

ECONOMICS OF GINGER PRODUCTION AND MARKETING IN KURUNAGALA DISTRICT

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This study examined the economics of ginger production and marketing in Kurunagala district; one of the major producing area with the objectives of analyzing cost, benefits, farming and marketing constraints of ginger farming and marketing system using data collected from randomly selected 80 ginger farmers and 20 traders. Data were collected from a field survey supported by a structured questionnaire. Descriptive statistics, budgetary and SWOT analysis and SCP paradigm were applied for analyzing data. The result revealed that 76% of farmers have cultivated Chinese ginger variety. Average annual yield was 6100 kg/ac and yield : seed ginger ratio was 1:10.3. Approximately 57.5% of farmers sold their products in fresh form mainly to the village collectors. The average cost of production and the returns were Rs. 316,116 ac/season and Rs. 671,106 ac/season respectively. The benefit cost ratio (BCR) was 2.123 and hence the crop is profitable. However, labour cost constitutes to be 57.57% of total cost. The SWOT analysis disclosed high pest and disease problem (53%) as the major production constrain while market uncertainty (25%) and seasonal price fluctuation (25%) are reported major marketing constraints. The coefficient of variation of annual average prices from 2007 to 2015 was also in conclusive to this. The existing marketing channel of ginger consists of producers, collectors, processors, wholesalers, importers and exporters. The study concluded that the labour cost was significantly high hindering financial benefits to farmers. Farm gate prices of ginger was on the increase in real terms but fluctuates vastly. Yet, there is a great potential to expand cultivable land extent of ginger as an intercrop in coconut. Product diversification and development of a national strategy would be beneficial for the ginger industry.

Keywords: Benefit cost ratio, Cost of production, Ginger, Marketing, Production