

**DETERMINANTS OF NET SALE AVERAGE  
(NSA) OF COCONUT IN KURUNEGALA  
PLANTATIONS LTD**

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## ABSTRACT

Frequent price fluctuation of coconut has recently become a well-known phenomenon in Sri Lanka. The effect of such fluctuations would result in the negative performance of an industry. Even within the division of estate of plantation, this has become a common phenomenon. Therefore, this paper attempts to examine the determinants of NSA of coconut. Kurunegala plantations ltd was selected as the place of study. Weekly panel data set of 8 estates of Kurunegala plantations was selected and analyzed using a regression model as the first test. Fallen nuts per parcel, average weight of the nut, total nuts and the agro climatic zones were selected as the independent variables and NSA was the dependent variable. As the second test, t-test was performed to find out the differences between two agro climatic zones. The result of the regression analysis reveals that all the selected variables are negatively significant with the NSA. However, when the 8 estates were analyzed separately, Katugampola and Kurunegala estates showed a positive relationship with average weight of the nut and Katugampola is significant and Kurunegala is not significant with NSA. The overall result reveals that NSA in Kurunegala plantations is determined by the total nuts, fallen nuts per parcel, average weight of the nut. Result of the t-test showed that Wet Zone has the higher NSA than Dry zone.

*Key words:* - Coconut, NSA, Panel data