

B-42: Production and consumption of greengram and cowpea with implications for import of pulses in Sri Lanka

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In Sri Lanka, pulses play a major role due to their agricultural, nutritional and economic importance. However, irrespective of the domestic production level, a significant amount of pulses is imported, mainly masoor dhal. This may cause a great impact on the domestic production and consumption of greengram and cowpea which are the closest substitutes. This study was carried out to determine the supply and demand elasticities of greengram and cowpea and their implication for import substitution.

A time series multiple regression model was developed by using data over a 20 year period (1971-1990). The findings revealed that supply was inelastic for greengram. For cowpea too, supply was inelastic, except the own price elasticity for extent cultivated. Demand models of greengram and cowpea revealed demand elasticities to be relatively low.

The results showed that a significant increase in the farm gate prices of greengram and cowpea will result in an increase of domestic production of these commodities. However, a marginal increase in the prices would not be an effective policy to improve production. A significant reduction of imports of pulses or increase in the retail price of masoor dhal, would also lead to an increase in production and consumption of greengram and cowpea. However, due to their poor substitution levels, it may be difficult to implement a complete import ban on masoor dhal, unless a suitable substitute could be provided through research.