

**DETERMINANTS ON INCOME DIVERSIFICATION
OF RUBBER SMALL HOLDERS IN
KALUTHARA DISTRICT**

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By
KANDEGAMA DONA THILINI JAYAMALI

**Faculty of Animal Science and Export Agriculture
Uva Wellassa University**

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ABSTRACT

This is an attempt to find the determinants on income diversification of rubber small holders in Mathugama, Bulathsinghala and Agalawaththa areas of Kaluthara district by using 250 rubber small holders. To analyze the main determinants of household's choice among different livelihood patterns of income diversity, multinomial logit model was used. The results indicate that the rubber small holders are diversifying their income into on-farm diversification activities and/or off-farm diversification activities. Under the main determinants on income diversification; small rubber land extent, low tapping frequency, lack of extension service support and lack of family labor, usage of the small holders have significant effects on households' choice of livelihood strategy on the income diversification. On the other hand, education levels of household head, family size and family expenses increase the odds of pursuing livelihood diversification relative to none diversify strategy. Similarly, migrant household members have influenced off-farm diversification but, dependency ratio pulls rubber small holder decision of on-farm diversification and push off-farm diversification decisions. A small size of rubber land extent generates low income of rubber and they more likely to diversify their income. Therefore, it is recommended development of the extension service support for rubber small holders to motivate them to diversify their rubber lands with on-farm income sources.

Key words: - Income diversification, multinomial logistic regression, rubber small holders