

ABSTRACT

Purpose: - The aim of this Dissertation is to to analyse the fluctuation of the farm gate price of paddy in order to identify reasons for it in Sri Lanka.

Methodology/Approach: - Total of twenty one independent variables were tested with the independent variable that the; fluctuation of farm gate price of paddy in order to find out reasons for price fluctuation of paddy at farm gate. Data collected from 300 samples of farmers and Multiple Linear Regression Method used to analyse the data.

Number of Samurdi, Agricultural income monthly and seasonally, Non agricultural income monthly and seasonally, Capital, Storage, Harvesting operation, Drying, Land ownership, Type of Buyers, Sale just after harvesting, Sale price hike, Purchase on ready cash by Government, Purchase on ready cash by private sector, Government purchase on time and Private sector purchase on time are the independent variables used.

Findings: - It has been revealed that there is a positive effect on reduction the price of paddy at farm gate and less effect of increase the price comparatively with the reduction; however the increment of farm gate price is not exceeded the Guaranteed Price Scheme (GPS) during the year 2012 to Yala season of 2015 in Dimbulagal and Madirigiriya Divisional Secretariats.

Research Limitations: - The research was analysed only the fluctuation of the farm gate price of paddy as well as focused to find out reasons for fluctuation of paddy price at farm gate only in Dimbulagala and Madirigiriya Divisional Secretariats. Average farm gate price is taken only Yala season of the year 2015.

Originality /Value of Thesis: - Paddy/Rice is the main food component in Sri Lanka. Hence it gives significant impact on consumer's economy, mainly to the disposable income of them. The study examined the price behaviour of paddy, reasons for price fluctuation and solutions for it. The results of this study would be useful for policy makers and academia having interest in price policy and structure of paddy/rice markets.

Conclusion: - As a whole; it has been found that Guaranteed Price Scheme is shown faire increment of farm gate price of paddy yearly; majority of farmers in Dimbulagala and Madirigiriya Divisional Secretariats tend to sale their paddy harvest comparatively low price

