The Coastal belt of the Ampara district is often regarded as the best production area for paddy which produces the highest yield of 3,500 – 4,200 kg/hectare. In the Maha season it produces 11 percent and in Yala season it produces 22 percent of total national production. Labour shortage specially for harvesting paddy was an important problem farmers faced which changes farmer practice to adopt combines Harvesters for paddy harvesting in the area. The objectives of this research were to study the impacts of combine harvesters on the displacement of labour and to find out an average economic losses for the farm labour caused. The data were collected for the study through personal interviews from the farm labourers at Nintavur ASC division. The research revealed that the combined harvesters implied positive welfare impact and financial viability; negative effects are noticed on employment opportunities and also on the income of harvesting labourers. On an average during the active harvesting period of 30 days farm labours, earned around 1650 kg of paddy which is sufficient for 6 months for their family consumption (792 kg) and the balance earned paddy could be used for other activities. Due to the adoption of combined Harvesters the farm labourers lost this earning. At the same time this loss of earning has also increased (almost doubled) the wage rate in other activities related to the paddy cultivation.

Keywords: Combine harvester, Paddy farming, welfare impact.