

**FUTURE POTENTIALS ON DIVERSIFICATION OF  
RUBBER PROCESSING BY SMALLHOLDERS IN  
MONARAGALA DISTRICT**

A dissertation submitted to the  
Faculty of Animal Science and Export Agriculture  
Uva Wellassa University  
In partial fulfillment of the requirements for the award of  
Bachelor of Science in Palm & Latex Technology and Value Addition

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**Palm & Latex Technology and Value Addition Degree  
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**2015**

## ABSTRACT

This is an attempt to identify the future potentials on diversification of rubber processing by smallholders in Monaragala district as Ribbed Smoked Sheet is the only processed type of rubber. The data used in this study were gathered through a field survey in sample of 150 smallholders and the data were analyzed by employing descriptive statistics and multiple linear regression model. The results from descriptive statistics shows that majority of the smallholders are producing RSS or sell raw field latex hence there is a potential to diversify the processing sector. The awareness of smallholders regarding rubber processing is at a fair state while the implementation of the processing standards is at a lower level and as a result the produced grade of RSS is also low. Many people are attracted towards high cost group processing centers than processing RSS at household level by using techniques such as using carpets for milling and chimney for smoke drying. Majority of the smallholders are not interested in the ceiled price due to the long distance they have to follow to get it. In order to determine the impact of identified future potentials to the profit of the smallholders multiple linear regression was done because if there is no profit for the smallholders the diversification will not be successful and sustainable. According to the results of multiple linear regression out of the identified potentials type of rubber produced, price of rubber, monthly cost of production, produced grade, monthly output and place of processing have a significant effect on monthly profit while rubber grown land extent, labour cost, government subsidies and distance to nearest collection center do not have significant impact on monthly profit obtained by rubber processing. Hence it can be recommended that potentials which have significant impact on profit can be actually implemented in Monaragala district.

Key words: - Rubber smallholders, rubber processing, alternative techniques, RSS