

## **IMPACT OF THE DYNAMICS IN TALIPOT LEAF BASED TEA PACKAGE PRODUCTION IN *HAMBANTOTA* DISTRICT**

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There is a growing demand for Talipot (*Corypha umbraculifera*) leaf tea packages due to policies on restricted use of polythene in tea importing countries. The eco-friendly Talipot leaf tea package production has provided livelihood option for rural people in *Hambantota* district. However, the industry performance has been reduced recently due to several reasons. To ensure the progress of the industry, this study focuses on finding the causes of breakdown. Further, possible diversification of Talipot products and cost reduction strategies were assessed. A sample of 70 producers was randomly selected from *Thissamaharama* and *Katuwana* DS divisions in *Hambantota* district for the analysis. The data were collected through a pre-tested structured questionnaire. The multiple linear regression was used to determine the factors affecting income from the industry. The results revealed that the income from Talipot tea package production has a significant ( $p < 0.05$ ) relationship with the experience of producers (0.903) and market distance (-0.111). The cost analysis found the production cost per package is 7.88 LKR. Approximately 43% of production cost incurs for transportation of raw materials and final products. Among the other products made out of Talipot leaves, 79% of people are willing to produce wedding cake packages at a unit price of 75.00 LKR. The study recommends that, increasing collecting centres to reduce transportation cost and provide training programs on; new technologies to minimize production time to improve the performances of this industry. Further, there should be a mass scale promotion programme, sales opportunities, and market links to tourism to make people aware of the possible diversified Talipot products.

**Keywords:** Eco-friendly packaging, Economic sustainability, Livelihood option, Product diversification, Talipot leaf