

Market chain analysis of edible oyster in Sri Lanka: a case study at Puttalam lagoon

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Small scale fisheries play a major role in global fish production, especially in developing countries like Sri Lanka. The bivalve fishery, which consists of both capture-based aquaculture and capture fishery from natural oyster beds, is one of the promising small scale fisheries among poor coastal communities in Sri Lanka. However, this industry has not been developed into mass scale production, despite the availability of a large number of water bodies and natural bivalve beds, due to poor knowledge on the potential for expansion of the market chain. Therefore, this study tried to identify the strengths; weaknesses; opportunities; and threats in each phase of the market chain. Primary data were collected through field visits at oyster landing sites in Gangewadiya (mainly *Crassostrea madrasensis*) and Kandakuliya (mainly *Crassostrea belcheri*) in Puttalam lagoon, on production locations; processing units; and markets by interviewing, all most all the market chain actors engaged in the industry, from February to November in 2012. The main stakeholders in the oyster market chain were identified as oyster harvesters and farmers; processors; agents; exporters and consumers. However, a well-organized market structure was not evident. Almost 90% of the local market depends on the tourist industry while one export company has entered the market chain recently. The local market has given low emphasis on quality while the export market is characterized by demand for good quality and high prices. The main obstacles for expansion of the industry are the lack of knowledge and unstructured flow of information among farmers, harvesters, processors and exporters, and lack of trust between actors. A significant number of processors, agents and exporters believed that there is a high potential for developing the bivalve industry, but majority of farmers doubt on such development due to high mortalities prevalent during the monsoonal period. However, inadequate legislation on uncontrolled harvesting of wild oyster population during the monsoon period was the major concern of environmentalists. If an alternative could be found through future research to maintain a continuous supply of oyster during the monsoon periods, there exists a high potential for developing the bivalve culture as a continuous foreign income generating industry.

Key words: *Crassostrea belcheri*, *Crassostrea madrasensis*, market chain, small scale fishery