

Determinants of Replanting Decision by Tea Small holders in Badulla District

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One significant issue over many years regarding tea small holders is the low replanting rate. Replanting rate of tea small holders is 0.8%, which is relatively a poor value. In accordance with national policy, 2% of the existing tea extent has to be annually replanted in order to maintain the tea extent to obtain maximum yield. With this context, this study was designed to identify the factors influencing on the replanting decision to find out reasons behind the low level of replanting in tea small holding sector in Badulla district. Simple random sampling technique was used in choosing the sample. Primary data were collected from 300 respondents in Badulla, Passara, Haliela and Etampitiya Tea Inspector (TI) ranges. The probit regression was used to identify the determinants of replanting decision by tea smallholders. The results indicate that age, replanting subsidy, cost of replanting, education level of household head, household size, and tea land size significantly affect replanting decision of tea small holders. More specifically, cost of replanting, replanting subsidy, tea land size positively affect replanting decision while age and education level of small holder and house hold size negatively affect replanting decision of tea small holders in Badulla district. The study results suggests that, increase in replanting subsidy and provision of credit facilities at a low interest rate should be considered vital importance in maintaining required replanting rate.

Keywords: Replanting decision, Replanting subsidy, Tea small holders