

Potentials and problems in market integration: Small-scale floricultural sector in Colombo District

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With the onset of the open economy in 1978, vast changes in economic structure has taken place resulting in the decline of the agricultural component of the economic structure. In the open economic environment, the agricultural production organized as industries such as floriculture only could survive.

Floricultural industry in Sri Lanka is more prominent in the Western Province. Within Western Province, the majority of growers are concentrated in Colombo District. Although there is a high demand for floricultural products, the sector is facing some problem situations in the marketing system of inputs and outputs. Integration could create a better opportunity to prevent these problems.

The study was done to explore problems and potentials of market integration in the small-scale floriculture sector. The data collection in Colombo District was done from a sample of 50 growers.

The floricultural growers are involved in both production and marketing of their products. They produce different types and varieties of floricultural products. The input requirements such as planting materials, fertilizer, chemicals, information etc are mostly obtained from input supplying markets. Different types of involvements based on the inputs are also found in input markets.

Majority of growers (96%) produce the planting materials by themselves. Most of the growers (94%) get fertilizers and chemicals from retail input suppliers. The mostly important needs mentioned by the growers are knowledge and information, quality-planting materials and the governmental support. They are lack in the marketing opportunities of out put selling. Eighty six per cent of small- scale growers depend on exhibitions for selling their products. They have created these markets for selling their products by themselves through associations. These collective organizations facilitate the sectoral development to a considerable level. However, the growers do not have a well-established market within the existing marketing system.

The study results show both the strengths and weaknesses of integration. The findings of the study indicate advantages of integration and financial gains that could be received. The results of the analyses show that the integrated marketing setup will bring more benefits than the non-or less integrated production units.