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TRENDS IN PADDY PRODUCTION IN SRI LANKA

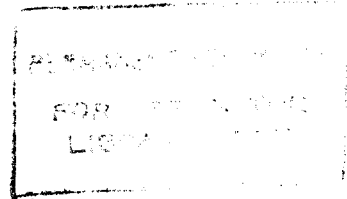
A PROJECT REPORT PRESENTED

BY

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ABSTRACT

Recent years viability of the paddy production sector in Sri Lanka has been a question because of lack of net profit to the paddy producing farmers. It has been well proved by the suicide incidences of farmers. At the same time, still we could not achieve self-sufficiency in paddy production even though it had been forecasted long ago. Therefore in this study an attempt is made to understand the past trends in paddy production in order to find out the reasons for the above discussed problem and to forecast the future requirements.

Paddy production related variables such as extent sown, extent sown under different water sources, crop failure percentage, production, average yield, cost of production, price of paddy, standard of living of the farmers, rice consumption, imports of rice and variety improvements over the time for whole country and district wise have been analyzed using simple and complex time series analysis techniques and other statistical techniques. Future situations have been forecasted from the result of the analysis.

Currently our production meets 85 percent of our total requirement. To increase the production cultivating extent is not advisable because during the last 28 years (1970-1997) the cost of production of paddy has been increased by 2103% which is greater than the inflation rate of 1512% and the selling price increased by 1424%. Production and average yield only have been increased by 35% and 41% respectively. At present in the farmer's point of view, still they are cultivating paddy because of return to their own labor and lack of better alternative jobs. Therefore the only way to uplift and keep viable the paddy production in Sri Lanka is increasing the average yield with less cost of production. To bring the standard of living of the farmers back to the 1978 situation the profit margin in year 2000 should be Rs. 1.61 per Kg paddy produced or Rs.5933 per hectare. (Assuming the inflation rate is 7.1%). Therefore the success depend on how well we can increase the average yield with same inputs or with some other alternative inputs which should not exceed the prices of the present ones. Results indicate that we have some regions that give over 3700 Kg per hectare. The average yield forecast for island in year 2000 is 3361 Kg per hectare while or self-sufficiency we would need 3758 Kg per hectare.

