

**SUPPLY RESPONSE OF UP- COUNTRY VEGETABLES OF SRI LANKA**

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Information on supply price elasticities has been acknowledged as being very important for decision makers at the macro and micro levels. This study presents an empirical investigation of supply response of up-country vegetables. The study was confined to five districts namely; Nuwara-Eliya, Kandy, Badulla, Matale and Ratnapura where the vegetable cultivation on commercial scale takes place. The model presented here uses Nerlove's distributed lag specification. Supply response was measured in terms of quantity or acreage with respect to prices. Models for supply response functions for up-country vegetables in both *Yala* and *Maha* seasons developed separately. Results indicated that weather was the major determinant of supply response of up country vegetables. However, more investments on research and development on weather independent crop production practices are needed. The vegetables farmers were the commercial producers. Further, price changes and time trends were also related to level of supply and providing them with regular market information is vital. These results will support the efforts aimed at market development and crop enhancement programs in the country.

*Key words:* Supply response, Supply elasticities, Nerlove's distributed lag specification