

Farmers' Perception towards Direct Cash Transfer System for Paddy Fertilizer: A Case Study in Dimbulagala DS Division in Polonnaruwa District, Sri Lanka

Pushpanjali K. Dhanasekara^{1*} and G.C. Samaraweera²

¹ Agricultural Modernization Project, Ministry of Primary Industries and Social Empowerment, Suhurupaya, Battaramulla, Sri Lanka

² Department of Agricultural Economics, Faculty of Agriculture, University of Ruhuna, Mapalana, Kamburupitiya, Sri Lanka

Abstract

The government of Sri Lanka has been subsidizing for fertilizer for four decades. While introducing a new system, it is important to go through farmers' perception towards it. However, existing studies have not yet focused on investigation of this grass root level perceptions. Therefore, the purpose of this paper is to analyze farmers' perception towards Direct Cash Transfer System (DCTS) for paddy fertilizer. The study has been conducted using 100 paddy farmers in Dimbulagala D.S. division in Polonnaruwa district, Sri Lanka, who have cultivated their paddy lands both in 2015 *yala* (material subsidy) season and 2016 *yala* (DCTS) seasons. The study includes two phases as "direct questioning" and "perception score" developing. Direct questioning was done by direct asking, whether DCTS is preferable or not, which was scored by seven-point Likert scale. Perception score was developed by ten positive statements scored with same seven-point Likert scale. The statements included areas such as economic, environmental effects and socio economic effects. One sample Z-test and the percentage evaluations were used for data analyzing. The result of Z-test for direct perception indicates no significant difference between the perception towards new and old subsidy schemes ($P=0.055$, $Z=1.92$) while perception score method indicates positive perception towards new DCTS as ($P=0.000$, $Z=3.8$), as the respondents gave higher scores for the statements with environmental and social benefits. The results indicate that though, the farmers do not have high direct perception on DCTS; there is a possibility to change their perception by the fulfillment of economic factors such as amount of subsidy for the fertilizer, timely requirement, the market price of fertilizer and the fertilizer availability. As an overall the study indicates this DCTS provides numerous economic, environmental and social benefits than material subsidy. The study concludes, based on respondents' view that the better involvement of government to make effective procedures to provide cash at the proper time with acceptable amount and conducting awareness programs and providing of specific places to produce their own organic fertilizers and developing new business ventures for organic fertilizer production can improve the direct perception towards DCTS and also increase the use of organic fertilizers instead of using inorganic fertilizers in paddy sector. This study is of great significance for the policy makers in particular.

Keywords: Direct cash transfer system, Farmers' perception, Paddy fertilizer subsidy, Polonnaruwa district

***Corresponding Author:** anjaliwimu@gmail.com