

Risk Management Strategies Adopted by Small and Medium Scale Layer Chicken Farmers in Kurunegala District during Economic Crisis in Sri Lanka

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Layer chicken farming was one of the fastest-growing well-developed sectors in Sri Lanka. However, the growth of the sector was constrained by the multiple crises the sector faced recently. The Easter bomb attack, Covid-10, and the economic crisis were among them. These events caused input shortage, input price escalation, output price fluctuations, and less demand for the egg. The layer chicken industry has been seen as a risky industry at the present. In response to this, some farmers opt to leave the industry while others stay in the industry by utilizing various risk management strategies. This study aimed to identify these risk management strategies and their determinants. The study was conducted in the Kurunegala district, which has the highest poultry population in the country. The Snow-balling sampling technique was utilized to select the farmers. A pre-tested questionnaire was used to collect data from 68 farmers. Data were analyzed using descriptive analysis and binary logit regression. The study found that farmers are well prepared for the risk posed by pests and diseases and less prepared for marketing risks. Hence, 28-layer farmers have temporarily exited the industry. However, healthy risk management strategies, such as giving a low-cost nutritious diet, and pre-purchasing inputs practiced to address new risks that emerged from 2019. Small-scale farmers ($P < 0.1$) and risk-averse farmers ($P < 0.05$) were found to be the ones who chose to leave the industry temporarily. The study stresses the importance of immediate interventions to support small-scale layer farmers to survive the crisis to ensure the long-term sustainability of the industry.

Keywords: Layer chicken farming, Logit regression, Risk attitude, Risk management, Risk perception

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