

INPUT SUBSIDY AND CHANGES IN CULTURAL PRACTICES : A CASE STUDY OF RUBBER SMALLHOLDINGS IN KERALA

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Impact of the input subsidy scheme, introduced by the Rubber Board in 1986-87 on cultural practices of smallholdings was analysed, based on a multi-stage selective random sampling survey covering 5 regions and 207 member growers attached to 25 Rubber Producers Societies. Wide inter-regional variations on account of region-specific factors were evident. Lack of awareness about improved techniques and resources were the main constraints during the pre-scheme period. All the thirteen subsidised inputs were availed of only in one region. Among the inputs chemical fertilizers was the most popular. Although the net impact of the scheme on yield could not be assessed, the study has identified the pattern of changes in the cultural practices. The net cost saving on account of a shift in favour of straight fertilizers during the post-scheme period was Rs. 326 per hectare. The additional mandays generated during 1988-89 was 34.19 and estimated subsidy was Rs. 681.87 per hectare. Constraints in the application of subsidised inputs were identified and need for extension services in selected cases outlined.

Key words : Natural rubber, Input subsidy, Smallholdings, Extension, Employment generation, Kerala, India.

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INTRODUCTION

Natural rubber (NR) is one of the crops which has been enjoying government patronage since independence on account of its growing internal consumption which exceeded the production as early as 1948 as well as strategic commercial importance (George *et al.*, 1988). Efforts to increase production consisted of extensive cultivation of NR in non-traditional areas under the initiative of the Rubber Board and public sector corporations, increasing productivity by popularising high yielding clones and a favourable price policy. Financial incentives were provided by the Re-

planting Subsidy Scheme, 1957 and 1979 New Planting Subsidy Scheme, which were finally merged in to an integrated Rubber Plantation Development Scheme, 1980. However, the resultant increase in area under NR cultivation (425%) and production (1153%) between 1955-56 and 1989-90 could not meet the steadily increasing internal demand leading to dependence on imports of NR.

It is in this backdrop that the Rubber Board introduced a scheme of input subsidies in 1986-87, with the short-term objective of increasing yield in the dominant smallholdings sector by modifying the

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