

**STAKEHOLDERS' WILLINGS TO SELL GREEN TEA THROUGH
COLOMBO AUCTION**

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
**BAMUNUSINGHE ARACHCHIGE LASIKANGI ARUNODI
WIJESEKARA**

**Department of Export Agriculture
Faculty of Animal Science and Export Agriculture
Uva Wellassa University of Sri Lanka**

2016

ABSTRACT

Tea industry plays a major role in Sri Lankan economy. Black tea that produce within the country are primarily marketed through Colombo tea auction. Colombo tea auction is admired as the world largest single origin and most professional tea auctions in the world. Public auction is the most popular mode among the four marketing channels. The Ceylon green tea industry growing rapidly, though it is young. Green teas are primarily trading through the private sales and the direct sales. Adopting to an auction system will increase the transparency.

The objective of this study is to assess the stakeholders' willingness to trade green tea through the Colombo auction. The target benefits to the buyers as well as the manufactures can be achieved by identifying the potential to shift in to the auction system. 18 Producers from green tea manufacturing sector, 40 Auctioneers from tea brokering sector and 69 Buyers from tea buying sector were selected using simple random sampling technique. For collection of data pre tested structured questionnaire and direct interview method were administrated. Ordinal logistic regression was used to find out the relationship between the levels of willingness to sell green tea through Colombo auction. To assess the willingness likert scale was used (1-strongly agree, 2-agree, 3- neutral, 4- disagree, 5- strongly disagree). According to ordinal logistic regression tests, bought tea quantity per month, green tea buying frequency, mostly practiced marketing channel, green tea importation, experience in tea auction and volume of the company are significant at 5% ($p= 0.05$) in buying sector. Experience in tea trade, number of green tea manufactures deal with the company, green tea selling quantity per month are significant at 5% ($p= 0.05$) in brokering sector. To analyze the willingness of the manufactures descriptive statistic was used. 72% producers, 62.5% brokers and 30% buyers are willing to sell green tea through Colombo auction. Finally this study has concluded that most of the producers and brokers are willing to sell green tea through Colombo auction but majority of the buyers do not willing to trade green tea through Colombo auction.

Key words: Green tea, Willingness to sell, Auction, Brokers, Buyers, Producers