



## Public-Private-People Partnerships for Poverty Reduction and Sustainable Livelihood Improvement: An Evaluation of Gherkin cultivation by NADeP-Hayleys-farmers in the Northern Province

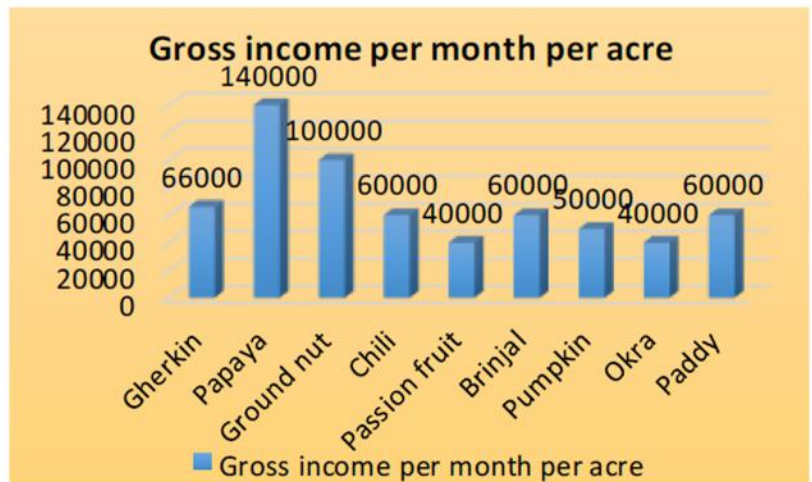
JF Jumana and DVP Prasada

Dept of Agricultural Economics and Business Mgt. University of Peradeniya

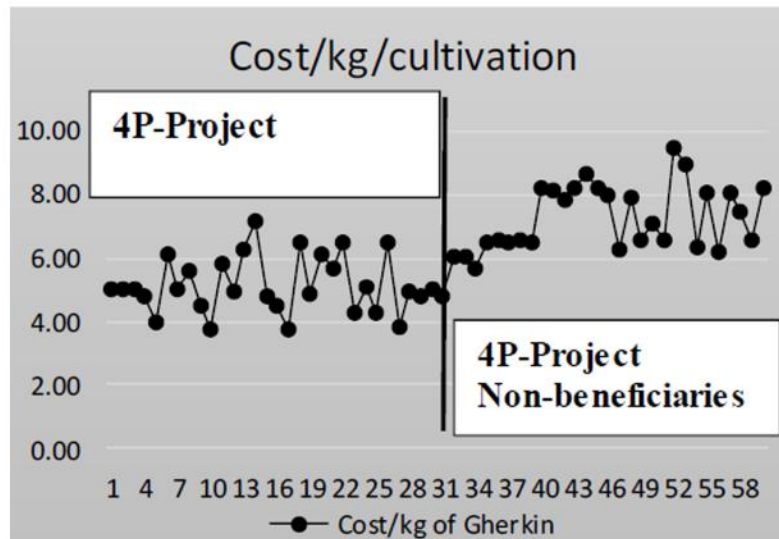
- The Public-Private-People Partnership (4P) involving the National Agribusiness Development Program of the Presidential Secretariat, Hayleys PLC and the farmers in the Northern Province focuses on environmentally friendly Gherkin cultivation for export markets. As the private party, Sunfrost (Pvt) Limited, a member of Hayleys Agriculture Holdings is linked with this programme. Nearly 1000 farmers are linked in this gherkin buyback project.
- The fruit and vegetable industry in Sri Lanka has the potential to make a significant contribution towards commercialization of non-plantation agriculture and which is considered to have the potential to develop backward linkages towards small farmers and accelerate crop diversification in the paddy dominated non-plantation agriculture sector.
- Gherkin is one of the most important vegetable crops that are cultivated exclusively for export market. There was a tremendous growth in export values of Gherkins from Sri Lanka over the years from 1990 to 2014 (UN Trade data).
- The research study revealed the following aspects of the sample of 60 farmers randomly selected. There was no significant difference between project beneficiaries and non-beneficiaries in the resource endowments except the value of agri-assets. Secondly, the Gherkin contract farming under the NADeP project favoured entrepreneurial farmers having adequate family labour.



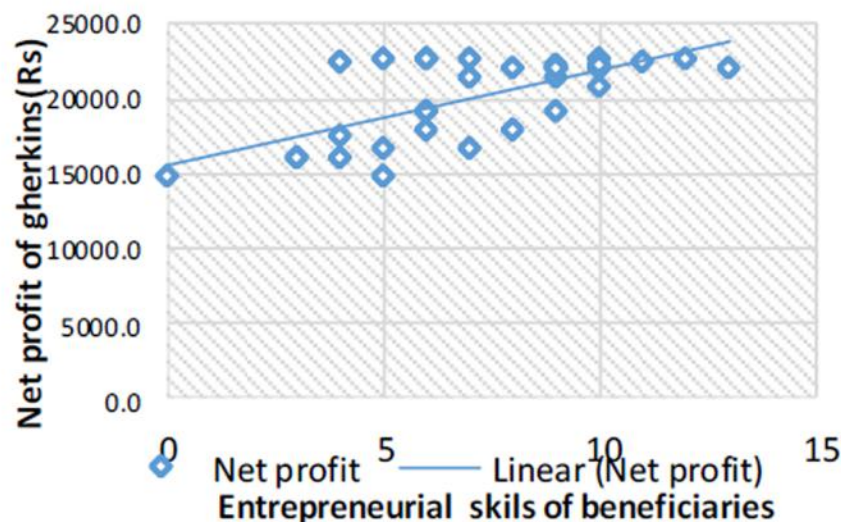
- Thirdly, as a result of involving in Gherkin production, farmers were able to earn significant net profit compared to other commonly grown crops such as paddy and vegetables. Gherkin is the third profitable crop among the crops grown in the study area.



- Cost and net profits of gherkin was compared with and without family labour imputed. There was a significant difference between costs with and without family labour because of the labour intensive nature of Gherkin cultivation and the low opportunity cost of labour.

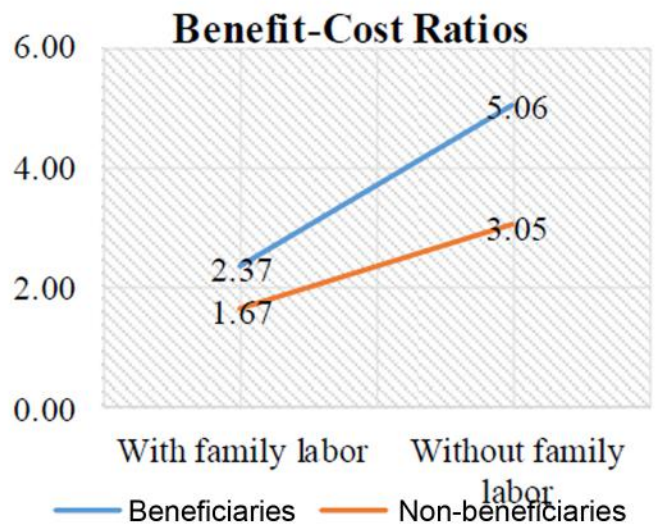


- In terms of entrepreneurial skills, beneficiaries and nonbeneficiaries significantly differed. Entrepreneurially skilled farmers, farmers who are having less amount of arable land and farmers with higher education level earn significantly higher income than others.

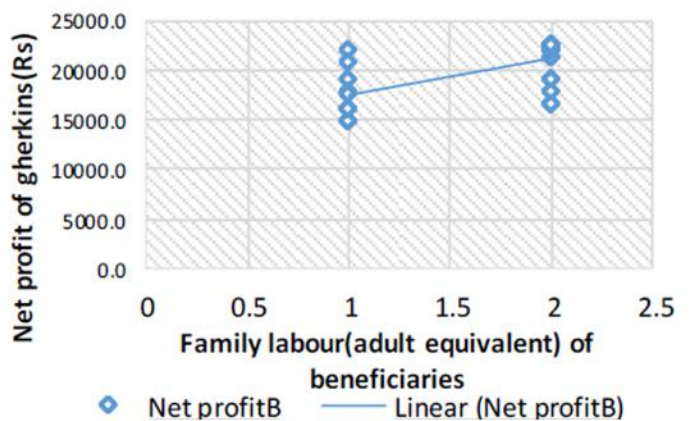


➤ So, there is a significant impact of project participation, entrepreneurial skill, Arable land and education level on Gherkin gross farm income. Value of agri assets, family labour and record keeping were positively associated with the Gherkin gross farm income while arable land was negatively associated. Statistical tests revealed that there was no sample selection bias.

➤ Although the farmers are not satisfied with the price company provide, quality requirement, and grading policies overall relationship between the company and farmers was satisfactory. Farmer's dissatisfaction with the price, quality and grading policies are the evidence of power imbalance between the Industry Company and farmers, the most common criticism of contract farming found in literature.



➤ Hence, NADeP could consider entrepreneurial skills of farmers and availability of family labour in the household of farmer in selecting project beneficiaries.



➤ Conducting more farmer training programs, introducing innovative techniques of farming and frequent instructions and supervision of gherkin cultivation by instructors would be some ways of increasing entrepreneurial skills among farmers.

➤ Based on the Gherkin experience, it is noted that agricultural 4P projects will help to contribute to poverty reduction and sustainable livelihood improvement of women and men in poor rural households in the North as project participation significantly increase the farmers' income.