

**AN ANALYSIS OF PADDY MARKETING SYSTEMS ADOPTED AND
ITS INFLUENCE ON THE HOUSEHOLD ECONOMY OF SMALL
FARMERS IN THE AKKARAIPATTU AREA OF AMPARA DISTRICT**

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ABSTRACT

Paddy farming is the predominant livelihood activity in rural areas of Sri Lanka. Increasing cost of cultivation, limited productivity of unit area and low selling price of paddy during harvesting seasons, are the burning issues among the paddy farming community. This research intends to understand the marketing systems that the small paddy farmers operated with and its impact on their household economy. The research has been conducted at Panankadu and Isankanichemai villages in the Akkaraipattu area. The research has adopted qualitative methods by using purposive techniques with a case study approach.

This research aims to identify different marketing systems that small farmers operate with in dealing with different actors who are input suppliers/traders, private millers, co-operative societies/social institutions and the Paddy Marketing Board (PMB). Small farmers maintain socio-cultural, economical, contextual and political relationships with these actors for the management of business deals. Small farmers receive financial benefits from the above relationships and most obviously they become more vulnerable to exploitation by input suppliers and traders in getting better prices and also dealing in an ad-hoc manner with private millers for business benefits in a specific context. Selling paddy to the PMB is a profitable option but farmers hesitate to use it due to strict regulatory procedures.

The household economy of small farmers is highly dependant on the income generated by paddy farming, and the marketing systems that they adopted have significantly contributed to it. The farmers, with other means of stable income and access to alternate livelihood activities, become capable of managing the household economy. The small farmers occupied on a full-time basis with paddy farming struggled in managing both the household expenditure and farming. They felt that paddy farming is a less profitable business but they are forced to do it.

This research also focuses on drawing on a community-based participatory paddy marketing mechanism with the active involvement of all relevant actors for the benefit of the small farmers. Improve the market information systems, increase the involvement of socio-cultural institutions and develop the human/financial capacities of the small farmers, are the suggested approaches to develop the above mechanism.