

PRESENT STATUS AND FUTURE PROSPECTS OF THE RICE PROCESSING AS A COTTAGE INDUSTRY IN ANURADHAPURA DISTRICT

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Institute of Post Harvest Technology (IPHT) introduced the “Rice processing village” concept to promote superior quality rice production as a cottage industry. At the inception of this program paddy prices were low and present paddy prices are 400% higher than the paddy prices that prevailed at the time of inception of the program. This study attempts to assess the performance of this program. Samples of four divisional secretariat areas were purposely selected for this study where the rice production program was popular. A randomly selected sample of 100 respondents was interviewed in 2010 using a pre-tested questionnaire.

Farmers have earned an additional profit of Rs. 10,100.56 per month by selling rice instead of paddy. Of the average total cost of the enterprise 92.59%, 6.26 % and 1.15% are on paddy, milling and other inputs respectively. The average amount of paddy processed per week is 320 Kg. The average growth rate of the enterprise is 172%. The common problems faced by the farmers are shortage of paddy and lack of capital and storage facilities. All respondents are fully satisfied with program and the profits earned. Therefore, this seems to be a program with high level of financial viability that should be introduced to rural communities as a remedy to rural poverty. At the same time it is possible to conclude that state interventions in the forms of financial support and storage facilities seem to be necessary in order to enhance the impact of the program.

Key words: Rice processing village, Quality rice, Rural communities, Rural poverty