

Value Chain Performance and the Socio-economic Factors that Influence Market Supply of Guava in Anuradhapura District - Sri Lanka

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Fruit and vegetable production have the potential to make a substantial contribution towards the commercialization of the rural economy of Sri Lanka, by improving the income and viability of the peasant farmer. Guava is a prominent fruit crop that is gaining attention for its commercial value, being easy to cultivate and maintain. Since guava cultivation is widespread in Anuradhapura district particularly in eight DS divisions, this research was carried out by administering a pretested structured questionnaire to extract information from the producers (86), retailers (20), whole-sellers (20), and consumers (40) through adopting the multi-stage purposive random sampling. After removing the outliers, the regression diagnosis tests for normality, model specification, and multicollinearity were performed. Two distinct methodologies were employed namely Market structure, conduct and performance model and multiple regression analysis using the STATA version 13. Market structure, conduct and performance model revealed the presence of five marketing channels in the region. The producer gross marketing margin (GMM) is the lowest in three of the channels, whereas the producers enjoy a higher GMM when the supermarkets are supplied directly. But only around 6% of the producers have access to this channel where the GMM is around Rs.58/Kg. Through the other channels, producer GMM can go up to Rs.17/Kg only, while retailers and whole sellers receive about Rs.30/kg. Although 7% of the producer supply to foreign markets through intermediaries, the GMM for the producer is rather small. Possessing storage facility, access to the market information and value-added technology, and of

the ability to reach the consumer directly give the producer the highest gross margin. The regression analysis revealed that household size ($P > |t|$ 0.079), experience of producer ($P > |t|$ 0.067), cultivated variety (apple guava) ($P > |t|$ 0.023), plant density ($P > |t|$ 0.006), amount of inorganic fertilizer applied ($P > |t|$ 0.005), longer agrochemical application interval ($P > |t|$ 0.016) and the practice of post-harvest interval ($P > |t|$ 0.063) were statistically significant and positively correlated to quantity of guava supplied to the market per month. Based on these findings it is recommended that all aspects of guava cultivation including the technological aspects and management practices involved, be transferred to cultivators either through regular training or extension programs to achieve a profitable market supply.

Keywords: Guava, Market supply, Socioeconomic factors, Value chain performance