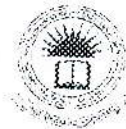


**PROFITABILITY AND EFFICIENCY ANALYSIS OF RICE
PROCESSING AND MARKETING IN NINTAVUR,
ADDALAICHENAI AND SAMMANTHURAI DS DIVISIONS,
AMPARA DISTRICT**



BY

ALAVUDEEN ASMIYA



Library,
Eastern University, Sri Lanka

**DEPARTMENT OF AGRICULTURAL ECONOMICS
FACULTY OF AGRICULTURE
EASTERN UNIVERSITY
SRI LANKA
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ABSTRACT

A study was done in Nintavur, Addalaichenai and Sammanthurai DS divisions of Ampara District to analyze the structure and costs of rice processing, determine the profitability of rice production, estimate the efficiency of processing and marketing and identify the constraints in rice production and supply to the market. Primary data was collected from 40 randomly selected rice mill owners by administering a pre-tested questionnaire to rice millers comprising both par-boilers and millers. Descriptive statistics, frequency, ANOVA and regression analysis were used to analyze the data. The findings indicated that Net Profit per day was Rs 26,062 for only raw rice producers and Rs. 49,515 for the raw and parboiled rice producers while Value Added per kg of paddy was Rs.31.50, Processing Cost Efficiency was 58.71%, Gross Marginal Revenue was Rs. 55,706 per mill per day. It revealed that the productivity of the rice milling industry was significantly affected by the amount of paddy fed into machines, quantity loss in milling and total rice sales. According to the amount of investment and daily paddy milling capacity, Gross Marginal Revenue of rice mills significantly differed. As well as according to the daily milling capacity, Rice Processing Cost Efficiency, daily operating expenditure and Gross Revenue differed. The major limitations faced by the rice millers were the severe competition in purchasing paddy and marketing rice and selling the rice entirely for credit became a risk factor for the millers. Highly competitive market, high moisture and low-quality paddy were the main constraints in operating the rice mills. Technology improvement is highly recommended to increase the profit and efficiency of rice processing.

Keywords: Rice mills, Profitability, Efficiency, Marketing, Ampara

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