

# INFLUENCE OF NON FINANCIAL INCENTIVES ON THE PRODUCTION AND MARKETING OF MILK - A CASE STUDY IN ANURADHAPURA DISTRICT

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This study investigated the influence of non-financial incentives provided by the public and private sector organizations on the production and marketing of milk in Kekirawa and Nochchiyagama, Anuradhapura District. In designing programmes to promote milk production and marketing, details of non-financial factors on milk production and marketing and their influence are useful. Data were collected from a random sample of 60 dairy farmers using a structured and pre tested questionnaire. Information such as milk prices, volume of milk produced, major issues in production and marketing of milk and institutional supports expected were collected during the field survey. Provision of animals of improved breeds, artificial insemination services, technical information, milk purchasing services, etc. were the non-financial incentives considered in this study. Data were analyzed using SPSS software. Findings indicated that, number of milking cows and breed type of cattle have greatly influenced the milk production of the herd ( $p < 0.05$ ). Around 60% of the dairy farmers sold their milk to private sector. Semi-intensive method of management was popular among respondents (88.3%). 75% of the respondents reported, lack of grazing land for their herd as the major constraint that they faced. The most popular source of marketing information was the Dairy Development Officers appointed by the milk purchasing companies while the next popular source of information was the media. Of the respondents, 78% of expected assistance such as provision of improved breeds of dairy cows through the government institutions. It further revealed that, 91.66% of the respondents were interested in developing their dairy industry further. Thus supplying improved cattle breeds, expanding milk purchasing facilities and providing marketing information through the company appointed dairy development officers would increase production and efficiency in milk marketing.

**Keywords:** Kekirawa, Milk marketing, Milk production, Non-financial incentives, Production constraints