

Determinants of Chicken Egg Pricing: An Empirical Study in the Gampaha District of Sri Lanka

M.N.N. Marasinghe^{1,*} and W.P. Wijewardena²

*Department of Accountancy and Finance Faculty of Management Studies,
Rajarata University of Sri Lanka, Mihintale, Sri Lanka^{1,2}*

*Corresponding author: nethmi.marasinghe@gmail.com

Abstract

The poultry sector plays a vital role in Sri Lanka's agricultural economy, providing a major source of affordable protein through chicken eggs. However, in recent years, egg prices in Sri Lanka, particularly in the Gampaha District, have shown significant fluctuations due to rising production costs. This study investigates the key cost factors influencing the price of chicken eggs in the Gampaha District, focusing on the effects of feed cost, chick cost, labour cost, variable overhead cost, fixed overhead cost, and transportation cost. The main objective of the study is to examine the relationship between these production cost factors and the price of chicken eggs while identifying which factors have the most significant impact. A quantitative research design was adopted, using primary data collected from a sample of 300 egg-producing farms selected through quota sampling. Data collected using a structured questionnaire were analysed employing descriptive statistics, correlation, and multiple regression analysis to test the proposed hypotheses. Findings revealed that feed cost had the most significant influence on egg prices, followed by chick cost and labour cost. Variable and fixed overheads, as well as transportation costs, also showed positive but comparatively weaker effects. These results align with the cost-push theory, suggesting that increases in input costs compel producers to raise prices to sustain profitability. The study concludes that stabilising input costs is crucial for maintaining affordable egg prices and supporting farm sustainability. Recommendations include encouraging local feed production, providing credit and subsidy schemes, and improving transportation infrastructure to reduce operational inefficiencies. The findings contribute to agricultural economics literature and offer practical insights for policymakers, industry stakeholders, and poultry farmers in ensuring long-term price stability and food security in Sri Lanka.

Keywords: chicken egg price, feed cost, Gampaha district, price fluctuation, production cost