

**INFLUENCE OF THE LOGISTICS FUNCTIONS ON
CASHEW NUTS EXPORT VOLUME OF CASHEW
EXPORTERS IN SRI LANKA**

BY

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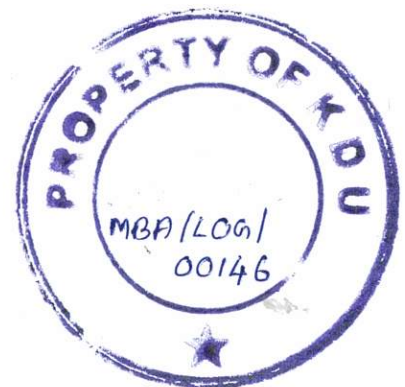
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ABSTRACT

Sri Lanka total economy consists of three main sectors of Agricultural, Industrial and Services. As of to date, there are three main agricultural crops of Tea, Coconut and Rubber which are mainly focused on export rather than domestic usage. In addition to the main exportation crops, there is a significant importance has been made to Sri Lankan Cashew due to the high quality and its unique milky taste. The demand for cashew nuts worldwide is high, but somehow, the current economic indicators show that there is a lack of demand for Ceylon cashew in the global arena as the high cost of finished cashew products due to unreliable markets, high input costs, crop failures, logistics constraints, supply chain inefficiencies and price pressures through the increased competition of global competitors. This research study was purposively to examine the logistics functions influencing on cashew export volume of cashew exporters in Sri Lanka. The study employs stratified sampling method to divide the main group of cashew exporters into two separate subgroups within the population to reach the researcher's outcome and required data were collected by using five-point likert type questionnaire and a direct question to get the cashew export volume for past three years with 165 respondents. This research analyzed the impact of transport, storage and packaging factors towards the cashew nuts export volume in Sri Lanka as those are the major components in logistics scope to affect the outcome of a product. The association between the variables were tested using the Spearman correlation analysis method and impacts of the independent variables on the dependent variable were measured using the multiple linear regression analysis method. These analyses were conducted using IBM SPSS Statistics 26 version. The study finding identifies availability of transport by 69%, transport costs by 58%, load losses by 63% and freight forwarding risks by 58% as the transport factors, heat storage facilities by 66%, cost of storage by 68%, insect infestation by 73% and nutrients losses by 52% as the storage factors and availability of packing materials by 71%, packaging costs by 65%, modern technology on packaging by 71% and volatility of consumer preferences by 61% as the packaging factors which influence on cashew export volume in Sri Lanka. The subject research study was further revealed that to ensure the availability of reliable road network system, high capacity of heat storage infrastructures and availability of packing materials including modern technological advances will lead to improve the exports volume of Ceylon cashew. With reference to the above, the research study recommends that; Industry should have an effective plan for improvement of the infrastructures especially roads and railway so as to make the transportation easier and the exporters should encourage the use of modern technology into their supply chain to streamline the cashew processing mechanism and packaging of cashews to develop the outcome with a competitive pricing and saving time for the whole supply chain process.

Keywords: *Sri Lankan Cashew, Cashew Nuts Exports, Logistics Factors, Transport, Storage & Packaging Factors*