

CASH CROP FARMING IN THE JAFFNA REGION – SOME ASPECTS OF TRANSFORMATION IN SMALL HOLDER AGRICULTURE.

V. P. SIVANATHAN
N. BALAKRISHNAN

In the Third world countries, despite the variations in agrarian systems, what is most common is the subsistence small farming or rural peasant agriculture. This being the dominant pattern and, therefore problems of agricultural development are centred largely around this traditional and relatively backward sector. Sri Lanka is no exception to this and shares with other Asian countries both the characteristics as well as complexities of transformation in peasant agriculture.

Contemporary discussion and debate about peasant agriculture have produced a vast amount of literature by economists and other social scientists. In summary form, the important and controversial issues and competing analytical perspectives can be related to a variety of factors, highlighting the determinate of change and transformation: physical environment, demographic factors technology, economic factors, -all of which to varying degrees can and do determine the internal dynamics of change in a peasant agrarian system. In addition, what may be termed 'external' influences are equally significant – the middle men, traders, marketing organisations, transactional enterprises and their links and, most important, the role and intervention of the state and state agencies.

Peasants are rural producers, who produce both for their own subsistence and for the market. One important aspect

of change is the extent to which the small rural producer is able to move away from purely a subsistence farmer to a producer who responds to market forces and is able produce a 'markable surplus'. His response to new situations, new technology and other incentives are important. The belief that a peasant is unresponsive to such changes and that he prefers to carry on in the traditional way is no longer sustainable and is even unreal. A peasant as a rural producer works on his family farm with the use of family labour, but he also hires labour under certain conditions he has a degree of control over resources and implements the may be an owner cultivator, or a tenant farmer and the tenancy arrangements are determined by socio historical factors, but these are not always static – respect.

In the contemporary discussions and debates about transformation of peasant agriculture, there are broadly, two competing perspectives ie, (i) the class of peasant producers will eventually disappear with the impact of capitalist expansion; (ii) not with standing capitalist expansion, the class of peasant producers persist, and survive, Newton Ganasingha in his discussion of agrarian changes in Sri Lanka terms these two alternative perspectives as the disintegration perspective and preservation and discontinuity of Agrarian structures in Sri Lanka Ed. Charles Abeyasekera Social Scientists

Association Colombo, 1985). The so-called distentegration perspective arose out of the Marxists debate but some non-Marxists too support his line of reasoning. Very briefly stated, with the development of capitalism and its spread to the agricultural sector, there will develop differentiation within peasant producers resulting in a class of rich peasants, who will eventually evolve into capitalist farmers and the class of small producers, will become proletarianised and will become the agricultural labourers; and with this capitalist 'Agrarian Transition' will be completed. This perspective has been challenged with increasing penetration of capitalism in the rural agriculture, economic differentiation will emerge, but the class of small peasant producers had persisted. Besides, in several countries, particularly in Sri Lanka, government policies were specifically framed to restore, preserve and promote peasant / small farmers through land reforms and land resettlement policies.

Without adopting these two perspectives as polar opposites, "it would be foolish to ignore the implications of tendencies towards differentiation amongst rural producers.....; equally to ignore the persistence of peasant producers and not to seek out the reasons for it would be damaging to any serious study of agrarian problems: (John Harris (Ed) *Rural Development - Theories of Peasant Economy and Agrarian Change*, Hutchinson, p. 26). This compromise view point is also the underlying theme out in paper.

Many non-Marxist scholars, coming in the neo-classical tradition,

favour the existence and development of peasant agriculture - centred around the large number of small rural producers - reflecting the economic reality of the third world countries where the transition from subsistence or semi-subsistence to commercialised farming, according to these writers offers the best hope. B.F. Johnston and P. Kilby, refer to what they call a 'Unimodel' structure in contrast to a 'Bimodel' structure - both of which are prevalent in the less developed countries. They argue for a 'Unimodel structure consisting of a mass of small peasant producers, who when made more efficient will also solve better from an equity standpoint in the development of the rural economy (B.F. Johnston and P. Kilby - Unimodel and Bimodel strategy of Agrarian change in John Harris, op. cit).

Jaffna region has a system of agriculture, the most noteworthy feature of which is the predominance of small-holder peasant farming. For historical as well as ecological reasons, there had not developed a system of agriculture with extensive land holdings. 'Land lordism' in sense of a relatively small class of large land-owners did not emerge. They were and are 'land lords' and land owners, associated initially with the traditional caste system. But 'Land lordism' as found in other countries was never a serious problem in the regions agrarian history. Jaffna district particularly Jaffna peninsula as determined by its climatic and soil conditions, evolved a distinctive small-holder farming system in which the 'Cash crop' sector has had an important cash crop as far back as the 18th century he notes 'A decision was taken very

early to divert land from paddy to market gardening and cash crops. It is not known when this happened, but by the 18th century these market gardens flourished to the north and east of Valikamam and in Vadamardchy. About the same time the cultivation of that queen of Jaffna's cash crops – tobacco – was spreading'. During the Dutch period, he further observes "the stabilisation of small holding peasant farming in the villages of the four provinces of Jaffna; and the transfer of some of these areas to cash crop cultivation and to market gardening' (S. Arasaratnam – historical Foundation of the Economy of the Tamils of North Sri Lanka, Chelvanayagam Memorial Lectures, Jaffna 1982 p.20)

The Development of tobacco as a cash crop depended largely on its export mostly of South India and this went on for over two hundred years. Manoharan records, that according to trading accounts of the Jaffna Malayalam tobacco Co – operative sales society Ltd, an agency set up in 1934 to keep out the middle man and other traders, realised a sum of Rs. 3, 031, 976 million in 1949. This year also saw the turn of the tide against Malayalam tobacco trade largely on account of the vicissitudes of the market, and unfavourable tariff policies, The importance of tobacco as a major cash crop declined by the 1950s or even before; it had to be sustained only by exports to the South of the Country and by local consumption. By early 1960s, the acreage had dropped to 4300, from a recorded figure of 10,000 acres at the beginning of the century.

The late Prof.S Selvanayagam in his land use study of the Jaffna Peninsula in

the 1960s set out to define on more specific terms and underline the characteristics of Jaffna's Cash crops in terms of Market gardening. This system of farming involved the following important characteristics: producing for the market with the objective of receiving a cash return: it is cultivated in small or mini plots, cultivation is assisted by family members; though family labour is an important feature, wage – labour also gives into the cultivation; the fields are watered by well irrigation; suitability of soil and location of the mini – farms are interrelated aspects' and fields are high in market gardening. Market gardening is a highly land – intensive type of farming, although in later years in the 1960s and 1970s market gardening also involved fertilizer– intensive cultivation.

Agriculture and related activities in the Jaffna district account for 45% of the employed population; Agricultural activities, though no separate data are available, probably provide employment to about 35% of the employed population. Census of agriculture, 1982 records that "A total of 122,000 acres were under cultivation, which is about 22% of the districts (including Kilinochchi) total land area; out of which 108,000 acres have reported as under small holding sector (p.5). The definition of small holding sector refers to an agricultural holding of less than 20 acres in size and under the same operational status was considered as a small holding (includes Kilinochchi). But this definition useful as it is not very helpful in understanding the (small – holdings pattern of cultivation in Jaffna region.)

Agricultural census statistics of Sri Lanka, 1988, based on the 1982

agricultural census data should that the number of operational holdings (small holdings sector), less than $\frac{1}{2}$ acre size was 25% for all island, while it was 53% for the Jaffna district (including Kilinochchi). On the same basis, if we aggregate class sizes and look for less than two ares, Jaffna district the number of operational holdings of 10 acres and above amounted to only 1.3% of the total. (Table 25. p.33) Further it may be noted that for the same census year, the extent of acreage that involved total operational holdings with less than two acres involved 39,000 acres which is about 36% the total extent of area of all the operational holdings.

It would be useful to look at some other data as well which can convey a better picture about the small holdings peasant farming in the Jaffna peninsula. The 1980 Integrated Rural Development programme (Jaffna) estimated that the average size of holding for high - land crops amounted to $\frac{1}{4}$ to $\frac{1}{2}$ acre: (and for paddy it is 2 acres). In another estimate made for the year 1979 by the District Agrarian Services Commissioner recorded a total acreage of 131,252 acres (highland & low land) operated by 77,873 farm families in the Jaffna district. On this basis the average size of holding per farm family worked out 1.7 acre (both high land & low land); the average size for high - land cultivation works out 0.6 acre and for low land cultivation 1.06 acre. (V.P Sivanathan, 1980, p. 41 - 42)

Going by the agrarian service centres and the distribution of holdings size, it is noted that for high - land crops, (excluding Kilinochchi District) holdings below $\frac{1}{4}$ acre size are found in four

agrarian service centre locations (Puloly, Amban, Tholpuram & Kaithady); between $\frac{1}{4}$ - $\frac{1}{2}$ acre size holdings, are located in another four centres (Uduvil, Putur, Keerimalai & Chavakachcheri). Between $\frac{1}{2}$ - $\frac{3}{4}$ size holdings, are found in two centres (Velani & Nallur). The total acreage covered by these - for high land crops - came to 21, 982 acres. Cultivated by 62, 134 families of these total families, those cultivating holding size between $\frac{1}{4}$ & $\frac{1}{2}$ came to 47.4%. On the basis of these estimates, farm families which operate 'mini - holdings' amount to nearly 90%. This formed an integral part of the destructive part of cash crop peasant farming.

According to one estimate based on land use pattern for Jaffna district for 1986 (excluding Kilinochchi) paddy accounts for 12% (approximately 12,000 ha; arable crops and fruit crops and fruit - crops covering 141,000 ha, accounted for 14%. Based on this same source, if we take only the cultivated extent under all variety of crops, about, 45,000 hectare 'Cash crops' claim about one tenth (Agricultural Dept., Jaffna cited in Jaffna District in Facts & Figures, 1987)

Cash crops constitute a range of crops in terms of the principal definition ie its market - oriented; capable of producing surplus for the market; profit considerations of the former should be important; and gives use to allied activities with regard to marketing, storage etc; and some capital accumulation is encouraged and the farmers may be able to invest in farm machinery or implements or in other forms in investment.

The major cash crops in the Jaffna (Peninsula region) were or are onions,

chillies, tobacco, potatoes, beetroot some fruit crops – (Plantains and more recently grapes) and vegetables, Miss. Ambiga Sinnathambu, who has recently carried out a detailed study about vegetable production and marketing has established by applying some of the above criteria that vegetable cultivation forms an important part of cast crop farming (Miss Sinnathambu – production and Marketing of Vegetables in Jaffna District, M.A. Dissertation 1990).

We would like to confine ourselves to onions, chillies and tobacco and to a lesser extent on potatoes to illustrate some aspects of transformation. About tobacco reference has already been made based on Arasaratnam's study (and Maoharans study) tobacco cultivation for many decades stabilised small scale peasant farming in the region. In particular Arasaratnam showed that not only did it stabilise peasant farming in this region until about the 1950s, but also led to the growth of allied activities of trade for export, a class of middleman, brokers and entrepreneurs – in short the growth of what could be termed 'commercial capitalism'. This we note as the most essential aspect of transformation during the day that tobacco was extensively cultivated. The history of the growth of 'commercial capitalism' in the Jaffna region is still an unexplored field of study and tobacco cultivation provides one important area for further investigation. Suffice it to say at this stage that peasant farming, and cash crop or commercial farming underwent a significant transformation with tobacco. J.B Turner, writing in 1926, described it as the most important industry of the Jaffna cultivator. He

records that northern province had 7159 acres (1926) out of total all – island acreage of 13, 072 – 50%. (J.B. Turner: Hand book of Commercial and General Information, Govt. Printer, Colombo, 1926).

Data assembled from different sources indicated that acreage under cultivation had declined in the 20th century, and in 1953 the acreage under tobacco, stood at 4950 acres and by 1990 it had dropped to 1175 acres.

With the decline of tobacco as a major cash crop, the era of increased cultivation of onions and chillies began in the 1950s in a significant way and reach their peak levels in the 1970s, when the government restriction of imports of subsidiary food produce gave a boost to Jaffna farmer. Onions and chillies cultivation on the 1950s, 1960s and 1970 again illustrated a further transformation in cash farming or market gardening.

Onion production covered an average (five year period – 1950–55) of 4038, which steadily increased reached a peak level of an average acreage of 9788 for the five year period 1975 to 1980; this average dropped to an average 7916 acres during 1980–85 production figures – as five year average for 1965–70 stood at 25,136 m.t and increased to an average of 50,538 m.t for the period 1975–80, dropped to 41, 342 m.t. during 1980–85. Estimated value total production averaged 71 million during 1970–75; increased to Rs. 154 million during 1980–85 (at producer prices).

Chillies acreage again as a five year average increased steadily from 2493 acres during 1950–55 to 6276 acres during 1970–75 and reached a peak level of 9531 acres during 1975–80 and then

dropped to 7304 acres. Production figures in m.t. increased from 1703 during 1965-70 to 5367 in 1975-80. Aggregating the annual average acre figures during the peak period, 1975-80 onion, chillies, and potatoes, we note that the total amounted to nearly 20, 810 - if other minor cash crops are also included the acreage may have been in the region of 30,000 for the district.

We have already indicated how tobacco farming brought about a significant transformation. Similar processes were at work in the 1950s, 1960s and 1970s as well. One aspect that needs to be highlighted is the high degree of farmer response to price market incentives. Cash - crop farming became a high land intensive farm of cultivation; and from the 1960s, it also witnessed the spread of chemical fertilizer intensive cultivation; these new cultivation practices perhaps also brought in certain adverse consequences. From the point of view of change and transformation, what is noteworthy is the highly commercialised farming with penetration of capitalist influences in the farming sector. Transport and marketing of produce to the south also resulted in the growth of commercial activities associated with cash crops. It is important to note that in the 1960s and 1970 when cultivation of chillies and onions became profitable, this sector also attracted young and educated farmers. In the census of agriculture 1982 (Table 2.8) it is interesting to note that information on agricultural operators by Educational attainment indicated that of the total number of operators (for the whole

district) no-schooling category constituted only 5.2%. Operators who have passed G.C.E O/L or equivalent and G.C.E.A/L or equivalent accounted for 23%; 34% of the operators belong to the category who passed grade 6-9. This information is very indicative of the type of change and transformation. The fact that 'educated farmers' took to farming also explains why they were responsive to change and market incentives.

High levels of efficiency, productivity and innovative features were the dominant characteristics of market oriented small - farmer agriculture that gave a destructive character to Jaffna agriculture. These innovative tendencies, penetration of commercial, also and capitalist influences had made the system to revolve around a 'cash-nexus' and many of the archaic and traditional practices had been replaced in an agrarian system characterised by 'mini farm' holdings in which individual ownership and owner-cultivators constitute the dominant pattern. About 75% to 80% of the peasant farmers are owner cultivators. Tamil cultivators constitute about 10-15%. Share-cropping paying a certain portion of the produce to land owner and labour rent (working for the land - owner in return for getting land for cultivation) are very insignificant - probably non-existent in cash crop cultivation. Instead, leasing land or *Kuththakai* ie rent paid in money is the most widely prevalent form. Because of the significance of 'cash nexus' in market gardening, it is understandable that monetary rent is widely prevalent.

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