

Study on Impact of Price Incentive & Identifying Factors Affecting Green Leaf Quality in Relation to Reasonable Price Formula for Tea Small Holder Sector Based on Kalutara District

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Sri Lankan tea small holding sector plays a major role in contributing to 74% of the national tea production. Quality of green leaf supplied to the tea factories by the sector greatly affects on the quality of the final made tea. But at present, most of the tea processing factories receive only about 35 - 40% of best quality leaves. Having identified this fact the Sri Lanka Tea Board has incorporated a price incentive into the reasonable price formula through which payments for the green leaves are made, to motivate small holders to supply quality leaves. The present study was conducted to identify impact of price incentive on the motivation of small holders to quality build-in their products and the factors affecting on the best quality leaf percentage received to the factories. Seventy five tea small holders were selected randomly from the study area Baduraliya tea Inspector range to represent the population and collection of the data was done through a semi structured questionnaire. Wilcoxon sign test was performed to analyze the small holders' motivation level and a linear regression analysis was done to identify the factors that affect on the best quality leaf percentage. The results of the Wilcoxon sign test revealed that there was a significant effect of price incentive on motivating tea small holders to quality build-in their green leaf supply. According to the linear regression analysis, reception of price incentive, mode of disposal, practicing fine plucking method, transport conditions, age and the education level of the farmers were the main factors that affect on the best percentage of quality leaves received to the tea factories.

Key words: Price incentive, Quality of tea green leaf, Tea small holding sector