Factors Influencing Farmers Turning into Tobacco Cultivation in the Khulna Division of Bangladesh

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Abstract

The study attempted to identify factors responsible for turning farmers into tobacco cultivation in the Khulna division of Bangladesh. Primary data was collected from both tobacco farmers and traditional crop growers (TCGs). Logistic regression was used in quantitative data analysis. Limitations of traditional crops over tobacco in both input and output market, prudent role of tobacco processing companies (TPCs), and distinctive features of tobacco itself were responsible for continuing tobacco cultivation. The main challenges of traditional crops including unstable price, volatility in sales guarantee and insufficient input incentive should be taken care by the authority.

Background

- Co-existence of tobacco and traditional crops in winter season in Bangladesh.
- There exists social movement against tobacco cultivation.
- New entrants as well as skippers are observed in tobacco cultivation.
- TPCs operate in the region and contact farmers to make contract for tobacco cultivation.

Objectives

- To identify factors responsible for turning farmers into tobacco cultivation.
- To identify role of tobacco processing companies in tobacco cultivation.

Results

Socio-demographic profile:
Mean age: About 40 yrs
Schooling: About 5 years
HH size: 4.92
Income only from agri.: 51% HH
Owing agro-equipment: 91%
Only tobacco cultivator: 14%

Limitations of traditional crops:
- Poor input support
- Nonguaranteed sale
- Price instability
- Perishable

Results: (Factors)

- Prudent role TPCs:
  - Input support:
    - Tobacco growers: 25%
    - Other crop growers: 75%
  - 76 percent tobacco growers and only 22 percent TCGs received input subsidy.
- Sales guarantee: Moreover, 100 percent contractual tobacco farmers enjoyed sales guarantee even before production, where no TCG enjoyed such.
- Immediate and full payment of sale: TPCs provided full payment immediately after sale, where 83 percent TCGs experienced credit-sale even through middleman.

Statistically significant variables:
Increased probability (in various percentage) of tobacco production over traditional crops: sales guarantee, price stability, input incentives, profit, sales-production ratio, and land neighbors’ choice of cultivation.
Decreased probability: Monthly total earning, total land ownership.

Conclusions

The main challenges of traditional crops including unstable price, volatility in sales guarantee and insufficient input incentive should be taken care by the authority. Long run and real cost of tobacco should be publicized.

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