

## Farm and resource use characteristics and profitability of rain-fed paddy farming in an urbanized wet zone area of Sri Lanka

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Importance of paddy cultivation in wet zone areas of Sri Lanka is diminishing. Despite many past studies argued it as unprofitable, farmers continue to cultivate paddy in highly urbanized areas. The objectives of this study were evaluating farmer characteristics and pattern of resource use and assessing financial and economic returns of rain-fed paddy farming in an urbanized area in Sri Lanka. Household level food security implications to those engaged in paddy farming were also considered.

The study was conducted in Kaduwela Divisional Secretary's area of the Colombo District. Data relating to 2002 Maha season were collected using a structured survey schedule from forty randomly selected farm households. Financial returns, and economic returns after valuing non-paid costs at the market price were calculated.

According to the results only one third of the household heads are engaged in full time farming. The average farm size is 0.397 ha while 80 percent of the farms are below 0.6 ha. Exchange labor and family labor together accounts for around half of the labor used. Average yield reported is 3647 kg/ha. Average cost of production including the cost of family labor is 14.25 Rs/kg. Marketable surplus remains below 20 percent while 60 percent of the production is consumed at home. Positive financial profits of 18886 Rs/ha and 11416 Rs/ha for owner operators and tenant farmers respectively are reported. However, negative economic profits amounting to 2661 Rs/ha and 3931 Rs/ha were reported by owner operators and tenant farmers respectively.

It can be concluded that paddy farming in the area is predominantly a part-time activity and it retains its smallholder nature. Low marketable surplus and high involvement of family labor in the operation shows the contribution made by paddy farming to the household food security by lowering the cost of food and thus making the household freer in decisions over using its cash income from other sources. This can be considered a major decisive factor in continuing paddy farming despite pressures of urbanization.

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