

**EMPIRICAL STUDY TO COMPARE THE COSTS
AND BENEFITS OF CONVENTIONAL (NON
ORGANIC) AND ORGANIC PEPPER
PRODUCTION SYSTEMS IN MATALE DISTRICT**

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By
S.G.N.K.SUBASINGHE

**Export Agriculture Degree Programme
Faculty of Animal Science and Export Agriculture
Uva Wellassa University**

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ABSTRACT

World demand for organic pepper has increased and it has fetched the highest price than any value added products in this sector. Sri Lanka has been cultivating organic pepper to cater this market and significant assistance has been given to expand the cultivation. Department of Export Agriculture and other related organizations have been working on promoting the organic pepper production mainly in Kandy and Matale districts. However, the rate of adoption of organic pepper cultivation is not that promising as expected so far. The study aims to compare the costs and benefits of conventional (nonorganic) and organic pepper cultivation systems and to identify the factors that limit the farmers to shift into organic pepper production system. A field survey was carried out at the village Clodagh west GS division, situated in Abangagakoralaya A.G.A. division of the district of Matale. To accomplish the objective of the research few hypothesis were tested using T-Test, Chi Square and regression analysis. The P value derived in the T-test for the relationship between income per plant and method (organic or non organic) was 0.048 .Therefore it was concluded that there is relationship between income per plant and method. Mean value of the income in organic pepper is higher than non organic pepper. The 'P value' for the relationship between cost per plant and method was 0.003, so that it was concluded that, there is relationship between cost per plant and method. Mean value of cost in the organic pepper is less than non organic pepper. According to regression analysis, income of organic cultivators is about 19 times higher than non organic cultivators and there is a positive relationship between yield per plant and income per plant. It was revealed that that organic pepper cultivation is more profitable than the conventional pepper cultivation and also increased yield per plant has a significant positive effect on the income of farmers. Furthermore, several factors such as extension facilities, satisfaction on their own knowledge, cost in acquiring certification and support of the public sector were identified as priority needs of the farmers and those can be used to motivate the organic method. Moreover, the study findings strongly suggest to enhance the provision of credit facilities, better purchasing system, proper equipment usage and support of the government and private sector to motivate the organic method of farming in order to achieve a higher income.

Key words: Organic cultivation, Chi-squared test, Pepper cultivation, Regression analysis