

Analysis of the Factors Affecting the Replanting Decision by Tea Small Holders in Yatinuwara Divisional Secretariat Division

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Tea is the third largest foreign exchange earner in Sri Lanka and 74% of the total tea production in the country comes from tea small holdings sector. Despite superiority of tea small holders in numerous ways to the plantation sector, this sector is not free from problems. In conformity to national policy, 2% of the existing tea extent has to be annually replanted in order to maintain the tea extent to obtain maximum yield. However, present annual replanting rate in the tea small holdings sector is 0.8%. The low levels of decision making on replanting in tea small holdings is a factor responsible for not reaching desirable replanting rate. Considering this, a research was carried out in Yatinuwara Divisional Secretariat division in Kandy district, to identify the factors that affect on decision making on replanting. Sixty tea small holders were selected from Gannoruwa, Manikdiwele and Dhanthure by using the stratified random sampling technique and the data were analyzed using descriptive techniques and regression analysis.

Present study identified that income sources other than tea, replanting subsidy, cost of replanting, price of green tea leaves, labour availability, credit facilities, and tea land size significantly affect on replanting decision of tea small holders. More specifically, one unit change in income sources other than tea, replanting subsidy, labour availability, and credit facilities lead to average change in replanting decision by 22.08, 0.00018, 16.00 and 10.80 units respectively, while age of tea small holder, cost of replanting, price of green tea leaves and tea land size negatively related to replanting decision.

The study strongly recommends that increase in replanting subsidy and provision of credit facilities at a low interest rate should be considered to maintain an acceptable replanting rate.

Key words: Replanting rate, Stratified random sample method, Regression analysis, Replanting subsidy