

Analysis of Household Demand for Food Away-From-Home (FAFH) In Sri Lanka

A dissertation submitted to the
Faculty of Animal Science and Export Agriculture
Uva Wellassa University
In partial fulfillment of the requirements for the award of
Bachelor of Science in Export Agriculture

By
I. N. Darshana

Export Agriculture Degree Programme
Faculty of Animal Science and Export Agriculture
Uva Wellassa University of Sri Lanka
2021

ABSTRACT

Food consumption in Asia has undergone significant changes over the past two decades. This change in consumption patterns can be attributed to the rapid economic and income growth, urbanization, modernization of marketing infrastructures, the emergence of processed food companies, the spreading of multinational fast food service providers, increased female labour force participation. One of the biggest changes in food consumption patterns in Sri Lanka is the increased consumption of food away from home (FAFH). Nutritionists, economists, public health officials, and policymakers are concerned that consumption of more FAFH, relative to food at home (FAH) likely to contribute to food-related chronic diseases in humans. This study aims to investigate the demand characteristics of FAFH consumption in Sri Lanka. Data were extracted from the Household Income and Expenditure Survey (HIES) 2016, conducted by the Department of Census and Statistics (DCS) in Sri Lanka. The theoretical model of this study is derived from discrete random utility theory within the framework of Becker's household production model. Factors influencing households' decisions to consume food away from home and how much to spend on these food items were analyzed using Cragg's double hurdle model. According to the results, Households living in urban area, households living in rural area and, household head's education level positively and significantly affect FAFH consumption decision while household head's age negatively affect. Household income, household living in the urban areas, household living the rural areas, household size, all adult household members are working, household head's education level and the household head being single positively and significantly affect on FAFH expenditure decision while household head's age, presence of children and, household head is female negatively affect. Households living in urban areas, rural households, younger headed homes, better-educated households, and all working households tend to more convenient food than other households, as shown by their food expenditure patterns. It will also increase the FAFH spending levels by getting richer. Consumers can benefit greatly from educating them about healthy FAFH choices, especially if self-control is affected when eating away from home.