

**A study on the impact of share tenancy on agricultural productivity in the rice sector**

The objective of this study was to examine the impact of share tenancy on use of agricultural inputs and land productivity. The nature of sharing arrangement for cost of production and returns may influence the level of inputs and thereby the level of productivity. Information required for the study was collected from a random sample of 88 farmers from Walaweyaya, Megdagamyaya and Karawalyaya in Hambantota District. The multiple linear regression technique was adopted to ascertain the existing relationship between yield and 7 independent variables viz land tenure, extent, fertilizer

weedicides, insecticides, seed variety and quantity of seed used per acre. This study shows that the productivity of owner cultivated paddy land is significantly greater than that of a share tenant cultivated paddy land. It was found that the application of fertilizer is generally regarded by farmers as the most important input in paddy cultivation. It shows that the farmers get 0.288 bushels per acre for every additional one kilogram of fertilizer applied, provided that the other factors are constant and the quantity of fertilizer applied per acre varies in the range of 90 kg/acre to 210 kg/acre. On an average the fertilizer quantity used by owner cultivators is 8.2 kg to 39.8 kg more than that by share tenant cultivators. As a result, per acre average yield of owner cultivators is 7.9 bushels to 23.1 bushels more than that of share tenant cultivators. As a result, the total possible quantity of profitable output being added to the national output is reduced.

Due to disincentive from of tenancy arrangement prevailing the study area share tenant farmers do not opt to use additional inputs to increase yield. It is found that this situation arises because of the variable land rent being paid to the fixed factor of production the land. The inefficiency of this share tenancy system arises because the variable cost incurred by the share tenant does not receive its full return. This study shows that the return to a fixed factor should be a fixed amount. Policy makers may take action to make the prevailing statutory variable land rent in force in Hambantota District a fixed amount of the yield. Then the decisions with respect to the various resources would be the same as under owner cultivators. Hence an understanding of the different tenure patterns in the country is important for formulation of agrarian reforms and agricultural policies.