**Factors Affecting Smallholder Coffee Production: A Study in Kandy District, Sri Lanka**

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**Abstract**

The coffee production of small holders in Kandy district, is relatively high compared to other districts. With the re-emergence of coffee farming, coffee can be a significant source of export earnings to the Sri Lankan economy. This study was focused on determining the factors affecting smallholder coffee production in Kandy district and to identify the problems faced by smallholder coffee producers. Primary data were generated from 139 randomly sampled coffee farmers. Data were gathered via an interviewer administered structured questionnaire through the telephone. Multiple linear regression was used to analyze the data. Factors such as socio demographic characteristics, farm characteristics, production factors and marketing factors were considered under the study. According to the regression results, annual coffee income, land capacity, number of coffee trees and harvesting at the right stage had unstandardized coefficient respectively 0.003, 165.114, 0.581 and 74.220. Moreover, all these factors were positively affected the coffee production. Coffee farmers were mainly constrained with labour supply, provision of capital and climate changes. They were further challenged by the market access issues and lack of technology. It was further revealed that farmers were using stripping techniques to harvest coffee berries. As a result, the quality of the coffee beans was affected negatively. The severe damage caused by monkeys during harvest was another problem that was revealed from the study. As identified, government and other concerning bodies should give emphasis and encouragement to harvest at the right stage of coffee berries. As well as it is recommended to establish a reliable, fair, and transparent price regulation between small holder coffee farmers and intermediaries.

***Key words:*** *coffee, constraints, factors affecting, kandy district*