

## **Vegetables under protected agriculture system in Sri Lanka: marketing and management of marketing risk**

With the increase of national income and trends towards high quality food consumption, the growth of vegetable cultivation has become the highest proportion of agricultural growth. Mitigating some of the problems in conventional systems, Protected Agriculture system (PAS) emerged recently making a rapid headway. PAS is a system of Control Environmental Agriculture (CEA) which modify the natural environment to achieve optimum growth and economic return. Although the PAS has the potential for high value vegetable production, only very few farmers have presently adopted the system. The objectives of the study are to ascertain the current marketing strategies and to investigate effective marketing strategies to sustain the system. Therefore, it is expected to analyze current marketing systems of PAS and

to ascertain the potential of contract marketing as risk reducing technique. This particular research was done in Badulla district as PAS is fairly widely practiced in this area. Data were collected from 50 farmers out of 60 functioning PAS farmers, with a questionnaire and by informal discussions.

The vegetable produced under PAS has a very special demand compared to conventional agriculture due to the attractive appearance and minimum chemical use. However, the high value vegetables are less important in meeting food demand of the general market due to the higher comparative prices. Hence, the farmers obtain their income by selling the vegetables only to an up market clientele. Due to lack of knowledge to reduce risk and uncertainty farmers use inappropriate marketing strategies resulting in poor incomes

300 Price information, channels of distribution and market contracts have to be incorporated into the market plan. Steady supply and market diversification would add the vegetable in product inventories in all the market segments and secures the market share. Forward market contract would give the option of hedging away most of the risk of price fluctuation. Contract and negotiated pricing ensure minimum basic supply of vegetables. To create a trading floor as a access of future market settings up of partnership and association empower the farmers and promote their bargaining power in the market. Promotion would be an additional sales effort for the high quality products above the normal process of taking order for the sales. Marketing extension and guidance services have to be provided particularly for the benefit of small farmers. Cold storage and agro based industries have become very important in the wake of quality control and minimize wastage of vegetable economy.