

## AN ASSESSMENT OF THE EFFICIENCY IN PADDY AND RICE MARKETING IN ANURADHAPURA DISTRICT

H.A.N.C. Abeykoon<sup>1</sup>, Y.M. Wickramasinghe<sup>1</sup> and G.M. Henegedara<sup>2</sup>

<sup>1</sup> *Department of Agricultural Systems, Faculty of Agriculture, Rajarata University of Sri Lanka, Anuradhapura, Sri Lanka.*

<sup>2</sup> *Hector Kobbakaduwa Agrarian Research and Training Institute, 144, Wijerama Mawatha, Colombo 07, Sri Lanka.*

Rice is the staple food for a large number of people in tropical countries of Southern Asia, Eastern Europe, Latin America and Africa. Paddy production plays a huge role in Sri Lankan economy and is the single most important crop occupying 34% (0.77million ha) of the total cultivated area of the country. Paddy marketing commenced when the farmer sold paddy to miller and rice marketing began with the miller sold rice to the consumer.

Once paddy is being processed as rice it comes to wholesalers and from there it goes to consumers through retailers. It is believed that different participants of paddy and rice marketing are not satisfied at present. Therefore, this study was done to assess the efficiency in paddy and rice marketing in Anuradhapura district because Anuradhapura is one of the leading paddy producing districts. More specifically objectives were to identify different marketing channels, marketing margins of the channels and the problems faced by each participant and to suggest corrective measures. Data were collected from a random sample from 50 farmers, samples of 10 millers, 6 wholesalers and 8 retailers through a field survey conducted in 2008.

Results indicated that approximately 16 different marketing channels are functioning in this area. Of the marketing margin approximately 50%, 20%, 2% and 4% goes to farmer, miller, retailer and wholesaler respectively. Price discrimination at the farm level is high and it was not highlighted at the other levels. Marketing efficiency is also high at farm level. At the wholesalers and retailers levels both price discrimination and marketing margin were low. Therefore, the overall inefficiency prevails at these levels while the marketing efficiency is high at the miller level. Inefficient transport facilities, selling wet and low quality paddy are the major problems faced by the traders.

Therefore, it is possible to recommend improving transport facilities in interior locations, inviting state intervention in paddy purchasing and providing storage and processing facilities to make paddy and rice marketing a financially attractive venture.

*Key words:* Paddy marketing efficiency, Marketing channels, Marketing margins, Marketing efficiency