

## Challenges Faced by Agriculture Sector of the Coastal Belt of Ampara District

A N Ahmed

The paper assesses the changes of the agrarian sector especially in the rice production of the coastal belt of Ampara district. In fact, this belt used to be an area which was intensive in rice cultivation and high in productivity. In the recent past, however, rice economy has faced challenges that were attributed directly and indirectly to prolonged war and natural disaster (e.g., tsunami) situations. The paper attempts to identify the outcomes of the war and tsunami on rice production. The data needed for the study was collected from farmers, farm labourers and paddy millers. It was done through discussions using questionnaires. Thirty farmers, fifty farm labourers and five paddy millers were interviewed for this purpose.

The paper reports the findings of this study. During the war, labour shortage existed due to restricted movements of farm labourers. This has resulted in mechanization of paddy harvesting using mechanical harvesters and threshers. This mechanization has replaced considerable amount of hired farm labour and in turn affected a large number of agricultural labourers. The replacement of farm labour in threshing has resulted in increasing the wages in other activities in paddy cultivation up to 40% thereby pushing up the cost of production. Guaranteed price fixed by the government has pushed the demand for the land and the land rent. In turn, this has doubled the production cost and as a result, making paddy cultivation unprofitable. Except for the land owners, tenant cultivators were experiencing a loss in the cultivation. Paddy marketing has been dominated by the private paddy millers for quite some time. They artificially fix the price even below the guaranteed price. The effects of the relaxation of transport restrictions in the recent past, however, need to be assessed.