TECHNICAL EFFICIENCY OF CINNAMON (*Cynnamomum zeylanicum*) PRODUCTION IN THIHAGODA DS DVIVISION, MATARA.

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JULY 2019

ABSTRACT

The study examined the technical efficiency of cinnamon production in Matara district, Thihagoda DS division. The sample size of 100 farmers selected from through the proportionate stratified random sampling technique among the 9 major cinnamon producing GN divisions were used in this study. Technical efficiency (TE) was measured by Stochastic Production Frontier approach. Firstly, the Stochastic Production Frontier model run for the cinnamon production using the Cobb Douglass production functional format. Where the linear form of the yield was the dependent variable and the linear forms of the extent of land under cultivation, cost of hired labor, fertilizer, transport and planting materials were used as an independent variables. TE was estimated as the ratio between the observed and the estimated expected output.

Estimation of factors associated with TE at farmers' level were education in schooling years, age of the farmer, occupation, number of farm visits by extension officer and number of farmer training classes participated by farmers. Only occupation was affected to the TE of cinnamon production. MS excel and SPSS version 22 was utilized for this purpose. The independent variables the land extent and the hired labor cost was significant in explaining the variation in yield. That were positively affected on yield. That means increase the land and hired labor cost the yield also increase. The average technical efficiency was 99.89%.

Keyword: (s) Technical Efficiency of Cinnamon Production, Cobb- Douglass production function, Stochastic Production Frontier, Matara.

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