

Production and Marketing Policies in Paddy Sector in Sri Lanka: The Farmer Perceptions

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Abstract

Farmer perceptions on existing agricultural policy framework in Sri Lanka were explored with a special attention to those policies related to paddy production and marketing. Data were collected from the farmers belong to fifteen well operating Paddy Farmer Organizations in the Polonnaruwa, Hambantota and Kurunegala Districts by means of a series of key informant surveys and focus group discussions supported by a structured interview schedule from March to April 2013. The interviews were transcribed and translated and information gathered in this process was analyzed using the *N-Vivo* Qualitative Data Analysis Software (*Version 10*). The results highlight that the paddy farmers' highest interest was on up keeping the guaranteed purchasing price for paddy. In addition, those policies associated with the fertilizer subsidy, seed paddy production, provision of irrigation water, and agro-chemicals have grabbed much attention of farmers. The outcome of analysis suggests that paddy farmers in Sri Lanka are yet and highly expect a prominent role from the government to retain in paddy farming, especially with respect to controlling of markets.

Key words: Agricultural policies, Farmer perception, *N-Vivo*, Paddy sector

Introduction

Agriculture sector is the backbone of Sri Lanka's economy as it contributes 11.2% to the Gross Domestic Production (GDP) and generates 30% of the country's employment. A boost in the agricultural productivity growth is essential for reducing poverty in Sri Lanka as 90% of the poor are relevant to rural agricultural economy. Nevertheless, agriculture sector should be developed in order to meet the aspirations of people, particularly that of the farming community. Thus, this sector plays an important role in developing socio-economic conditions of the country.

When considering about Sri Lankan agriculture sector, paddy receives the highest importance as it is the staple food. Rice has a contribution of 1.8% to the total GDP and per capita consumption is about 100 kg per annum. Paddy cultivation occupies 25% of the total cultivable land and approximately 2 million farmers engage in farming as their main occupation. There are more than

6.5 million people, nearly 30% of the employees in the total production in the island, are either directly or indirectly involving in various activities related to paddy industry, including production, processing and marketing (Central Bank Annual Report, 2011). Therefore introduction and regulation of agricultural policies is very much important as policies are the courses of actions chosen by government towards an aspect of the economy (Cafiero, 2003).

Production and marketing policies are the key policies that uplift the performance of agricultural sector. Investigating on the farmers' perception on production and marketing policies related to paddy is important. Central Bank Annual Reports from 1980 to 2011 show that policies like fertilizer subsidy, irrigation schemes, practices on seeds and planting materials and chemical, are the most common production policies that have been implemented to fine tune the paddy production sector, while

guaranteed purchasing price is the most employed policy in paddy marketing. Therefore, this research looks at the perceptions of paddy farmers in Sri Lanka on existing policies related to paddy production (fertilizer subsidy, irrigation, seed paddy, planting materials and agro-chemicals) and marketing (guaranteed purchasing price).

Materials and Methods

Study Area

Based on importance of amongst the paddy cultivating districts in Sri Lanka, Polonnaruwa, Hambantota and Kurunegala districts were selected to carry out this study.

Data Collection and Analysis

Initially, reviewing of the Central Bank Annual Reports from 1980 to 2011 was carried out to identify prevailing policies implemented in the paddy sector. Then 5 farmer organizations were selected from each district under using following selection criteria.

- (1) Government approved and registered organisations;
- (2) Minimum registered farmers 100;
- (3) Each member cultivate minimum of 1 ha

By involving key informants from each of these, focus group discussions were carried out to decide the framework of the questionnaire, the content flow and time requiring to complete an interview. Ultimately a questionnaire which is designed to collect farmers' personnel data, data about the Farmer Organization they represent and perception on different agricultural policies was designed. Then a key informant survey was done by interviewing the total sample of 15.

All interviews are audio recorded and they were transcribed into the qualitative data analytical software package: N-Vivo 10 to evaluate the contents. As in Jayasinghe-Mudalige and Henson, (2007), the

information included in each statement was used in developing the categories/government agricultural policies. Word frequencies of each district with respect to the five major production and marketing policies were found out. Further, district-wise, the most common quotations on each policy were exposed and the farmer organizations who stressed those policies was identified through first order quotes.

Results and Discussion

The analysis, generated a large number of quotes of farmers under policies considered, organized in a way that reflect their unique characteristics and examined the potential relationship between these government agricultural policies and domestic paddy production with respect to the farmer organization's served paddy market. As the particular interest of this process is the 'frequency' (Ikram *et al.*, 2012): the number of times a given government agricultural policy was referred to by the leader of the farmer organization. According to that, policies related to guaranteed purchasing price, fertiliser subsidy, seeds and planting materials, irrigation schemes and agrochemicals were gained higher interest in descending order (Figure 1).

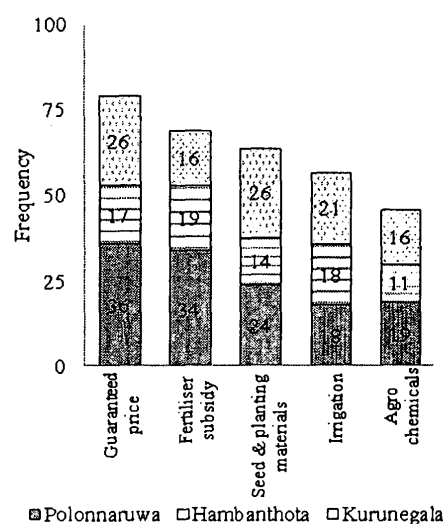


Figure 1. Word frequencies of farmers regarding government agriculture policies

Although it is the variation of interests on production and marketing policies as a whole, some fluctuations are visible in district-wise consideration. Thus, first order quotes (Figure 2) of the five policies with highest frequencies were examined.

Guaranteed Purchasing Price

There are some issues like no buyer to that price, low storage facilities, transportation to buying centres difficulties in meeting Paddy Marketing Boards

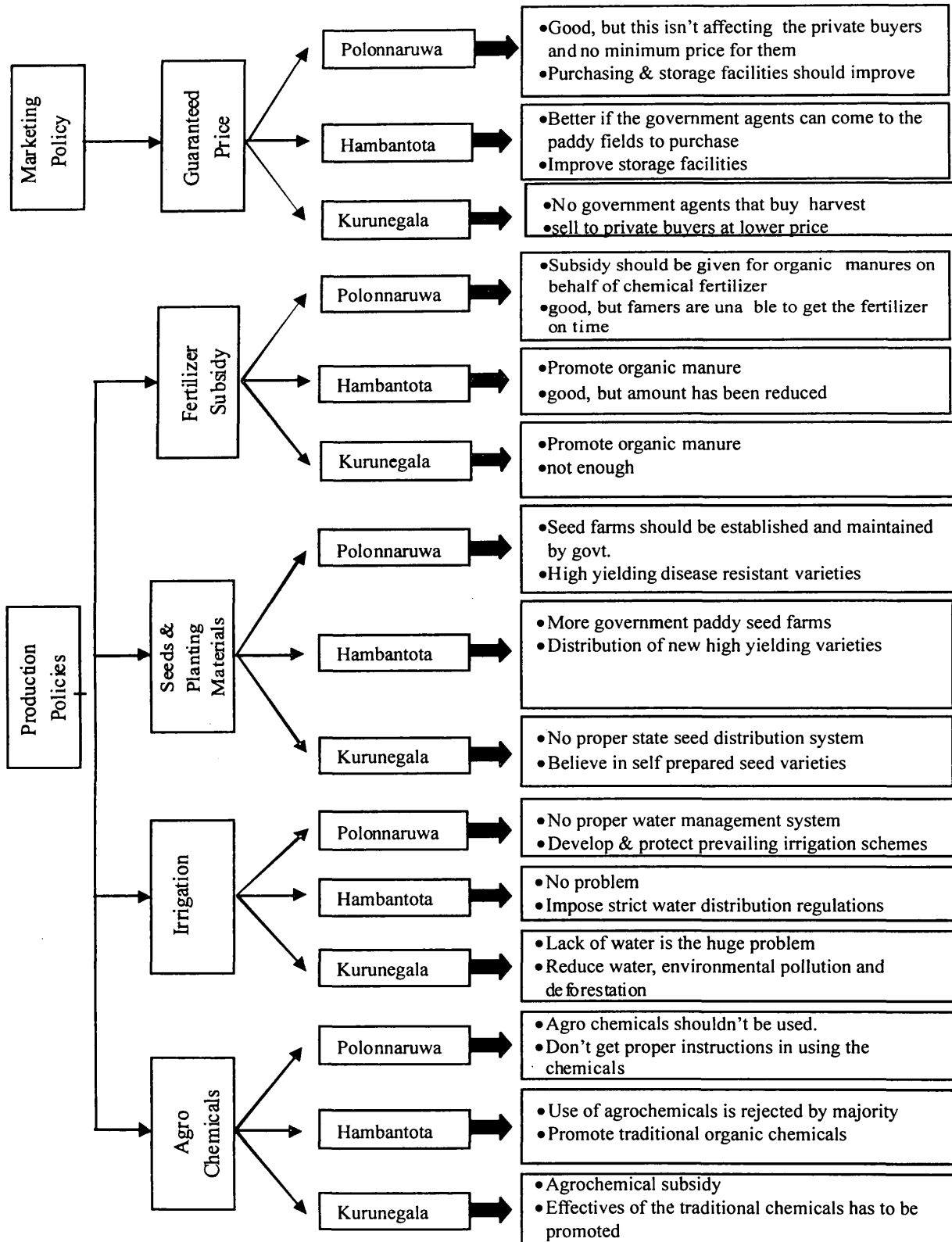


Figure 2. First order quotes on production and marketing policies

standards at low cost which has been ultimately directed the farmers to sell the harvest to private buyers at low price.

Fertilizer Subsidy

While appreciating fertiliser subsidy, not getting at correct time and reduction in the amount were the negative points as mentioned. Moreover, promoting organic fertiliser was a stressed suggestion.

Seeds and Planting Materials

Although most farmers' common practice was to produce own seed paddy or buy from nearby healthy looking paddy fields, establishing more government paddy seeds farm and distributing seeds at a favourable price, developing higher yielding varieties were showcased by resulted first order quotes.

Irrigation Schemes

Polonnaruwa farmers were asking to protect prevailing irrigation system and develop more while Kurunegala farmers' main issue was irrigation. Hambantota farmers were in a need of an efficient water distribution system.

Agro Chemicals

Inorganic chemical usage has minimized in Polonnaruwa and Hambantota as those farmers have identified the effectiveness and environmental friendliness of natural and biological control methods while farmers in Kurunegala district are still stuck into agro chemicals.

Farmers in the three districts had the highest interest on guaranteed price. Strengthening, spreading the Paddy Marketing Board in every main city and developing more storage facilities by the government were the key points that emphasized by all farmers. Promoting the usage of organic manure behalf of chemicals fertilizer was the consent of most farmers while farmers in Kurunegala

district suggested for a subsidy for the chemical fertilizer. The analysis came up with suggestions that the government should establish more paddy seed farms and allocate funds for developing new high yielding varieties frequently. When considering irrigation, Kurunegala farmers were suffering from the unavailability of water as their cultivations are rain fed. Reducing water pollution, deforestation, and environmental pollution were the key points that came up from that district.

The qualitative analysis also suggests that the relative importance of agriculture policies differs among the three districts. For example, farmer organizations in Polonnaruwa are more concerned on the guaranteed price for their paddy, the fertilizer subsidy and agrochemicals. Seeds and planting materials are the main issues in Kurunegala District. Further, farmer organizations in the Kurunegala District suffer from scarcity of water, other Districts do not face this issue significantly.

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