

ANALYSIS OF ORGANIC PRODUCTS SUPPLY CHAIN IN BADULLA DISTRICT

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ABSTRACT

Organic Agriculture in Sri Lanka has gradually emerged through different sectors. There are number of non- government organizations, farmer organizations, private-owned organic farms and export companies who are involving in the promotion of organic production and marketing in Badulla district. But there is no any documented information source about the organic products supply chain in district. This study examined the existing chain components in terms of nature of interactions and transactions along the organic fruit and vegetable supply chain to find out the different problematic areas in the different interfaces. Farmers, marketers, enablers, facilitators and local customers were surveyed using semi- structured questionnaires and focus group discussions. Analysis of the quality of interaction among the actors in major interfaces was conducted based on five major attributes, i.e. information flow, product and financial flow, knowledge and technology flow, capital and other resources flow and quality of relationship. Capital and other resources flow between farmers and their buyers/ collectors is not at the expected level. Although other attributes are in overall preferred state, there are few problematic aspects. Overall quality of interaction within retailer- customer interface is respectable. The study showed that the quality of interaction of fellow farmers is at satisfactory level, since the majority of them are involved in cultivation, jointly with farmer organizations. The supply chain map was developed to show major functions, actors/ stakeholders, end markets and enablers/ facilitators. The customer analysis revealed that the majority of them were willing to pay higher price for organic products than for conventional products. They were willing to pay only 5%-10% additional price. Majority of the customers considered organic certification as a highly important attribute of organic products. The customers highly concern on quality, price, variety, continuous supply and on- time delivery of organic products.

Key Words: Organic Agriculture, Supply Chain Map, Badulla, Quality of Interaction, Interface