

ON SITE EFFECTS OF SOIL EROSION IN TEA LANDS IN KANDY DISTRICT - AN ECONOMIC ASSESSMENT -

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Soil erosion is a serious problem in many parts of Sri Lanka. It has numerous impacts on crop productivity, economic growth, income distribution, food production etc. Tea lands in Kandy district are highly susceptible to soil erosion due to several factors such as sloppy nature, unstable soils, high rainfall and improper land uses. This study focused on an economic assessment of on site effects of soil erosion in tea lands in Kandy district and based on secondary data on soil erosion. On site damage due to soil erosion was assessed using Replacement Cost Approach.

This study considered three categories of vegetatively propagated tea (VPT1, VPT2, VPT3), and another three categories of seedling tea (ST1, ST2, ST3) to assess on site damage due to tea cultivation. According to the assessment on site damage due to tea cultivation in Kandy district is Rs. 1568.1million (1.5681 Rs. Billion). Per hectare replacement costs for VPT1, VPT2, VPT3 are Rs. 1919, 21016, 45654 while for ST1, ST2, ST3 are 7030, 14322, 128747 respectively.

Net Present Value (NPV) criterion was used to examine the economic feasibility of soil conservation measures viz : stone walls, contour and leader drains, and biological conservation (SALT) by considering 10 percent discount rate and 5 years planning period. This study reveals that internalisation of on site cost of soil erosion is acceptable if proper soil conservation methods were used under private accounting of conservation programmes.