

**IMPACT OF QUALITY AND SYSTEM  
CERTIFICATIONS ON PROFITABILITY OF  
TEA ESTATES IN UP COUNTRY REGION**

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## ABSTRACT

Tea is the most popular beverage in the world next to water. Sri Lanka was the fourth largest tea producer and the third largest exporter in the world. Today Ceylon tea has become world over due to the high quality and the distinct flavor. Major exporting countries of Ceylon tea are Russia, Iran, etc. At the moment different tea importing countries from Sri Lanka have applied different quality and system certifications to confirm that tea is a healthiest beverage and it is produced according to the hygienic conditions. The research was conducted to ascertain the impact of the certifications for the profitability of tea estates and to identify the most important certification to be implemented in tea estates. The research was carried out in the up country region by using 40 tea estates coming under Regional plantation companies according to a structured questionnaire. Profitability of the estates was analyzed descriptively and statistically and ascertained the impact of certifications for the profitability by running a multiple linear regression model. Best quality and system certification was also identified according to the ranking order provided by the managers and analyzed by using Friedman non-parametric test. The results were revealed there was a positive significant relationship between the profitability and the number of certifications was at 5% significant level. According to the results most important quality certification was ISO 22000 and the system certification was the FLO. The findings revealed there was profitability improvement from the certifications is a long term benefit and not a short term benefit.

*Key words:* Quality and system certifications, profitability of tea estates, Regional plantation companies, Multiple linear regression, Friedman test