



811/ F

What makes smallholders to switch from rubber to other land uses?

R.D. Ishara Anjalee and Parakrama Weligamage

Department of Agricultural Economics and Business Management, University of Peradeniya

Sixty three percent of national rubber production in Sri Lanka comes from smallholders. However, the rate of replanting and new planting of rubber is low resulting in an unsustainable supply that hampers realizing the past investments in the industry. Understanding the reasons influencing the farmers' decision to uproot rubber and to use the land for other purposes is important. Objectives of the study were to, a) identify the land use changing patterns in a traditional rubber smallholder area, b) to compare returns to operators from different land uses, and c) to understand reasons for selection of alternative crops by rubber smallholders when switching to other crops. The study was conducted between August and December 2017 in the Poruwadanda Rubber Development Division in the Ingiriya area of Kalutara district. All farmers who grew rubber in January 2015 were interviewed using a semi-structured survey schedule. Information on perceptions; current and past practices; future expectations and quantity and price data were collected. Published farm budgets were used to estimate the net revenue for different crops. Annualized net returns were compared. Twenty-nine out of 73 smallholders that grew rubber in January 2015 have uprooted rubber by October 2017. Age of trees at the time of uprooting ranged from 15 to 40 years with an average of 25.3 years. The ranking exercise showed that price instability, unexpected changes of rainfall pattern, high cost of production and scarcity of labor were the reasons that influenced the decision for switching to other crops from rubber. Crop choices for continuing farmers (48% of rubber up - rooters) include; tea, rubber, banana, pineapple, ginger, and cassava. Sixty-one percent of current rubber farmers stated that they wish to uproot rubber in the near future. Annualized net-returns of current crops ranged from a low of LKR 66,000 for rubber to a high of LKR 355,000 for ginger. Annual family income of rubber smallholders is LKR 750,000 while that of those who uprooted rubber is over LKR 1 Million. The major driving force that triggers farmers to uproot rubber and to shift to other land uses is high short term financial gains. Interventions to control loss of productive rubber area should be done after comparing financial gains to farmers and benefits to the economy if an optimum age profile of rubber is maintained.

Keywords: Switching crops, replanting, farm profitability analysis, annualized net returns, price instability, Kalutara District

E-mail: parakw@gmail.com