

AB101

## **Influence of Demand on investment in Composting by Solid Waste (Case in Gampaha District)**

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Organic fertilizer production using solid waste is a growing method of composing today. However, large scale investments on production of organic fertilizer in many of developing countries including Sri Lanka have not met the optimum level. This study investigated the impact of the demand on the investments of the Compost production. Price Demand Elasticity and Cross Demand Elasticity performed using the primary data were collected from five organic fertilizer producers and thirty five organic fertilizer users randomly selected in five Divisional Secretary Divisions in Gampaha district in 2014. We claimed that the main reason for the low level of investment in organic fertilizer industry in Sri Lanka is the change in demand of organic fertilizer with respect to the price changing of chemical fertilizer. The government policy on fertilizer subsidy should be revised in order to promote environmentally friendly agriculture without harming the total agricultural productivity in order to improve the investments on organic fertilizer production.

**Key Words:** *Organic Fertilizer, Factors of Investment, Solid waste, Demand of compost*

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