

**CASHEW (*Anacardium occidentale* L.) MARKET CHANNEL ANALYSIS
IN PUTTALAM DISTRICT, SRI LANKA**

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Cashew should be given prior attention in terms of local and international marketing. Lack of proper marketing information systems, poor storage facilities, high labor cost and seasonality in production are becoming vital issues to be addressed. This study examined the marketing channel and pricing efficiency at different levels of the channel of cashew market in the Puttalam district. Data were collected from a field survey in the 2013 production season by interviewing 15 farmers, intermediaries, processors and consumers each and a SWOT analysis was also conducted. The results indicate that marketing of cashew nuts was mostly affected by the price instability, production instability and lack of proper storage and processing facilities. However, a controllable pricing system for efficient and effective marketing could be ensured by proper storage and consistent supply of cashew nut. One major weakness of the farmers was their inability to negotiate for better prices with traders who visit their village. Lack of credit to small holders and insufficient knowledge coupled with poor technology and low level of access to technical information had reduced the production. Major weaknesses of processors were improper post harvest handling, incorrect grading of nuts and poor quality control. Under these circumstances assisting processors through processor association to access information, technology, extension services, market and credit could be a solution. One of the important constraints faced by intermediaries was lack of market research and consumer surveys to understand the actual domestic and international demand for the cashew kernels. Development of simple labels with brands and product information would be helpful to develop consumer loyalty and build confidence on quality of the product in both local and international consumers. Consumer survey showed that sorted broken grades in attractive packaging with lower prices would increase the local consumption.

Key words: Cashew nuts, Marketing channel, Marketing margins, Price efficiency, SWOT analysis