

**STUDY THE INTERVENTION OF MODERN MARKETING
CHANNEL IN SOCIAL AND LIVELIHOOD DEVELOPMENT OF
RURAL FARMERS: A STUDY RELATED TO MADULLA IN
MONARAGALA DISTRICT**

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ABSTRACT

The supermarket companies have established their collection centre at the village level as a modern marketing channel to purchase agricultural products directly from the farmers. This study analyses the intervention of one selected company to the rural marketing system choosing a specific area; Madulla Divisional Secretariat Division. Information has been collected for the study by using a questionnaire from two samples; first 80 farmers those who supply agricultural products to the collection centre and second, 80 farmers those who do not do so. These samples were selected from two populations by using random sampling method. The interview method also used to collect information. In addition, books, periodicals and websites were followed.

The two samples showed different results, however, farmers with modern supply chain showed the benefits of the Centre. According to their views, farmers are motivated to increase the cultivating land extent especially in vegetables, fruits and lime. Farmers' income has been substantially increased and hence, people tend to use different household items and occupational items. Usage of communication equipment such as TV, radio, telephones, mobile phones very significantly improved. In addition, usage of bicycles, motor cycles and three wheelers revealed a very noticeable improvement.

The perception of farmers revealed that easy access to selling agriculture products is the most important reason for selecting the Centre. In addition, intervention of the Centre forced farmers to increase production and improve the quality of the products. However, the evaluation of the sample of farmers without modern supply chain showed mixed and different results. According to the study Collection Centre as a modern supply chain provides many incentives rather than the traditional channels. Those incentives encouraged farmers to actively engage with the farming and its results clearly displayed in cultivated land extent, generated income, acquired household and occupational items and perception of the farmers on purchasing prices, production and quality.

These results showed the importance of having a national policy to promote such interventions to the rural marketing system encouraging supermarket companies. However, as this study has been carried out in a specific area, implications of this intervention need to be further analysed.