

**AN ECONOMIC STUDY ON SEED PADDY PRODUCTION IN THE  
AMPARA DISTRICT.**



**MR.KATHIRAMALAI KAMALATHASAN.**

**REG NO: - EU/IS/2002(A)/ECON/140.**

**INDEX NO:-CS 2043.**

**A PROJECT REPORT SUBMITTED TO THE FACULTY OF  
COMMERCE AND MANAGEMENT, EASTERN UNIVERSITY SRI  
LANKA, AS A PARTIAL FULFILLMENT OF THE REQUIREMENT OF  
THE BACHELOR OF ECONOMICS (B.ECON) DEGREE.**



Project Report  
Library - EUSL

**DEPARTMENT OF ECONOMICS.  
FACULTY OF COMMERCE AND MANAGEMENT.  
EASTERN UNIVERSITY, SRI LANKA.**

**2007.**

## ABSTRACT

Paddy production is important in all over the world. It is more complex and burning issue in the development countries. As rice is most significant food to those people, they take more concentration on paddy cultivation. Sri Lanka, like other countries in the Asian region has an agricultural economy and the agricultural sector plays an important role in the economy and social development of the country. Even though most of the areas in Sri Lanka get high output from their paddy production, the yield is very low due to lack of economics, marketing, infrastructure and skills training and awareness facilities for the seed paddy. The coastal line area in ampara district is one of them, which is facing many problems concerning economically, marketing, infrastructure and training and awareness of seed paddy. Therefore, the researcher intended to find out the major problems faced by the farmers and discover causes for it.

For the purpose of finding out the causes for the Economics of seed paddy problems, the research considers four variables as conceptualization. Those are Economics facilities, marketing facilities, infrastructure facilities and skills training and awareness facilities. The information for knowing problems and causes has been collected through the structured questionnaire issued to seed paddy farmers in the coastal line area in ampara district inspection division. 100 farming families have been taken from 5 inspection range divisions and questionnaires were issued on the basis of amount of seed paddy they produce. These data were analyzed through the univariate analysis, therefore SPSS 11.0 computer software and MS Excel were used.

After the analysis of every variable the following mean value were got. The mean value of the economics facilities is 1.13, marketing facilities is 2.46, infrastructure facilities is 1.16, and skills training and awareness facilities is 2.22. These shows the Economics of seed paddy production in ampara district coastal line areas inspection range economics facilities, infrastructure facilities, awareness facilities disagree level and marketing facilities is marginal agree level so, decline the seed paddy production in these area reason for there is low level the economics facilities, infrastructure facilities and skills training and awareness facilities. Almost all paddy farmers in this division are small holders and are without capital for investment in production. These situation faced by the seed paddy farmers have lead to very large reduce initiate capital. Therefore, the ultimate purpose of study is to find out causes for these problems and propose the remedies and strategies to improve the seed paddy production in these areas.

## CONTENTS

	<i>Page</i>
Title pages	I
Acknowledgement	IV
Abstract	V
Contents	VII
List of tables	IX
List of figures	XI
<b>1.0. CHAPTER ONE: INTRODUCTION</b>	
1.1 Background of study	01
1.2 Problem statement	10
1.3 Objective of the Research	10
1.4 Limitation of the research	10
1.5 Assumption of the Research	11
1.6 Research Questions	11
1.7 Signification of the Research	11

## 2.0. CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction	12
2.2 Important of agriculture in Sri Lanka	12
2.3 Stable food of Sri Lanka	12
2.4. Foreign exchange and employment	14
2.5. Estimated 2004 paddy production	17
2.6. Seed paddy production in Sri Lanka	18
2.6.1. Paddy extent sown by variety of seed in Ampara district	19
2.7. Consumption	19
2.8. Production situation in Ampara district	20
2.9. Trade	20
2.10. Marketing	21
2.11. Important of seed paddy production	21
2.12. Production and demand	23
2.13. Training programs	25
2.14. Commercial paddy seed production	25
2.15. Storage condition	26
2.16. Infrastructure	26
2.17. Related studies	26
2.19. Summary	33
3.0. CHAPTER THREE: RESEARCH METHODOLOGY.	34
3.1 Introduction	34
3.2 Conceptualization	34
3.2.2. Marketing facilities	35
3.2.2. Economics facilities	36
3.2.3. Infrastructure facilities	36
3.2.3.1 Water supply	36
3.2.4. Skill training and awareness	36
3.3. Sampling method	37

3.3.1. Sample procedure	37
3.3.2. Data collection	37
3.3.2.1. Primary data	38
3.3.2.2. Secondary data	38
3.3.3. Method of data analyzing and evaluation	38
3.4. Summary	40

#### 4.0. CHAPTER FOUR: DATA PRESENTATION, DISCUSSION AND ANALYSIS

4.1 Introduction	41
4.2 Personal information	41
4.2.1 Age distribution	41
4.2.1.1. Discussion for age distribution	42
4.2.2 Family members	42
4.2.2.1. Discussion for family members	43
4.2.3 Income range	43
4.2.3.1 Discussion for income range	44
4.3 Research information	44
4.3.1. Economics facilities	45
4.3.1.1. Discussion for economics facilities	46
4.3.2. Marketing facilities	48
4.3.2.1. Discussion for marketing facilities	49
4.3.3. Infrastructure facilities	50
4.3.3.1. Discussion for infrastructure facilities	52
4.3.4. Skill training and awareness	54
4.3.4.1. Discussion for skill training and awareness	55
4.3.5. Over all analysis	56
4.4. Summary	58

## 5.0. CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

5.1. Conclusion	
5.2. Recommendation	60
5.2.1. Economics facilities	60
5.2.2. Marketing facilities	61
5.2.3 Infrastructure facilities	62
5.2.4 Skill training and awareness facilities	62

## REFERENCES AND APPENDICES

1. References	63
2. Appendix	64

## LIST OF TABLES

Table 1.1 Rate of self sufficiency of rice 1998-2006.	2
Table 1.2 Annual sown and harvested extents, Average yield and production of paddy 2000-2006.	3
Table 1.3 Extents and production of seed paddy under private sector program in Ampara district	9
Table 2.1. A revised cereal supply and demand balance sheet for the country for 2004/05 in Sri Lanka.	13
Table 2.2. Paddy production target	14
Table 2.3. Newly estimated 2004 Yala season paddy production, in comparison with last year and the average of the previous 5 years in Sri Lanka.	16
Table 2.4. Cultivation program paddy extent and production in north east Province (target and achievement) 2001/02 malha-2005/06 malha	17
Table 2.5. Extents under seed paddy production in 2004 in Ampara district.	22