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Behavioral patterns and farmer attitudes towards marketing of betel in the Gampaha district

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Betel, scientifically known as *Piper betle*, is a perennial vine largely grown in Kurunagala and Gampaha districts in Sri Lanka while Kegalle, Kalutara and Colombo districts are minor producers. Chewing of betel leaves, is a traditional habit in Asian countries while it is also used in many ceremonial functions and auspicious activities. However Pakistan is the only country in the world which imports betel leaves in a sizable quantity. In Sri Lanka betel farming has been operated as a traditional cottage level industry and several market channels had operated very successfully, for generations. In 2004 the government had intervened in betel marketing by establishing a Farmer Company but its' operations had to be halted within two years. It was seen that the majority of farmers did not change their usual market routes and those who changed were frustrated. The study was done to identify the reasons for such behaviour. In the study 43 betel farmers were purposely selected from four AGA divisions in Gampaha district. The survey was conducted in 2006 February – March with a structured questionnaire. Market channels followed by farmers included 8% supplied to the Farmer Company, 14 % to the village fair, 31 % to a major whole sale collector and 20% supplied to mobile collectors. Results revealed the existence of a few established market channels. Farmers were asked for reasons for not supplying the company or fairs. Their replies were that, current supplier who used to purchase betel is not trustworthy (32%), cheating in fairs (7%), high transport cost and no significant profit (10 %), pay lower price saying betel is of lower quality (17%), no assurance of getting a higher price (22 %) and know current buyer for generations (7%). Results show that there are strong reasons to believe the current buyer. Farmers who supplied to a major collector had done so due to, getting the expected price for quality (19%) had a satisfactory price (12%), no cheating (7%), can bargain and come to a compromise (7%), easy to get money (10%), can get loans in an emergency (17%), personal friendship and trust (8%) and do not turn back even market prices are low (4%). Results clearly indicate that the market mechanism operates not just based on the supply and demand but based on mutual trust built up for a long period with major players and distrust in other market places. Major problems faced by farmers were that they receive a low price in the market for high quality betel (41%) resulting in not picking or discarding betel in some years (25%). However 31% accepted that there is no significant problem other than the natural periodic price fluctuations. The domestic betel market is governed by a few well established market channels mainly linked with exporters and whole sale buyers with a mutual trust. Farmer trust is important for the sustainable existence of a farmer company.