

Finding the Potentials of Increasing Income of Samurdhi Beneficiary Agricultural Households in Batticaloa District

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Research Report No: 215

May 2018

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EXECUTIVE SUMMARY

This study on identifying the potentials of increasing household income of the Samurdhi beneficiary agricultural households in the Batticaloa district was conducted using 276 sample households selected from a multi staged-random sample from the four Divisional Secretariat (DS) divisions Manmunai South West, Manmunai West, Manmunai South and Porativu Pattu. These four DS divisions and the respective villages for the sample selections were decided in accordance with the recommendations of the Deputy Director of Agriculture, Batticaloa district and the Divisional Secretaries of the sample DS divisions. Of the four selected DS divisions three were mainly paddy cultivating DS divisions while the Manmunai South DS division bordering the coastal area cultivates chilli.

The study being completely based on identifying the potentials of increasing income of the low income agricultural households, receiving Samurdhi benefit by the households was considered the sample selection criteria. Specific objectives the study were, assessing the monthly household expenditure, calculating the cost of production of the main crop cultivated by the households, finding the agriculture related problems faced by the farmers, finding the preference and potentials of the households for alternative means of income and exploring the opportunities available for alternative means of income in the area.

Out of the surveyed sample households 92 percent households were headed by males while only eight percent were female headed. When the monthly expenditure on consumption of both groups was compared no considerable difference was found. However the monthly expenditure of both groups was found to have a considerable deviation from the mean. The secondary source of income for majority of the households was working as labourers while foreign employments ranked second with 25 percent of household involved.

While the overall level of education of the population of the sample households is far from being satisfactory only a few household members have received higher education above the G.C.E (O/L). Though the majority of the household members have dropped out of school after G.C.E (O/L), it was found that no member of the entire sample has received technical or other vocational training.

As many as one fourth of the sample household members have received education up to grade five or less. In the case of extent of land ownership over one third of the households owned 1/4th of acre or less. Majority of these households are concentrated in MMS (Eruvilpattu) DS division. Majority of the households which is 97 percent in other three DS divisions except MMS (Eruvilpattu) cultivate low land with paddy as their main crop. However, nearly 70 percent of these households cultivate upland.

Of the paddy cultivating households only 63 percent cultivate it in both seasons, 34 percent cultivate only in the *Maha* season while another three percent in the *Yala* season only.

Among the major findings of the study it was observed that in comparison to paddy, the households cultivating other crops such as Chilli, maize, and vegetable have a bigger margin of profit. Nevertheless due to traditional bonds, attitudes as well as convenience the households which can have a better profit from shifting to cash crops refrain from doing so. While the average profit from an acre of paddy per season (calculated for Yala 2015) is almost Rs.20, 000, the profit from an acre of maize is Rs.80, 000. The profit margin of chilli farmers in Manmunai South DS division per acre is over Rs.200, 000 when calculated for the lowest selling price Rs.100/Kg. Though the average chilli production of the sample households cultivating PC1 variety in MMS (Eruvilpattu) DS division is around 4300kg and there is possibility to reach 8000kg-10,000kg if better extension support is available.

Cost of production of the three main crops such as paddy, maize and chilli (PC1 variety in MMS (Eruvilpattu) DS division) are Rs.28,518, Rs.43,000 and Rs.198,000 respectively. Livestock which can be a better source of additional income is not handled properly at present by the households. In case of agriculture lack of irrigation water, wild elephant threat, poor extension service, erosion of paddy lands were found to be major obstacles. Also poor road conditions leading to sample villages were found to have limited their access to social and economic benefits.

Though the unemployment rate is high no member of the sample households found to have received vocational training or guidance in the particular direction. Women engagement in the income earning activities needs improvement. Other than the involvement in household agricultural activities women's income activities were not diversified.

A few suggestions to increase household income of the sample households include the following: Developing attitudes of the members of the sample households, introducing and encouraging of alternative livelihoods, provision of vocational training for young school leavers, promoting other food crop cultivations where suitable, improving the extension service, development of road network leading to sample villages, provision of irrigation water for upland cultivation, promoting the livestock sector, introducing income earning activities for women, establishing agro based industries and encouraging agro tourism.