The objectives of the study were to identify the local feeding strategies adopted by the small-scale dairy farms in selected areas of the Thirunelvelly area of the Jaffna district and to determine its effect on economy of milk production. Using a structured questionnaire, information on milk yield, expenses incurred and income generated were gathered from 53 dairy farmers in the study area. Based on the information collected a cost benefit analysis was performed using the statistical package SAS. Samples of feeds used on the farm also were taken and chemical composition of feed samples were analysed. Eleven feedstuffs identified were grouped into: High fiber low protein (HFLP); High fiber high protein (HFHP) and Low fiber high protein (LFHP) feeds. Three feeding strategies were identified: strategy 1 used HFLP and LFHP; strategy 2 used HFLP and HFHP and strategy 3 HFLP, HFHP and LFHP feeds. Out of the 53 farms, 28.31 % followed strategy 1, 16.98 % followed strategy 2 and 54.71 % followed strategy 3. All feeding strategies produced positive economic returns but, the feeding strategy 2 was the most effective system than the other two systems.

**Keywords:** Feeding strategy, Dairy farm, Thirunelvely