

**FACTORS AFFECTING ON ADOPTION OF  
REPLANTING BY THE CORPORATE TEA SECTOR  
IN UVA REGION**

A dissertation submitted to the  
Faculty of Animal Science and Export Agriculture  
Uva Wellassa University  
In partial fulfillment of the requirements for the award of  
Bachelor of Science in Tea Technology and Value Addition

By  
**HERATH MUDIYANSELAGE PRASANNA ABEWARDANA**

**Tea Technology and Value Addition Degree Programme  
Faculty of Animal Science and Export Agriculture  
Uva Wellassa University of Sri Lanka**

**2014**

## ABSTRACT

Tea industry plays an important role in the country's economy and in 2013; it earns foreign exchange earnings, which accounts for about 13% of the national foreign exchange earnings. The income coming from agriculture contributes to about 19.7% of the country's total GNP and out of this share tea alone contributes 70% to the agriculture. The tea industry provides employment to about 1.5 million people directly or indirectly. The average yield of the corporate sector has been declining over the past 8 - 10 years. Over the past 5 decades of commercial replanting, the average annual replanting rate was only 0.97%. To achieve the conventionally accepted norm of 2% annual replanting in the corporate sector, the extent replanted annually should have been an average of 1,453.68 ha per annum. Nine predicted factors are considered to have an effect on percentage of land allocated for replanting by corporate tea sector in Uva region. To understanding the factors affecting for replanting rate for Uva region, a survey instrument in the form of a questionnaire has been developed and collected data from 40 tea estates of five tea plantations companies. The first part of the questionnaire covers general information of the tea estates and the second focuses on perception of estates managers how, experience of the estate manager, cost of replanting, impact of replanting subsidy, tea land size, estate net sale average, company support, diversification strategy adopted, impact of lack of labor and impact of climatic factor effect on replanting of Uva region. Multiple linear regression analyses of responses from 40 participants reveal that cost of replanting, company support and impact of climatic factor effect on percentage of land allocated for replanting by corporate tea sector in Uva region. Descriptive analysis shows that majority of tea estates (40%) are maintaining 0.4 – 0.6 annual replanting rate in Uva region. Results of the multiple linear regression analyses reveal that the most affecting factors on percentage of land allocated for replanting are company support, Cost of replanting and impact of climatic factors. Results elaborate experience of the estate manager, impact of replanting subsidy, tea land size, estate net sale average, diversification strategy adopted and impact of lack of labor do not effect on percentage of land allocated for replanting hence p-value is higher than 0.05 in the multiple linear regression analysis. Eventually considerable attention on above three significant factors is crucial to increase rate of replanting in Uva region.

*Key Words:* replanting, corporate tea sector