

Acreege Response of Paddy Farmers in Wayanad: Application of Autoregressive Distributive Lag Bounds Testing Approach

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Wayanad, the home to more than 75 traditional varieties of paddy, has witnessed a drastic decline in the area under paddy production. Despite considerable efforts by the government, the conversion of paddy land to other cash crops and non-agricultural uses is on rapid rise. This study has estimated the impact of price and non-price factors on the acreage response of paddy farmers so that appropriate policies are formulated to promote paddy cultivation based on empirical evidences. The data for the study were taken from various publications of Government of Kerala for the period 1987-2009. The price and wage data were deflated to 2010 real prices using wholesale Price Index. The study has used bounds testing approach to cointegration to estimate short-run and long-run estimates. The results have revealed that farmers respond positively to the price of paddy and negatively to the increase in female wage rate in both long-run and short-run. Hence, the study has recommended price policy interventions to improve the price of paddy received by the farmers and labour policy reforms to improve the utilization of female labour work force in agriculture to improve paddy cultivation in Wayanad.

Key words: Paddy, female wage, autoregressive distributive lag model Kerala