

**BROKER - PRODUCER INTERACTION ON TEA  
PRODUCER'S SATISFACTION IN PRICE  
REALIZATION**

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## ABSTRACT

Sri Lankan Tea industry is one of oldest and important industry in the country due to its contribution to the country's economy. Teas that produced within the country are primarily marketed through Colombo tea auction and then exported to other countries either in bulk or value added form. Primary marketing process through public auction is the most popular mode of trade within the country. Since the producer doesn't have any active role in the auction system they have to appoint a broker for selling on behalf of them and they have to interact with their selling broker to effort for their desired price levels.

The study was aimed to assess the impact of broker producer interaction in producer's satisfaction in price realization and to identify constrains faced by producers in adoption of broker's manufacturing advices. A survey using structured questionnaire was carried out to collect the data from random sample of 50 tea producers who obtain the service of Asia Siyaka Commodities Limited. Multiple Linear Regression was used to find out the relationship between the level satisfaction and other explanatory variables. Descriptive statistical analyze method was used to determine constrains faced by tea producers in adopting manufacturing advices given by the broker.

Result revealed that the producer's satisfaction in price realization was significantly determined by the frequency of visiting the broker, obtaining special musters on tea from broker, frequency of obtaining manufacturing advices and over the phone communication at 5% probability level. Further level of satisfaction in price realization was significantly determined by the obtaining type samples of tea from broker and placing price limits on tea to be sold at 10% probability level. Placing price limits on tea to be sold was found to be negatively related to the level of satisfaction in price realization whilst all other variables showed positive relationship. The most important constrain perceived by tea producers in implementing broker's advices was poor leaf standards.

*Key words - Tea producer, Broker, Interaction, Price Realization, Satisfaction*