

RESOURCE USE IN RUBBER SMALLHOLDINGS

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Joseph, T. and Haridasan, V. (1993). Resource use in rubber smallholdings. *Indian Journal of Natural Rubber Research*, 6 (1 & 2) : 43-49.

The extent and pattern of resource use of small growers during the immaturity period in relation to the levels of external funding and asset holdings were studied. The study revealed that the institutional funds were able to fill up to a certain extent the resource gap caused by the lower levels of asset holdings. It was also seen that as the size of the holding increased, the impact of institutional funds on resource use declined.

Key words : Natural rubber, Institutional finance, Asset holding, Resource use, Smallholding, India.

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INTRODUCTION

The small holding sector occupies a dominant position in the natural rubber industry of India. The share of small holdings in the total area under rubber rose from 63 per cent in 1961 to 83 per cent in 1990 (Rubber Board, 1991 a). A favourable price policy of the government and a steadily growing internal market boosted the expansion of the natural rubber industry. A host of other factors such as exemption from land ceiling legislations, promotional schemes, etc. prompted the small growers to cultivate rubber extensively (George *et al.*, 1988).

A comprehensive study of the economics of rubber cultivation in small holdings was conducted by Rubber Small Holdings Economics Enquiry Committee appointed by the Government of India in 1967 (GOI, 1968). Later Unni and Jacob (1972) also made a similar study. These two

studies had thrown light on various aspects of cultivation, processing and marketing of natural rubber. The present study was designed to analyse the extent and pattern of resource use in the immature phase of rubber cultivation. The objectives of the study were to assess:

- a) the relationship between asset levels and accessibility to institutional credit,
- b) the pattern of the utilisation of the borrowed funds,
- c) farm characteristics such as planting intensity, plant retention, use of planting materials and the extent of intercropping, *
- d) resource use of different categories of growers and the relationships involved,
- e) the deviations from the observed

Presented in the International Natural Rubber Conference, 5-8 February 1992, Bangalore, India.