

Perceived Risks and Risk Managing Strategies Adopted By Actors in the Fresh Fruits Supply Chain in Vavuniya

Rilwan. S. and Hemachandra. S.D.S.*

**Department of Agricultural Economics and Business Management
Faculty of Agriculture, University of Peradeniya, Peradeniya, Sri Lanka**

Risks faced by supply chain actors is a major constraint for the development of the supply chain. In improving supply chains, it is important to know the different kinds of risks faced and their relative importance. This study assesses the different types of risks as perceived by the supply chain actors in the fruits supply chain in Vavuniya district. A supply chain actor was interviewed using a structured questionnaire. The actors upstream and downstream of the supply chain were identified starting from the fresh fruit retail shops in Vavuniya town. The data were gathered from 9 farmers, 3 collectors, 3 wholesalers, 9 retailers, 9 consumers. The data were analysed using Fuzzy – Analytical Hierarchy Process (Fuzzy-AHP). The rating was considered valid, when its consistency ratio (CR) value lesser than 0.10. The results revealed that the actors involved in the fresh fruit supply chain are affected by different risks. The highest risk perceived at the retailer and customer levels is the price risk, and its CR values are 0.0057 and 0.0243, respectively. Wholesalers perceived transportation risk and customer loyalty and default risk as the main risks, and its CR value is 0.0059. Collectors perceived transportation risk as the main risk and, its CR value is 0.0119. Farmers perceived price risk and the supply risk of inputs as main risks and, its CR value is 0.0131. Risk managing strategies proposed by supply chain actors include reducing prices to increase number of buyers, collectively use transport facilities, have good storage facilities, understanding the daily demand for fresh fruits, giving a discount on low quality fruits, purchasing the entire fruit requirement at once to cut down on transport and storage costs, sharing information with buyers and sellers, understanding climate change and precautions, trading with buyers and sellers in the nearby areas during fuel crisis, and diversifying to different products

Keywords: Fresh fruits, Risk managing strategies, Supply chain, and Supply chain risks

* dilinihema@agri.pdn.ac.lk