



## **Analysis of Household Determinants of Demand for Food Away-from-Home (FAFH) in the Urban Sector of Sri Lanka**

N.D. Induruwage\* and S.D. Rathnayaka

*Department of Export Agriculture, Faculty of Animal Science and Export Agriculture, Uva Wellassa University, Badulla, Sri Lanka*

*\*Corresponding Author E-mail: indarshana2312147@gmail.com, TP: +94715327147*

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 with special reference to the urban sector. Data were collected 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 Becker's Household Production Theory. 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, income, household size, all adult members engaging in a job, being single have positive and significant effects on the household's expenditure on FAFH. However, household head's age, and education level have significant negative effects on away from home food consumption expenditure. Further, estimations of the first hurdle model reveal that the household head's age, family size, and household head's education level negatively and significantly affect the FAFH consumption decisions. Accordingly, younger households, less educated households, and all working households have a greater preference for convenience than other households as illustrated in their expenditure patterns on food away from home. Getting richer will also lead to a higher level of FAFH expenditure. Educating consumers about healthful FAFH choices could have a significant payoff, especially if self-control is impaired when eating away from home.

**Keywords:** Urbanization; Income growth; Health; Consumption; Food away from home; Double Hurdle Model