



The cost of a healthy diet in urban India: Insights from administrative and household data

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Abstract

Over the last decade it has been difficult to find reliable, high frequency, high spatial coverage food price and consumption data for India. In lieu of recent nationally representative household or market surveys we combine administrative data from several sources to generate a multi-year food price dataset that covers close to 140 urban centres and many commonly consumed foods. While limited in its spatial coverage, the dataset has three main advantages over other secondary food price data. First, it is available daily or weekly. Second, it is ongoing, allowing us to produce an up-to-date picture of food price patterns. Third, it contains both retail and wholesale prices for commonly consumed foods, permitting an exploration of retail-wholesale margins. We use this price data to investigate the levels and trends over 2018-2022 in the cost of a diet that meets India's 2018 Food Based Dietary Guidelines and the trend in prices by food group and city type over the COVID-19 lockdowns and beyond. We also extrapolate per adult equivalent expenditure on food from the National Sample Survey's Consumption Expenditure survey in 2011 to compare patterns of expenditure with those that would be needed to meet the dietary requirements. On average, Indians spend more than required on cereals and far less on fruits, vegetables, and animal-sourced foods. Expenditure on sugar-sweetened beverages and processed foods is also alarmingly high. Policy recommendations vary by region and by wealth. For the poor, especially in rural areas, projected expenditures fall far short of the cost of the healthy diet, suggesting the need for policies to enhance incomes or subsidize nutritious food. For the rich, especially in urban areas, the opposite is true, and the recommendation is for strategies that encourage a reallocation of household budgets towards healthier foods.