

## **PROBLEMS FACED BY THE SMALL SCALE RICE MILLERS IN AMPARA DISTRICT, SRI LANKA**

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### **Abstract**

The Rice milling industry is the largest agro-based industry in Sri Lanka. It involves converting raw paddy to edible form for consumption. Rice mills in the Ampara district are operating in both small and large economies of scale. However, the evidence shows that the number of operating small-size rice mills has declined in this district. Therefore, the present study identified the challenges faced by the small-scale rice millers. The study targeted continuously operating small-scale rice mills in six division secretariats namely Nintavur (41/51), Kalmunai (9/11), Addalaichenai (10/13), Sammanthurai (18/22), Karaithivu (10/12) and, Damana (12/15) in the Ampara district, and was selected using a proportionate sampling technique based on the number of operating small-scale rice mills in a particular region. In total 100 small-scale rice mill owners were inquired about the challenges faced during milling, marketing, and purchasing paddy. Adminstrating a pretested questionnaire data was collected physically from each rice mill owner and analyzed according to the frequency distribution using the statistical software SPSS (ver.25). Results indicate that small-scale rice millers in the Ampara district face difficulties in paddy purchasing, milling, and marketing of rice. Most of the rice millers faced interrupted electricity supply and higher electricity costs during the paddy milling process. After milling, credit sales (70%) and higher competition (50%) with large-scale rice mills were encountered as prominent marketing problems. Further, rice price fluctuation and an unstable market (45%) were the major barriers to rice marketing. The study indicates that the non-competitive market structure established by large-scale rice millers should be empirically addressed in order to take preventative actions to ensure the long-term sustainability of small-scale rice mills.

Keywords: Ampara district, Paddy, Problems, Rice millers, Sri Lanka