



Areca nut (*Areca catechu* Linn.) market in Sri Lanka

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Areca nut or beetle nut is an important commodity in the Indo-Sri Lanka Free Trade Agreement, (ISFTA), according to which promising economic benefits will be generated to India and Sri Lanka from tax free, liberal trading. The Indo-Sri Lanka Free Trade Agreement (ISFTA), was signed on 28th December 1998 and entered into force with effect from 1st March 2000. However, controversial issues came to light when certain commodities were imported with the primary objective of re-exporting under the terms of Indo-Sri Lanka Free Trade Agreement (ISFTA), igniting suspicions on who reaps most of the benefits of the free trade agreement. Reportedly the current government has imposed restriction on importing certain export agricultural commodities including areca nuts, aimed at protecting the local grower. The objective of this study is to quantify the proportion of the areca nut trade benefits which is realized by the local growers, collectors and exporters during the last 07 years i.e. 2012 to 2018 time period. The study examines the 1) local production of areca nuts in terms of production quantity, farm gate price and auction price 2) import of areca nuts in terms of quantity and 3) export of areca nuts in terms of countries, values and price. Secondary data on annual production quantity, annual general Farm Gate Price and annual general Auction Price were collected from 2012 to 2018 Annual Reports of the Department of Export Agriculture. Primary data on monthly import and export volumes and values were purchased from the Sri Lanka Customs. Data was analysed using Microsoft Excel to identify the trends in local production, imports and exports over the years.



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