**2nd-Plot-to-Analysis-of-Sugar-consumption-in-the-US**

This Chapter discusses the methods, procedures, data source and analysis used in this project.

**Objective 1:** *is Sugar a normal good or an inferior good (how much can you spend on sugar?).*

This objective will be accomplished by finding out if sugar is a normal good or an inferior good. In economics, a normal good is any good for which demand increases when income increases, i.e., with a positive income elasticity of demand. While an inferior good is a good whose demand decreases when income rises. In other to achieve this objective, a multivariate assessment of the factors that affect sugar utilization in the US will be based on demand equation.

**Objective 2:** *is Honey (sweetener) a good substitute good to sugar?*

Objective 2 will be accomplished by finding out if honey is a good substitute good to sugar. A substitute is a good that can be used in place of another. In consumer theory, substitute goods or substitute are products that a consumer perceives as similar or comparable, so that having more of one product makes them desire less of the other product. To achieve this objective, a multivariate assessment of the factors that affect sugar utilization in the US will be based on linear regression. All the other factors that will be included are; average price of sugar, average price of related product (honey), population, gross domestic product (GDP) and consumer price index(CPI) of US.

Linear Regression Equation:

The results of this project would help determine if sugar is a normal good or an inferior good. If sugar is a normal food i.e., if demand for sugar increases when increases, how much are Americans willing to pay for sugar?. However, if sugar happens to be an inferior good, i.e. demand for sugar decreases when incomes increases, are Americans willing to substitute honey to sugar?.

**Data Source:** The data for this project will be obtained online from [www.ers.usda.gov/](http://www.ers.usda.gov/)