



**IMPROVE THE PROFITABILITY OF MONO
CROP AGRICULTURE PROJECTS BY
DEVELOPING AS INTEGRATED AGRICULTURE
IN SRI LANKA**

By

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Abstract

Agriculture sector is the most important sector among three economic sectors established in the world. Asian region is very important in world economy, mainly China and India with higher GDP growth. And also the Asian region plays vital role in agriculture sector as well as dairy farming. Agriculture will continue to play an important role in the economic development and poverty elevation in Asia.

The economy of Sri Lanka is mainly based on agriculture sector and nearly 80 per cent of the population is lived in rural areas. The main source of income of nearly 90 per cent of the rural population is agriculture and animal husbandry. Hence, the profitability plays a major role in agriculture sector in Sri Lanka to develop the economy.

In this research study the researcher has focused to find out the variables of profitability as well as to identify that which profit portion is attractive among mono crop farming and integrated farming. This study will give an idea to farmers to identify the variables of profitability and which type of farming to be used to earn more profit.

Literature review on world agriculture, Asian Agriculture and Sri Lankan agriculture revealed that the economies of most of the countries are depending on agriculture, industry or services. Though, most of the countries have reported that the considerable percentage of human resources are engaged in agriculture, the income and , productivity are very low. Some of the-foreign studies have identified the variables of profitability as unit price of harvest, cost of production of harvest and unit yield. But others have determined that the cost of production and unit yield as variables. Further to that the profitability of mono crop farming and integrated farming are depending on the above variables. References on literature indicate that the productivity and yield of integrated agriculture is greater than primary agriculture and mono cropping. But most of the previous studies revealed that the profitability of



mono crop projects are greater , than integrated projects in developed countries where more extent of farming is involved.

The study has been carried out within a frame of area with selected districts and limited for the farmers who are engaged in coconut and paddy cultivation. Also it was considered only two types of agriculture namely, mono crop and integrated farming by conducting a questioner survey. In this study the cost of production, unit price and unit yield were taken as the variables of net profit. Several measures were considered under the above variables and were evaluated further in detail.

Descriptive statistical analysis has done to test the strength of correlation of variables and the results showed that most of the variables are accepted. But the unit price is not accepted as a variable of net profit. There was a correlation among most of the identified variables of net profit and also among the variables of cost of production and yield.

Apart from that a Statistical analysis was done to verify whether the profit of integrated farming is greater than mono crop farming or the other way. Though the previous researches on other countries indicate a larger extent of mono crop farming reported higher net profit than integrated farming, this research study revealed that the sample group has agreed on the profit of integrated farming is better than mono crop farming in SL.

It is recommended to the farmers to implement the integrated farming activities to maximize the net profit, yield and minimize the cost of production. The selected group has agreed that the most of integrated farming activities can be carried out in coconut cultivation projects, but not with paddy cultivation. Also sample information revealed that the paddy cultivation does not much suitable for integrated farming activities in SL, than mono crop cultivation.

Finally as a conclusion, the study determined that by considering the SL consists with limited arable lands and higher return net profit than mono crop cultivation



projects, the integrated farming activities are the most suitable type of agriculture to SL.

Declaration

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Abbreviations

CBSL	- Central Bank of Sri Lanka
GDP	- Gross Domestic Product
GNP	- Gross National Product
FAPRI	- Food and Agricultural Policy Research Institute
SL	- Sri Lanka
UN	- United Nations
SWOT	- Strength-Weaknesses-Opportunities and Treat analysis
FCCISL	- Federation of Chamber of Commerce and Industry of Sri Lanka
HACCP	- Hazard Analysis Critical Control Point certification
ISO	- International Standard Organization
USA	- United States of America
EB	- Enterprise Budget
FAO	- Food and Agriculture Organization
EDB	- Export Development Board
IPHT	- Institute of Post Harvest Technology
ALDL	- Agro-Livestock Development Loan
CCPI	- Colombo Consumer Price Index
HARTI	- Hector Kobbekaduwa Agriculture Research and Training Institute
NLDB	- National Livestock Development Board
MADAS	- Ministry of Agriculture Development and Agrarian Services