

## **Group Project 1: Estimating Coffee Demand and Supply Functions (Due Tuesday, 4 September, at 6pm)**

In this project you are asked to estimate coffee demand and supply functions by using coffee consumption and production data from the Dutch market. The data is in Project1Data.xls. Data items are as follows:

maand	year and month of observation
year	year of observation
month	month of observation
qu	per capita consumption of roasted coffee in kg
cprice	price of roasted coffee per kg in current guilders
tprice	price of per kg tea in current guilders
oprice	price index for other goods
income	income per capita in current guilders
q1	season dummy 1
q2	season dummy 2
q3	season dummy 3
q4	season dummy 4
bprice	price of coffee beans per kg in current guilders
wprice	price of labor per man hours (work 160 hours per month)

For more information on this modeling and data, please see Identification of Demand Functions (demand\_final\_slides11.pdf) and Bettendorf and Verboven (2000) (BettendorfAndVerboven.pdf).

The maximum length of the report is four pages, not including possible appendixes. The analysis can be done with Excel, SPSS, SAS, R, Python or Stata.

***Submit the report and the code by IVLE, one submission per group. Please have the names and the student numbers on the cover page.***