



You are cordially invited to

UCLouvain Economics Seminar

On **Thursday October 4, 2018**, from **12:45 to 14:00** **Doyen**
22, Place des Doyens, 1

Valérie Lechene
(University College London)

Will give a presentation on

A structural analysis of the decline of home cooked food

Abstract: In recent decades, ready-to-eat food has replaced, to a considerable extent, home cooked food in the diet of households in the developed world. In the UK, the share of ingredients in the food budget has nearly been halved between 1980 and 2000, from 57% to 30%. This is despite the fact that, over the same period, the price of ingredients decreased more than the price of all ready-to-eat foods (both eaten at home and out). We develop and estimate a structural model of food consumption and time use to explain this puzzle. We analyse the choice between home cooked foods, whose preparation is labour intensive, and ready-to-eat foods, which require little or no preparation time and effort. We show that once we account for the fact that cooking takes time, in the past decades, the (shadow) price of home cooked food has risen relative to that of ready-to-eat food. Our model enables us to explain recent trends in food choices and to quantify the relative importance of the decline in household size, of market price changes and of the increase in real wages in the long term decline of ingredients consumption. We show that the level of tax required to incentivise households to choose to consume more home cooked food and less ready-to-eat food is too high to be a credible policy tool, because food choices are mainly driven by wages.

(Joint paper with Tom Crossley, Rachel Griffith and Wenchao (Michelle) Jin

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