

EXECUTIVE SUMMARY

Marketing operations of vegetables play a crucial role due to seasonality of produce in deciding the profit of the farmers on one hand and level of availability to the consumer on the other. If the causes and remedies are identified, such information will be useful in solving problems in the existing centers as well as in planning and operation of economic centers in the near future too. Thus, the purpose of this study was to assess the status of the performance and problems of present DEC's and to recommend suitable measures towards improving marketing system in the country. The study was based on primary data collected by a field survey carried out covering Norochcholai and Nuwara Eliya DEC's. The expectation from DEC system is to provide opportunity to farmers to obtain higher prices by providing the opportunity to sell their produce directly to the traders without the involvement of intermediaries. However, the above objectives concerning the Nuwara Eliya DEC are not achieved, while Norochcholai DEC are satisfied.

The study found that, both collecting centers were well located with adequate space and equipped with essential facilities. It was found that 81 percent of the farmers reported that they received higher prices as a result of the commission system in the Norochcholai DEC. However, majority of the farmers in the Nuwara Eliya DEC were unhappy because of nonfunctional commission system and lack of market information. Market integration and efficiency can be improved through a good market information system and it may lead to increased efficiency of the market dynamism. The recommendation of this study is the need to establish a market information system for farmers to know the prices of food commodities in the DEC all the time.