

# ECONOMIC ANALYSIS OF SUGARCANE PRODUCTION IN AMPARA DISTRICT

# 387

BY

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## ABSTRACT

Sugar is one of the main food item consumed in Sri Lanka. The annual per capita consumption of sugar in Sri Lanka is around 30 kg and the total annual requirement of sugar in the country is around 550,000 t. But, only about 50,000 tons are produced locally. The balance requirement has to be imported. The total annual expenditure on sugar imports is around Rs. 20 billion. Sugarcane production played a significant role in Ampara district among 4440 of farmers. It contributes significantly for annual country's production of sugar. Therefore this study was designed to economically analyze sugarcane production in Ampara District.

The present study was conducted in five major sugarcane cultivating AI ranges in two DS division of Ampara district. Stratified random sampling method was used to draw the sample. Data were collected through pretested questionnaires and were analyzed using SPSS package for frequencies, cross-tabulations and regression analyses.

Profitability is the key factor which decides the long term sustainability of the sugar production. Aspects of socioeconomic characteristics of sugarcane farmers, different inputs used and their cost involved in sugarcane production, and factors affecting for the profitability were studied.

The average age of the farmers was 41.03 years. The average monthly income from sugarcane farming was Rs.23,200 and average experience of farming was 10.33 years. Average family labour contribution was 2-3. All of the farmers sold their sugarcane production directly to sugarcane factory situated at Hingurana. The sugarcane farmers had receive more yield for sugar production in variety Co-775 than M 59-438.

Average yield of Co-775 and M 59-438 were 44.79 tons/ acre, 39.14 tons/ acre respectively. There were two purposes of cultivation. Sugar production had given profit than planting materials production. Sugar production yield price was Rs.4200 per ton and planting materials was Rs.3800 per ton. But cost of production was same for both purposes. Time period of harvesting was shorter in planting material production than sugar production. Glyphosate, Duron and Gramoxon were the chemicals used in sugarcane production. Average cost of chemicals was Rs.6084.45 per acre. Urea, TSP and MOP were the fertilizer used in sugarcane cultivation. Average cost of fertilizer was Rs.7912.88 per acre. Average cost of planting material and labor costs were Rs.14400 per ton, Rs.84021.43 per ton respectively. The labor cost was higher compared to other cost of production.

Extent of land, varieties cultivated and experiences of the respondents affected significantly for total income. Sugarcane cultivation was profitable in the Ampara district and it contributes development of livelihood of farmers in Ampara district.

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