

Vegetables—High Price for the Consumer—Low Price for the Producer

Urban consumers of vegetables in cities such as Colombo, Matara and Puttalam pay as much as eight times for their vegetables as what the producer is paid in vegetable growing areas such as Welimada. This has been revealed in a survey carried out by "Economic Review" in the principal vegetable marketing town of Welimada.

The prices at which the producer sells at Welimada on one random date (January 21st, 1975) for common vegetables such as Beans, Cabbage and Knolkhol are as follows. The consumers' prices for the same period in Colombo, Matara and Puttalam are also shown.

Producer's Price		Consumer's Price		
		Colombo	Matara	Puttalam
Cabbage	cts. 12-16	50-80	85 - 1.30	1.00 - 1.25
Beans	cts. 30-45	80-95	1.00 - 1.25	1.10 - 1.35
Knolkhol	cts. 10-20	40-55	60 - 85	75 - 90

Both the producer and consumer get a very raw deal out of the situation. In the case of the vegetable grower low prices unfairly fixed by middlemen are only one aspect of the vegetable grower's pains. Over the last two years his cost of fertilizer has gone up four fold from Rs. 12.50 to Rs. 50/-, while his transport charges have also trebled over the last two years.

It is possible for a cultivator in the Welimada region to raise nearly 15,000 pounds of cabbage from an acre, but under prevailing prices of inputs unless he gets 20 cents on a pound, his efforts are not worthwhile, as with even this price he will get a net income of only Rs. 400/- for the entire quantity. The prices at which the produce was sold this season was often below this figure of 20 cents.

The survey also reveals that one important factor in the low pricing is the low bargaining position of the cultivator with respect to the middleman. Often the cultivator lives in a remote village and he has to bring his vegetable over difficult terrain for

disposal at the fair. Even if he does not obtain a fair price from the traders, he has to dispose of it, as vegetables are perishable and transporting it back would be unthinkable. The constant complaint made by the cultivator and checked by our investigators and found to be true was various underhand devices adopted by the traders. Often produce was weighed to the disadvantage of the producer; also the producer is charged for a loss of up to 15 pounds of weight in transporting the produce to Colombo although in actuality transport losses due to dehydration do not amount to more than 3 pounds. The traders almost invariably operate in a ring and artificially help to put the prices down.

The Marketing Department and Co-operatives have their purchasing agents in the area, but their prices are often lower than the private traders and further they do not provide institutional and personal assistance provided by the traders. The table below gives the prices paid by the Co-operatives on the day the private traders' prices quoted above were taken.

Cabbage	12 cts.
Beans	40 cts.
Knolkhol	25 cts.
Raddish	10 cts.

Another interesting feature of the relationship of the middleman who exploits both the producer and the consumer is that at times of a glut the prices to the producer go down heavily, though for the consumer the fluctuations in prices are not so great.

The survey is now being continued in Colombo and other regions to isolate the exact mechanisms by which the exploitation is being carried out.

The maximum allotment of land to a farmer in the Dry Zone of Sri Lanka should be between 2 to 3 acres, if this land is to be utilized to the best advantage. This is the conclusion that has been reached following experiments carried out by the Mahaweli Development Board.

In its experimentation programme the Board decided that each farmer should have either a block of paddy land or a block of well drained land. Two pilot projects each on a 100-acre block were begun at Maha Illuppalama and at Pelvehera. In the Maha Illuppalama farm a farmer was allotted a 5-acre block of land while a farmer at Pelvehera was given a 2½-acre block. Each farmer was given sufficient money to build a house for himself or he was provided with one. This experiment which was conducted to determine income levels, showed that farmers at Maha Illuppalama were unable to make optimum use of their 5-acre block of land, whereas the Pelvehera farmer was able to earn substantial profits from their 2½-acre block. When the size of the blocks at Maha Illuppalama was reduced the farmers were able to increase their earnings.

This experiment also revealed that a farmer could earn, depending on his efforts, a monthly income ranging between Rs. 300/- and Rs. 1000/-.

The Mahaweli Development Board has therefore decided that under Stage II of the Mahaweli Ganga Development Project each farmer would be given three acres of land, which could support paddy, while well drained land would be given to farmers in two-acre blocks.

Stage II of this project involves the agricultural development of about 70,000 acres of new land, with the settlement of about 25,000 farmer families on the new lands. The total cost of this stage of development of the project is estimated to be about Rs. 650 million.