

02nd October, 1985.

Circular Letter No.MF/BL.66

TO: ALL REGISTERED TEA MANUFACTURERS.

Dear Sir,

Payment of a Reasonable Price for Green Leaf  
Purchased by Tea Factories.

Reference is requested to paragraph 3 of my circular letter No.MF/BL.64 of 17th June, 1985, regarding the formula for calculation of the reasonable price payable for green leaf.

2. The Sri Lanka Tea Board has now decided to revise the present outturn percentage of 22.22 (i.e. 4.5 kgs. of green leaf to 1 kg. of made tea) to 21.5 percent (i.e. 4.65 kgs. green leaf to 1 kg. of made tea) for calculation of the reasonable price payable for green leaf purchased by tea factories during the months of April, May, June, September, October, November and December of each year. The present outturn percentage of 22.22 should, however, be used in respect of the balance 5 months of the year.
3. Examples on calculation of the reasonable price according to the revised outturn percentage are shown overleaf.
4. The revised outturn percentage will take effect for the payment of green leaf purchased by tea factories on and after 01st September, 1985.
5. Please acknowledge receipt of this circular.

Yours faithfully,

Sgd. G.A. de Silva  
TEA COMMISSIONER.

Copy to: 1) S/P.I.

- |   |   |                      |
|---|---|----------------------|
| 2) The Director General                       | } | Sri Lanka Tea Board. |
| 3) The Internal Auditor                       |   |                      |
| 4) The General Manager, TSHDA/JEDB/SLSPC/LRC. |   |                      |
| 5) All Field Officers.                        |   |                      |

Examples on Calculation of Reasonable Price.

1) the Net Elevational Average of a Kilogramme of Made Tea for a month is - Rs. 40.00

AND

(1) the Net Sale Average price realised by the factory for a kilogramme of Made Tea for that month is - Rs. 30.00

OR

(2) the Net Sale Average price realised by the factory for a kilogramme of Made Tea for that month is - Rs. 50.00

(1)(a) the manufacturer's share per kilogramme of Made Tea (when his Net Sale Average per kilogramme is less than the Net Elevational Average) is Rs.  $30.00 \times 3/10$  - Rs. 9.00

(b) the leaf supplier's share per kilogramme of Made Tea is Rs.  $30.00 \times 7/10$  - 21.00

The Reasonable Price payable for a kilogramme of Green Leaf is Rs.  $21.00 + 4.65$  - Rs. 4.516

(2)(a) the manufacturer's share per kilogramme of Made Tea (when his Net Sale Average per kilogramme is more than the Net Elevational Average) upto Elevational Average is Rs.  $40.00 \times 3/10$  - Rs. 12.00

and, on the excess of the Elevational Average  $(Rs. 50.00 - Rs. 40.00) \times \frac{1}{2}$  - Rs. 5.00

Total - Rs. 17.00

(b) the leaf supplier's share per kilogramme of Made Tea is - upto the Elevational Average Rs.  $40.00 \times 7/10$  - Rs. 28.00

and, on the excess of the Elevational Average  $(Rs. 50.00 - 40.00) \times \frac{1}{2}$  - Rs. 5.00

Total - Rs. 33.00

the reasonable price payable for a kilogramme of Green Leaf is Rs.  $33.00 + 4.65$  - Rs. 7.096