

Reconstruction of Agricultural Marketing System in the Northern Province of Sri Lanka

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The major challenges that need to be taken into consideration in terms of agricultural development in the Northern Province of Sri Lanka are “reconstruction of the appropriate agricultural marketing systems. The market mechanism basically allocates resources in a market economy and provides signals for producers, distributors and consumers. For restoration of the agricultural marketing systems, policy makers do not have proper information about the agricultural marketing systems as well as obstacles against the market forces, so that they cannot identify the essential government complementary role in promoting agricultural markets. The overall objective of the study is to undertake a market study aimed at generating information that would enable the authorities to gain an understanding of the existing agricultural marketing systems. Systems approach as a methodology of the paper was employed to identify agricultural marketing knowledge and its dynamics.

Complete peaceful environment prevails in the province although marketing problems are constantly checking the progress of agriculture. Challenges as well as new opportunities are emerging side by side agricultural marketing. 1, 47,574 farm families in northern districts are involved in farming related activities. It is estimated that crop production may be of the order of 1, 50,000 tones as against 800,000 tones earlier. Paddy, onion, green chili, potato, tobacco, Palmyra, poultry, dairy, fishery, banana, grape, mango, beetroot, carat, cabbages and many more products were thriving in the province in the past. Prior to the conflict the province had a cultivatable area of about 300,000 hectares of which over 110,000 ha were under paddy. The rest of land was fruits, vegetables and other crops. Now money is being pumped to the sector by government, NGOs and farmers themselves with some positive results. However, still the province has to unearth its lost market trails while looking for innovative approaches for new marketing networks for higher gains. Marketable surplus are smoothly growing for many crops. Except for red onion, banana, grapes, other agricultural products are in

deficit in relation to the consumption requirement of the province. The paddy 82%, dry chili 66%, pulses only 14%, and vegetables 60% of the provincial requirement was produced, while production of red onion was 195% of province consumption necessity. Post war agricultural production is gradually picking up in the province and the essential infrastructural facilities are being developed. Trading systems have changed; old cooperative societies, public funded paddy marketing board, and certain government interventions both at input supply and output distribution are no longer there. Value chain and integrations in the province are either absent or poorly visible now. However, power devolution will meet only political aspirations of some people interested with politics in the region, but it will not bring tangible solution to economic struggles of hundreds and thousands of underprivileged poor farm producers in the province.

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