

**AN ECONOMIC STUDY ON CHILLI PRODUCTION
AND MARKETING IN KALUTHANVALAI AREA**



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ABSTRACT

Chilli is one of the most important cash crops in Sri Lanka. It has become an essential ingredient in Sri Lankan meals. Chillies contribute GDP and create employment. The economy of the Batticaloa district is mostly depending on Agriculture.

One of the D.S divisions in the Batticaloa District is Manmunai South and Eruvil Pattu. In this division mainly engaged in Agriculture One of the coastal villages Kaluthavalai famous for chilli production, 92% chilli cultivation plays a major role. It is an important local resource occupying a pre- eminent position.

At present to improve the income and living standard of members of an Agriculture Productivity Village (APV) co-operative Society in Kaluthavalai involved in chilli cultivation through the establishing of revolving loan fund system implementing partner UNDP organizing partner NERTRA. The demand among the farmers for microfinance to restart and expand chilli production and marketing activities. The main objective is to explore the ways to obtain high level of chilli production and marketing.

There are five variables considered for these researches are Input Facilities, Institutional Facilities, Financial Facilities, Marketing Facilities and Infrastructure Facilities. 75 credit holders have been taken into consideration, response is obtained through questionnaires. The farmers affected by tsunami and the cultivate chillis in their own land selected for this program. The univariate analysis was made through computer package SPSS 11.0.

The result of the study reveals farmers have problem related to all dimension shows that the mean value for Input facilities is 1.7, Institutional Facilities 3.08, financial facilities 2.8, Marketing and Infrastructure facilities 2.32, 2.10 respectively.

It is recommended that, in order to high level of chilli production and marketing. Awareness to the chilli farmers crops insurance and pension system. In Kaluthavalai farmers motivate value added product for Example dry chilli, whey chilli, curry powder. Who presently have no gainful occupation will contribute in the field by watering, drying, milling etc. Training will be providing on packing techniques, which can provide income opportunities for women who work at home. Government and Non-Government organizations and their activities should be mainly focused on farming community.

Significance of the Research is, UNDP can estimate the loan facilities, which were given to the farmers, helps to the UNDP to expand the same project to other village, It can be help a lot to NERTRA because it is one of the organization partners, Can get the Information from the APV Co-operative Society in Kaluthavalai and Awareness to chilli farmers.

This UNDP founded Micro Finance Project on Chilli Production and Marketing in Kaluthavalai Stands out as a Success story.

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