

ASSESSMENT OF THE INFLUENCE OF ECONOMIC FACTORS FOR THE STORAGE DECISION OF RICE FARMERS

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The grain storage decision is a gamble. According to the literature, farmers' storage decision found to be driven by many economic and behavioural factors such as age, gender, family size, education level, wealth, farm size, farmland ownership status, credit accessibility, extension services, labour availability, profitability, neighbours' influence, and cost of production. The aim of this paper was to identify the economic factors affecting on rice growers' storage decision in Sri Lanka using a random sample of eighty-four rice growers from North Central Province. Data were collected from a survey and a Logit model was applied to analyse data. Backward-conditional test suggested six factors for the model. Out of six factors only three economic factors respectively post-harvest loss, price at harvest, and off-season profitability had a positive and significant impact on the decision to store. This result exhibits that the actions to reduce post-harvest loss and management of best scientific price mechanism during harvesting and off-season for rice will positively affect the storage decision of rice growers. Further analysis is suggested to identify the effect of behavioural factors.

Keywords: Off-season profitability, Post-harvest loss, Price mechanism