

ABSTRACT

For Sri Lankan people, rice farming is not merely a livelihood but a primary source from which they have derived spiritual and cultural inspiration as well as bodily sustenance. Though the rice is the staple food of Sri Lanka, Paddy Farmers have to struggle to sell their harvest at a reasonable price, in order to get profit at least to fulfil their basic needs. On the other hand, the price of the rice in the market is extremely high and government is required importing rice to control this price, though the paddy farmers are getting bumper stocks which exceeded the annual consumption ceiling as well. Therefore, the situation alarming that the logistics chain is not efficient as it is the main process in between paddy producers and rice consumers. The main objective of this research is to identify the logistics risks involved in the rice industry and to propose possible solutions to manage the logistics risks. The specific objectives are: To identify the role of logistics in rice industry in Sri Lanka: To identify the risks of storage and transportation involved in rice industry in Ampara district and to recommend possible solutions to manage the identified risks of storage and transportation. This study is descriptive and qualitative in nature. Fifty stakeholders of rice industry in Uva divisional secretariat of Ampara district were selected under convenience sampling method as the sample. Interviews, Questionnaire, telephone discussions, focus group discussions and observations were used to gather primary data. Thematic analysis method was used for analysis the gathered data and study found that the force of logistics management to rice industry is highly influential and the existing logistics management system in the rice industry is inefficient which have damaging impact on sustainability of rice industry. Further, initial stakeholders of this process don't have proper knowledge on logistics. This study recommends to removing the non-value added intermediary nodes along the supply chain and to develop logistics infrastructure related to transportation and storage. It is suggested for future researchers to do a study on involvement of logistics, its risk and managing the logistics risk of rice industry in Sri Lanka, by increasing the sample size which will cover other districts of Sri Lanka as well.

Keywords: Logistics Risk, Storage, Transportation, Paddy Harvesting, Rice Industry