

**MARKET ORIENTATION AND PRODUCTION
PERFORMANCE OF IDENTIFIED SMALL
SCALE AGRO INDUSTRIES IN BATTICALOA
DISTRICT**

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ABSTRACT

This study analyzed the market orientation and production performance of identified small scale agro industries in Batticaloa District, Sri Lanka. Pre-structured questionnaires were used to collect data using direct interview. Random sampling was used to select small scale agro industrial owners among selected divisional secretariat divisions. Demographic and economic characteristics were measured. Market orientation and production performance score values were developed. They were graphed together to check their association. Multiple regression analysis was used to check the determinants of production performance.

Most of the agro industrial owner's belonged to 45-54 years age. Most of them were primarily educated. Most of their average monthly income earned by industrial activity was ranged between Rs. 10,001 – 30,000. Market orientation analysis showed that most of them were market oriented differently. Most of them produced more than one product of their industry. Considerable percent of them produced quality and valued products. 15% of them produced full cashew nut, 15% of them produced curd and 12% of them produced parboiled rice. 69% of them decided about 'how much to produce' from their customers response. 47% of them decide 'when to produce' from their customers response. 38% of them used 'direct marketing'. This method made them to receive more marketing margin compare to others.

Production performance was measured based on as financial performance, investment within industry and invest within other ventures. Financial performance directly represents the average monthly income earned by industrial activity. In case of 'invest within the industry' 23% of them added more labors, 24% of them added more machines and 47% of them expanded their industry by other means. Most of the agro industrial owners were 'none investors within other ventures'. The graphed market orientation production performance scales were better associated with each other. It showed that the owners whom highly market oriented showed higher production performance. The multiple regression analysis confirmed that market orientation scale had positive correlation with the dependent variable of production performance at 5% significant level ($P \leq 0.05$). It was concluded that market orientation behaviors should be motivated to enhance the production performance of small scale agro industrial owners of Batticaloa District.

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