) Expen- ditures 6/1/80- 5/31/81</u>	<u>Total Expen- ditures 6/1/78- 5/31/81</u>	<u>Remaining Obligated Funding 6/1/81- 8/31/81</u>
Salaries	\$237,280	\$ 69,672	\$ 73,061	\$ 79,806	\$222,539	\$ 14,741
Indirect Costs (Overhead)	156,604	43,695	40,198	42,510	126,403	30,201
Fringe Benefits	27,950	6,613	6,352	7,290	20,255	7,695
Consultants	2,430	--	500	--	500	1,930
Travel/Transportation	20,025	10,219	239	6,207	16,665	3,360
Other Direct Costs	54,883	15,032	14,436	24,137	53,605	1,278
Equipment	700	425	--	--	425	275
Total	\$499,872*	\$145,656	\$134,786	\$159,950	\$440,392	\$ 59,480

*Includes the following obligated funding: Original Obligation \$320,058
Amendment #3 179,814
\$499,872

Person Months

	(Yr. 1) 6/1/78- 5/31/79	(Yr. 2) 6/1/79- 5/31/80	(Yr. 3) 6/1/80- 5/31/81	Total 6/1/78- 5/31/81
<u>Home Office Professional</u>				
Director and Professor - Victor E. Smith	8.52	7.81	9.47	25.80
Professor - Peter Schmidt	1.84	2.00	2.00	5.84
Professor - Anthony Koo	.88	1.00	--	1.88
Visiting Associate Professor - Dunstan Spencer	1.06	--	--	1.06
Assistant Professor - Kathryn Kolasa	2.04	--	1.00	3.04
Assistant Professor - Peter Matlon	1.00	.50	--	1.50
Total Home Office Professional	15.34	11.31	12.47	39.12
<u>Home Office Nonprofessional</u>				
Graduate Assistant - David Trechter	--	--	2.50	2.50
Graduate Assistant - Robert King	.75	--	--	.75
Graduate Assistant - Alimami Kargbo	.75	--	--	.75
Graduate Assistant - Sarah Lynch	.75	.50	--	1.25
Graduate Assistant - Amy Slonim	.75	--	--	.75
Graduate Assistant - John Strauss	2.75	5.00	8.75	16.50
Graduate Assistant - William Whelan	5.50	5.25	8.00	18.75
Graduate Assistant - Doyle Baker	--	3.43	--	3.43
Administrative Assistant	.25	1.62	.80	2.67
Secretary	5.66	5.55	6.04	17.25
Programmers	2.01	4.75	3.65	10.41
Keypunchers	.27	2.14	1.01	3.42
Student Assistants	1.47	1.35	.97	3.79
Total Home Office Nonprofessional	20.91	29.59	31.72	82.22
Total Person Months	36.25	40.90	44.19	121.34