

**IMPACT OF OFF-FARM INCOME ON TEA
PRODUCTION OF TEA SMALL HOLDERS IN
GALLE DISTRICT**

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ABSTRACT

Most of the small holders have given more emphasis and investments on other sources of income. Through investing on other sources of income a higher Return on investment can be achieved. Due to this reason the small holders are shifting away from the Tea cultivation and they strive less and invest less money on tea cultivation. The research was conducted in order to identify the impact of off - farm income on tea production and to identify most significant economic factors which are affecting on tea production of tea small holders in Galle district.

This study was based on two major DS divisions in Galle district which were Neluwa and Thawalama. Two DS divisions were selected using cluster sampling method. 220 tea Small holders were selected from those DS divisions using simple random sampling method. Field survey method was used to collect the required information for the study. Semi structured questionnaire was developed to gather the required primary data. Secondary information for the research was gathered from the Tea Small Holders Development Authority. Before gathering the information, questionnaire was pretested and adjustments were made. Empirical model was developed to determine the impact of off-farm income on tea production and other explanatory variables.

The study revealed that there is no any significant impact of off-farm income on tea production. But other factors such as Total Tea land Extent, Fertilizer cost, Chemical cost, Man days per Year and Number of Family members have a significant impact on the total tea production of tea small holders in Galle district.

Key Words: Tea Small Holdings Authority, off - farm income, tea small holders