

PERMANENT REFERENCE

COMMERCIAL LEVEL RICE PROCESSING AND
MARKETING IN COASTAL BELT OF AMPARA
DISTRICT

By

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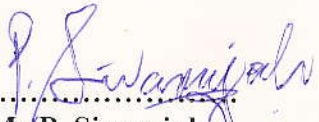
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ABSTRACT

Rice processing and marketing is a large agro-based industry, with about 182 mills in the coastal belt of Ampara District. Some of the mills had been shut down due to the low amount of profit generated through them.

The study attempted to analyse the factors affecting the profit of rice processing and rice marketing. Both primary and secondary data were used in this study. The primary data were gathered through personal interviews from 50 commercial level rice mills in coastal belt of Ampara District in eight D.S divisions.

The socio economic characteristics of mill owners varied with an average of 12 years of milling experience, 10 years of schooling and 88% mills are operated as a full time activity.

The millers processed rice by using semi-modern machinery in the coastal belt of Ampara District. There is no proper marketing system or marketing facilitative function and performed for processed rice in the area.

The analysis of profit in rice processing and marketing industry indicated that the profit margin was higher (113.8%) for parboiled rice processing than raw rice processing. In parboiled rice processing the profit margin was Rs 1,414.70/Mt, but in raw rice processing it was Rs 661.54/Mt of paddy processed.

A Multiple regression model also was fitted to study the effects of various costs and recovery percentage on the amount of profit for both raw and parboiled rice processing.

In raw rice processing, recovery percentage (0.02*) and milled cost (0.04*) significantly affect on profit at 5% level. In parboiled rice processing, recovery percentage of rice (0.04*) significantly affect on profit at 5% level.

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