

**B-09 : ECONOMICS OF SOIL MOISTURE CONSERVATION IN
COCONUT LANDS USING HUSKS AND COIR DUST**

*P Abeygunawardane, M T N Fernando**

Dept. of Agric. Econ., Fac. of Agric., University of Peradeniya,

**Coconut Research Inst., Lunuwila.*

Coconut production contributes significantly to the national economy of Sri Lanka. Frequent droughts, among other reasons, have contributed largely to fluctuation in coconut production over the years and in view of this, the Coconut Research Institute has recommended a number of soil moisture conservation methods to minimize adverse effects of drought. Those recommendations are mainly based on agronomic studies.

Economic feasibility of soil moisture conservation in coconut production using coconut husks and coir dust was examined in this study.

The data for the study was collected from two trials conducted by the CRI and several other secondary sources. The results of the analysis reveal that calculated Benefit-Cost ratios and Net Present Values are financially as well as economically acceptable under all the scenarios considered in this study. Three different discount rates, such as 10%, 15% 18% and two effective time periods (viz. 6 and 9 years) were used for the analysis. Based on the estimated economic parameters, it is concluded that the efforts on moisture conservation using coconut husks and coir dust in lateritic gravel and sandy soils are economically viable propositions. Since the initial cost of investment is substantial, other means to overcome the problems of financial constraints in investment may be looked into.