

Factors Affecting on Shifting from Current Cultivation to Hot Pepper Cultivation along with Contract Farming Practices: A Case Study in Minuwangoda, Sri Lanka

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Even though Capsicum Chinese (Hot Pepper) has been recognized as a profitable crop for contract farming in all over the world, Sri Lanka has not yet recognized its economic value and this sector remains unexplored yet. Therefore, this study was conducted to identify the factors affecting the shifting from current cultivation to Hot Pepper cultivation. This research survey study was carried out using a pre-tested questionnaire for 70 vegetable farmers in Minuwangoda. The sample was selected using simple random sampling method. Collected data were analysed using descriptive and inferential statistics. The findings of this study revealed that market potential and agro climatic compatibility are the main factors that impact on farmers' preference on Hot Pepper cultivation on contract basis. Furthermore, the present study revealed that price, quality, timeliness, quantity, proximity and credibility of seed source and crop performance affect while purchasing the seeds from the company in contract farming. Moreover, a fixed price, market assurance, profit, quality standards, transportation and legal framework are requirements demanded by the farmers. According to the findings, the study provides significant insights to plan a sustainable contract farming system for Hot Pepper cultivation with suitable policy initiatives. Key recommendations of this research study include, providing extension services, remedies for diseases, free trials, proper responses to farmer inquiries and flexible agreements, which are required to enhance and sustain Hot Pepper cultivation along with contract farming system.

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