

**IMPACT OF ENTREPRENEURIAL ABILITIES AND SUSTAINABLE
PRACTICES ON THE PERFORMANCE OF TEA SMALLHOLDER
FARMERS IN MATALE DISTRICT, SRI LANKA**



By

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ABSTRACT

Tea is one of the most widely consumed and reasonably priced drinks in the world. It is one of Sri Lanka's major export commodities, significantly contributing to national income and providing employment to a large segment of the population. Smallholders manage about 60% of the country's tea land and are responsible for around 70% of the total tea production. However, smallholders often use traditional methods, which can limit productivity and sustainability. They face difficulties in accessing modern agricultural technologies and practices. Despite these challenges, their contribution is crucial for local economies and rural development. In this context, this study aims to investigate the impact of entrepreneurial abilities and sustainable practices on the performance of tea smallholder farmers in the Matale District. 100 tea smallholder farmers were selected using a simple random sampling method, and a pre-tested structured questionnaire was used to collect the data. The data were analyzed using SPSS version 24 software. Descriptive statistics and multiple regression analyses were conducted to analyze the variables. The results of the demographic analysis showed that 55% of the farmers were aged 56 and above, 69% of the respondents had at least a secondary education level, and 61% of them had been farming for more than 16 years. It was observed that 25% of respondents' main source of income is from tea cultivation, while 39% depend on other sources of income. The multiple regression model explains 50.5% of the variance in tea smallholder farmers' performance, with an adjusted R-squared of 0.436, indicating a good fit. This study shows that factors such as decision-making ability ($p = 0.038$), land size ($p = 0.003$), and family monthly income ($p = 0.033$) positively influence the performance of smallholder tea farmers. Conversely, innovation ability ($p = 0.012$) and gender ($p = 0.017$) negatively influence performance. These findings suggest that enhancing decision-making ability, optimizing land use, and improving financial stability can positively affect smallholder performance. Addressing barriers to innovation and gender-related issues is crucial for better outcomes. Future interventions should focus on these areas to support and improve the productivity of tea smallholders.

Keywords: Entrepreneurial abilities, Performance, Smallholder farmers, Sustainable practices, Tea

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