

Economics and Perceptions of Rubber Farmers on Transition from Rubber to Tea: A Case Study in Baduraliya Area in the Kalutara District

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Abstract

This study was carried out in Baduraliya area in the Kalutara district. The sample consisted of 104 farmers including 29 rubber growers who transferred into other crops. A structured questionnaire and participatory tools were employed in the study. A spreadsheet was developed to handle the cash flow analysis for comparing rubber and tea. The transition from rubber was 28% and 94% out of it was for tea. The major factors behind this decision are; fluctuating rubber prices, shortage of latex harvesters, disease outbreaks and rain interference. Those who transferred to tea cultivation have mentioned that the involvement in tea does not permit them to engage in another occupation, it reduced leisure time and has adverse impacts on environment. Participatory studies revealed that the best crop for Baduraliya area is rubber. Net Present value (NPV) and Internal Rates of Return (IRR) values were high for tea although Benefit Cost (BC) ratio was slightly high for rubber. However, tea has better prospects in this area, since the payback period in years was 3 for tea and 10 for rubber. Hence, it is important to take measures to reduce immature period and maximize the economic benefits through intercropping during the immature stage of rubber.

Keywords: rubber, tea, transition

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