

தூய்மை வாழ்க்கை முன்னேற்ற அறிக்கை **PROGRESS REPORT**

2015



வடிகாட்டி கட்டுமான அமைச்சு
பெருந்தோட்ட கைத்தொழில் அமைச்சு
Ministry of Plantation Industries

Progress Report

2015

Ministry of Plantation Industries

11th Floor, Sethsiripya 2nd Stage, Battaramulla

Telephone: 011 - 2186160

Fax : 011 - 2186076

Web Site: <http://www.plantationindustries.gov.lk>



Hon. President Maithripala Sirisena



Hon. Prime Minister Ranil Wickremesinghe



Hon. Minister Navin Dissanayake



Hon. Deputy Minister Lakshman Wasantha Perera

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Introduction

Within the Cabinet of Ministers formed with the purpose of implementing 100 days programme of the new government appointed after the Presidential Election held on 08th January 2015, the following subjects had been assigned to the new Ministry established by the name of “Plantation Industries” amalgamating few Ministries and subjects of the Ministries functioned prior to the date concerned.

➤ **Establishment of New Ministry of Plantation Industries**

- All subjects and institutions came under the purview of then “Ministry of Plantation Industries”.
- All subjects and institutions came under the purview of then “Ministry of Coconut Development and Janatha Estate Development”.
- All subjects and institutions came under the purview of then “Ministry of Sugar Development”.
- The subject of Cashew came under the scope of then “Ministry of Minor Export Crop Promotion” (Sri Lanka Cashew Corporation).
- 5 institutions came under the purview of then Ministry of “State Resources and Enterprise Development”.

➤ **New Ministry to New Building**

The new Ministry was established on the 8th, 10th and 11th Floors of Sethsiripaya 2nd Stage, Battaramulla on 05.02.2015.

➤ **Duties and Functions assigned to the Ministry**

(In line with the Gazette Extraordinary No.1897/15 dated 18th January 2015)

- ❖ Issuance of licences related to tea and rubber.
- ❖ Issuance of permits for export of tea.
- ❖ Issuance of licences related to fragmentation of coconut and rubber estates, and their control.
- ❖ Optimum utilization of plantation lands through multiple cropping and integrated farming, and increasing production and employment thereby.
- ❖ Matters relating to the development, promotion and research of the tea, rubber and coconut industry.
- ❖ Direction and supervision of activities carried out by the Competent Authorities appointed in respect of revival of underutilized assets of Pelwatte Sugar Industries Ltd. and Sevanagala Sugar Industries Ltd., vested in the Secretary to the Treasury, under Act, No.43 of 2011.
- ❖ Supervision, co-ordination, provision of guidance and introduction of structural adjustments to the enterprises assigned to the Ministry.
- ❖ Management and protection of state resources in relation to the Sugar industry.
- ❖ All other subjects that come under the purview of the institutions assigned to the Ministry.
- ❖ Supervision of the institutions assigned to the Ministry.

**Institutions affiliated to undertake
functions of the Ministry**

- Sri Lanka Tea Board
- Tea Research Institute
- Tea Small Holdings Development Authority
- Tea Shakthi Fund
- Kalubovitiyana Tea Factory Ltd.
- Sri Lanka State Plantation Corporation
- National Institute of Plantation Management
- Elkaduwa Plantation Ltd.
- Rubber Development Department
- Rubber Research Institute
- Thurusaviya Fund
- BCC Company Ltd.
- Coconut Cultivation Board
- Coconut Development Authority
- Coconut Research Institute
- Kurunegala Plantation Ltd.
- Chilaw Plantation Ltd.
- Sri Lanka Cashew Corporation
- Sri Lanka Rubber Manufacturing and Export Corporation
- Sugarcane Research Institute
- Hingurana Sugar Industries Ltd.
- Lanka Sugar (Private) Company Ltd.
- Gal Oya Plantation (Private) Company
- Janatha Estate Development Board
- Tea and Rubber Estates (Control of Fragmentation) Board

Special Programmes and Projects assigned to the Ministry

Following programmes and projects for which provisions were allocated through the Budget 2015 and implemented under the Ministries amalgamated to the new Ministry have been assigned to this Ministry.

- Smallholder Plantations Entrepreneurship Development Programme (Foreign funded project)
- Programme for surveying and mapping of tea, rubber and plantation lands using GIS
- Programme for cadastral surveying and mapping of lands owned by Regional Plantation Companies
- Programme for soil conservation and productivity promotion in tea smallholdings
- Programme for Control of Weligama Coconut Leaf Wilt and Rot Disease
- Organic Fertilizer Promotion Programme for coconut cultivation
- Sugarcane Nursery Programme

**Special Subject and Institutions assigned to State
Ministry of Plantation Industries**

- The subject of “Sugar” and following institutions were assigned to the “State Ministry of Plantation Industries”.
 - Sugar Research Institute
 - Hingurana Sugar Industries Ltd.
 - Lanka Sugar (Private) Company Ltd.
 - Gal Oya Plantation (Private) Company
 - Janatha Estate Development Board

➤ **Assuming Duties By Hon. Ministers**

- Hon. Lakshman Kiriella, Minister of Plantation Industries - 16.01.2015
- Hon. K. Velayudam, State Minister of Plantation Industries - 21.01.2015
- Hon. Jagath Pushpakumara, Deputy Minister of Plantation Industries - 25.03.2015

**Revision of the Scope of the Ministry and affiliated Institutions
after the General Election**

The subjects and institutions that came under the purview of the Ministry of “Plantation Industries” established in the Cabinet of Ministries for implementation of 100 days programme had been revised in the Ministry of “Plantation Industries” formed after the Parliament General Election held on 18.07.2015.

➤ **Duties and Functions assigned to the Ministry as per the Gazette Extraordinary No.1933/13 dated 21st September 2015**

- Provision of incentives and other facilities to increase yield of plantation crops
- Enhance international competitiveness for productivity in the plantation industry
- Adoption of necessary measures to promote value addition industries based on plantation crops
- Issuance of licences related to tea and rubber
- Issuance of permits for export of tea
- Issuance of licences related to fragmentation of tea and rubber estates, and their control
- Optimum utilization of plantation lands through multiple cropping and integrated farming, thereby increasing production and employment
- Matters relating to the development, promotion and research activities of tea, rubber and coconut industries
- Introduction of structural changes in respect of enterprises assigned to the Ministry

- Assuming Duties By new Hon. Ministers after the Parliament Election

➤ **Assuming Duties By Hon. Ministers**

- Hon. Navin Dissanayake, Minister of Plantation Industries - 07.09.2015
- Hon. Lakshman Wasantha Perera, Deputy Minister of Plantation Industries - 14.09.2015

**Institutions assigned to the Ministry as per the Gazette Extraordinary
No.1933/13 dated 21st September 2015**

- Sri Lanka Tea Board
- Tea Research Institute
- Tea Small Holdings Development Authority
- Tea Shakthi Fund
- Kalubovitiyana Tea Factory Ltd.
- Sugarcane Research Institute
- Tea and Rubber Estates (Control of Fragmentation) Board
- Rubber Development Department
- Rubber Research Institute
- Thurusaviya Fund
- National Institute of Plantation Management
- Coconut Cultivation Board
- Coconut Development Authority
- Coconut Research Institute
- Sri Lanka Rubber Manufacturing and Export Corporation

Activities of 100 days Programme

➤ Implementation of Guaranteed Price Scheme for Tea

A guaranteed price of Rs.80/- per kg of green leaf produced by the tea smallholders was implemented. The guaranteed price was paid through the factories categorizing the quality of green leaf as given below.

Quality of green leaf	Price per kg of green leaf
Equal to or above 60%	Rs.80/-
55%-59%	Rs.75/-
45%-54%	Rs.73/-

- The provisions of Rs.6738 million were allocated for the payments up to end of September 2015.
- Progress (As at 31.08.2015)

Area	No. of Factories	Amount paid (Rs.)
Bandarawela	76	161,439,820.99
Galle	570	1,416,493,942.18
Gampola / Hatton	221	779,230,033.94
Matara	533	1,358,429,251.02
Mathugama	293	1,121,624,930.29
Ratnapura	518	2,306,462,262.04
Total	2211	7,143,680,240.46

➤ Implementation of Guaranteed Price Scheme for Rubber

A guaranteed price of Rs.350/- per kg of rubber was implemented. The subsidies were directly paid to the rubber smallholders under the following categories with effect from 01.04.2015 and as the methodology was complicated, the guaranteed price has been paid to the rubber smallholders through the rubber dealers with effect from 01.07.2015.

Category of Rubber	Guaranteed Price (Rs.)
R.S.S. 1 and 2	350.00
R.S.S. 3	325.00
R.S.S. 4 and 5	300.00
For Latex	300.00

- This guaranteed price scheme was implemented only for the rubber smallholders of less than 50 acres in extent.
- The General Treasury had allocated provisions of Rs.2317 million to the Rubber Development Department to implement this scheme up to 30th September 2015.
- Progress (As at 31.08.2015)

➤ Programme to establish ownership of Plantation Worker Houses

The possession of lands in extent of 7000 perches for construction of houses were bestowed to 1098 plantation workers in Nuwara Eliya, Badulla and Kandy Districts as,

- 522 plantation workers of 08 Plantation Companies,
- 224 plantation workers of Janatha Estate Development Board,
- 352 plantation workers of Sri Lanka State Plantation Corporation.

Progress of Regional Office wise payments as at 31.08.2015

Regional Office	No. of applications received	No. of applications paid	Amount paid (Rs. Mn.)
Kalutara	6613	6525	131.81
Monaragala	3665	3562	68.22
Ratnapura	10412	9639	178.57
Galle	2517	2013	56.27
Kegalle	21750	19938	384.92
Head Office	26497	24953	565.82
Total	71454	66630	1385.61



Tea Sector



Overall Performance

Details	Year 2014	Targets	
		Year 2015	Year 2016
Tea Production (Mn. Kg.)	338.00	333.6	338.4
Productivity (Kg. Hectare)	1747	1803.0	1844.0
Export Revenue (Rs.Bn.)	212.60	234.0	260.0
Replanting (Hectare)	1293.00	1500.0	1700.0
New planting (Hectare)	410.00	650.0	360.0

Details	(From January to August)	
	2014	2015
Tea Production (Mn. Kg.)	226.47	225.59
Average sale price of tea per kg at Colombo Tea Auction (Rs. / Kg.)	472.84	406.73
FOB (Free On Board) Price (Rs. / Kg.)	658.13	595.52

Expansion of Tea Cultivation

- The tea cultivation has expanded to an extent of 204,024 hectares by the end of year 2014.
 - Tea Small Holding Sector - 120,955 hectares (59%)
 - 20 Regional Plantation Companies - 73,756 hectares (36%)
 - Under government institutions - 9,313 hectares (5%)

Tea Small Holding Sector

➤ Cultivation

- An extent of 4 hectares or less is defined as a tea small holding. The average land extent of a tea small holding is approximately 0.33 hectares.
- The tea small holding sector expanding in 3,692 Grama Niladharis' Divisions of 123 D.S. Divisions in 14 tea growing districts, represents about 60% of the total extent of tea lands.

➤ Performance

Details	From January to 31 st August	
	2014	2015
Production of tea small holders (Mn. Kg.)	165.122	163.95
Contribution of the total tea production (%)	72.91	73.01
Productivity (Kg / made tea / hectare)	2126	2111

➤ Tea Production

Elevation	Year 2014 (Mn. Kg.)	From January to 31 st August (Mn. Kg.)		
		2014	2015	Variance (%)
High Grown	78.7	10.494	9.847	-6.17
Medium Grown	49.1	20.995	21.650	3.12
Low Grown	210.2	133.633	132.456	-0.88
Total	338.0	165.122	163.955	-0.71

➤ Cost of Production

Detail	From January to 31 st August	
	2014	2015
Cost of production per kg of green leaf (Rs.)	53.87	54.74

Regional Plantation Companies and Government Institutions

➤ Cultivation

- Tea cultivation in 73,756 hectares has been undertaken by 20 Regional Plantation Companies (RPCs) out of 23 RPCs.
- 9,313 hectares under tea cultivation are owned by the government institutions such as Janatha Estate Development Board, Sri Lanka State Plantation Corporation, Tea Research Institute and Kalubovitiyana Tea Factory Ltd.

➤ **Tea Production**

- Regional Plantation Companies

Detail	From January to 31 st August		
	2014	2015	Variance (%)
Total Tea Production (Mt.)	82,918	81,692	-1.48

- Public Sector

Elevation	From January to 31 st August		
	2014	2015	Variance (%)
High Grown (Mn. Kg.)	476,231	576,409	21.04
Medium Grown (Mn. Kg.)	1,180,009	1,902,812	61.25
Low Grown (Mn. Kg.)	1,722,676	1,740,160	1.01
Total	33,78,916	4,219,381	24.87

Productivity of the Tea Sector

Year	Productivity Kg. / Hectare
2013	1748
2014	1747
2015 (Up to 31 st August)	1803

- The productivity in the years of 2013 and 2014 were 1,748 kg and 1747 kg per hectare respectively.

Tea Production

The tea production from January to August 2015 was 225.59 mn kg, showing 0.3% decrease as against the corresponding period of the year 2014 and registering 1.01% increase as against the corresponding period of the year 2013.

➤ Main Tea Producing Methodology wise

Production Methodology	From January to 31 st August (Mn. Kg.)	
	Year 2014	Year 2015
Orthodox Black Tea	211.05	210.61
C.T.C. Tea	13.22	12.97
Green Tea	2.19	1.99
Total	226.46	225.57

➤ Agro Climatic Zone wise

Climatic Zone	From January to 31 st August (Mn. Kg.)		
	Year 2014	Year 2015	Variance (%)
Nuwara Eliya	3.91	3.92	0.26
Western Hill Country	36.28	35.68	-1.65
Mid-Country	29.58	30.47	3.01
Udapussallawa	4.43	4.23	-4.51
Uva Region	20.26	19.92	-1.68
Low Country	131.97	131.35	-0.47
Total	226.46	225.58	-0.39

➤ Elevation wise

Elevation	From January to 31 st August (Mn. Kg.)		
	Year 2014	Year 2015	Variance (%)
High Grown	53.7	53.1	-1.12
Medium Grown	33.4	34.6	3.59
Low Grown	139.5	137.9	-1.15
Total	226.6	225.6	-0.44

Tea Sale Price

➤ Average sale price (Rs. Kg.)

Elevation	From January to 31 st August		
	Year 2014	Year 2015	Variance (%)
High Grown	426.01	369.82	-13.19
Medium Grown	419.79	385.00	-8.29
Low Grown	503.34	424.07	-15.75
All Elevations	471.61	405.91	-13.93

The average price per kg of tea in the first 08 months of the year 2015 has declined to Rs. 405.91 from Rs. 471.61 in the corresponding period of the year 2014, showing a drop of 13%.

Global Tea Production

The global black tea production had shown a sharp drop in the first 08 months of this year due to decline in tea planting activities in the previous year. The tea production of Kenya has decreased by 48% as against the corresponding period of the previous year and accordingly, the tea production has declined from 282.23 mn kg to 234.62 mn kg. As well, tea planting activities of other tea producing countries in the Eastern Africa Region had also paralysed due to the drought prevailed in the last quarter of the year 2014.

➤ Tea Production in Black Tea Exporting Countries

Country	From January to 31 st August		
	2014 (Mn. Kg.)	2015 (Mn. Kg.)	Variance (%)
Sri Lanka	226.46	225.58	-0.39
North India	558.49	546.06	-2.23
South India	159.13	159.29	0.10
Kenya	282.73	234.62	-17.02
Bangladesh	34.33	34.24	-0.26
Malawi	37.9	32.6	-13.98

Tea Market

➤ Summary of Tea Market Data

Detail	(From January to 31 st August)		
	2014	2015	Variance (%)
Total quantity of tea sale (Mn. Kg.) *	227,243,435	215,039,780	-5.37
Average sale price per kg of tea (Rs.) *	471.61	405.91	-13.93

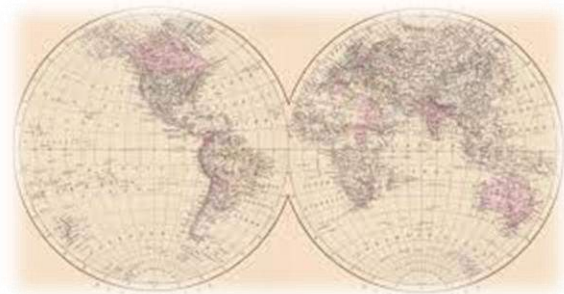
* Included Direct sellings

➤ Data on Colombo Tea Auction (From January to 31st August)

Year	High grown tea		Medium grown tea		Low grown tea		Average Price	
	Quantity (Mn. Kg)	Rs. /Kg	Quantity (Mn. Kg)	Rs. /Kg	Quantity (Mn. Kg)	Rs. /Kg	Quantity (Mn. Kg)	Rs. /Kg
2014	49.4	429.54	35.4	420.33	140.2	503.73	225.0	474.32
2015	46.8	392.70	33.2	370.44	132.2	424.47	212.2	409.01

➤ Sales Details of Main Tea Auction Centres in the World

Auction Centre	From January to 31 st August					
	2014		2015		Variance	
	Quantity (Mt.)	Price per kg (US\$)	Quantity (Mt.)	Price per kg (US\$)	Quantity (Mt.)	Price per kg (US\$)
Colombo	225,033	3.7	212,227	3.1	(12,806)	(0.5)
Kolkata	74,903	2.6	74,756	2.4	(147)	(0.2)
Cochin	35,536	1.7	36,005	1.5	469	(0.2)
Chittagong	35,296	2.0	32,335	2.5	(2,961)	0.5
Mombasa	256,666	2.1	234,451	2.6	(22,215)	0.6
Jakarta	17,768	1.7	14,247	1.5	(3,521)	(0.2)
Guwahati	64,544	2.4	69,768	2.1	5,224	(0.2)
Malawi	7,895	1.4	7,444	1.5	(451)	0.1



Tea Export



➤ Data on Tea Exports

Details	From January to 31 st August		Variance (%)
	2014	2015	
Export Quantity (Mn.Kg)	214.70	201.47	-6.16
Export Revenue (Rs.Bn)	141.32	119.98	-15.10
FOB Price (Rs.Mn)	658.22	595.52	-9.53

➤ Data on Exports and Re-exports of Ceylon Tea

Category	From January to 31 st August							
	Orthodox Black Tea		Green Tea		Instant Tea		Total	
	Quantity (Mn. kg.)	F.O.B. Price per kg (Rs.)	Quantity (Mn. kg.)	F.O.B. Price per kg (Rs.)	Quantity (Mn. kg.)	F.O.B. Price per kg (Rs.)	Quantit (Mn.kg.)	F.O.B. Price per kg (Rs.)
2014								
Exports	205.12	640.06	2.00	1,188.10	1.360	1,131.07	208.48	648.69
Re-Exports	4.61	774.06	1.60	1,534.48	0.002	940.32	6.22	972.77
Total	209.73	1414.12	3.6	2722.58	1.362	2071.39	214.7	1621.46
2015								
Exports	193.39	578.06	1.56	1185.12	1.32	1011.56	196.27	585.79
Re-Exports	3.83	778.34	1.37	1474.93	0.0012	1678.03	5.20	962.54
Total	197.22	1356.4	2.93	2660.05	1.3212	2689.59	201.47	1548.33



➤ Data on Black Tea Exports (Including Re-exports)

Category	From January to 31 st August 2014			From January to 31 st August 2015		
	Quantity (Kg.)	Value (Rs.)	FOB (Rs. / Kg)	Quantity (Kg.)	Value (Rs.)	FOB (Rs./ Kg)
Tea Bags	19,356,556	20,897,105,591	1,079.59	14,784,908	16,216,902,374	1,096.86
Tea Bulk	83,034,342	48,620,987,314	585.55	87,164,840	45,316,155,434	519.89
Tea Packets	107,340,982	65,414,145,321	609.41	95,270,789	53,239,450,142	558.82

➤ Data on Green Tea Exports (Including Re-exports)

Category	From January to 31 st August 2014			From January to 31 st August 2015		
	Quantity (Kg.)	Value (Rs.)	FOB (Rs. / Kg)	Quantity (Kg.)	Value (Rs.)	FOB (Rs./ Kg)
Tea Bags	1,351,041	2,703,121,075	2,000.77	1,187,561	2,284,652,426	1,923.82
Tea Bulk	806,036	478,932,636	594.18	685,800	430,143,075	627.21
Tea Packets	1,444,826	1,663,132,502	1,151.10	1,056,985	1,156,179,506	1,093.85

➤ Data on Instant Tea Exports (Including Re-exports)

Category	From January to 31 st August 2014			From January to 31 st August 2015		
	Quantity (Kg.)	Value (Rs.)	FOB (Rs. / Kg)	Quantity (Kg.)	Value (Rs.)	FOB (Rs. / Kg)
Tea Bags	-	-	-	-	-	-
Tea Bulk	-	-	-	-	-	-
Tea Packets	1,365,707	1,541,505,567	1,128.72	1,320,323	1,336,372,954	1,012.16



➤ Leading 12 destinations of Ceylon Tea exports

leading 12 destinations	From January to 31 st August 2014		From January to 31 st August 2015		Decrease / Increase	
	Quantity (Kg.)	*	Quantity (Kg.)	*	Quantity (Mn. kg.)	% (Mn. kg.)
Russia	29,501,249	13.74	23,953,799	11.89	(5,547,450)	(18.8)
Turkey	29,867,052	13.91	23,848,626	11.84	(6,018,426)	(20.2)
Iraq	13,989,790	6.52	19,168,191	9.51	5,178,401	37.0
Iran	20,423,336	9.51	17,338,456	8.61	(3,084,880)	(15.1)
UAE	12,539,822	5.84	16,580,331	8.23	4,040,509	32.2
Azerbaijan	6,761,803	3.15	7,551,299	3.75	789,496	11.7
Syria	8,747,836	4.07	6,665,718	3.31	(2,082,118)	(23.8)
Kuwait	8,215,445	3.83	6,277,226	3.12	(1,938,219)	(23.6)
Libya	8,344,489	3.89	6,270,365	3.11	(2,074,124)	(24.9)
Japan	6,725,118	3.13	5,591,361	2.78	(1,133,757)	(16.9)
China	3,315,376	1.54	4,734,239	2.35	1,418,863	42.8
Chile	4,589,632	2.14	4,563,235	2.26	(26,397)	(0.6)
Total of leading 12	153,020,948	71.00	142,542,846	71.00	(10,478,102)	(20.2)
Grand Total	214,699,490	100.00	201,471,207	100.00	(13,228,28)	(6.2)

* As % of the total export

Special Activities

- Two advertising agencies have been selected for global promotion and marketing campaign through the “Tea Promotion and Marketing Fund” setup under the Sri Lanka Tea Board and the creative works of the promotional campaigns have been initiated within the identified seven regions namely Russia / CIS Region, Middle East / Gulf Region, African Region, Far East Oceania Region, European Region, Americas Region, South Asian Region.
- A loan scheme was initiated to meet working capital requirement in order to avoid the financial crisis situations faced by the tea factory owners as the price at the Colombo Tea Auction had been declining due to the existing issues in the global market. An interest subsidy of 2% per annum on the loan with an interest rate of 8% provided under this loan scheme, is provided to the relevant financial institution for a period of 2 years by the General Treasury through the Central Bank of Sri Lanka.

Recent Issues / Challenges affected to the Tea Industry of Sri Lanka

- Economic sanctions imposed on some Ceylon Tea importing countries and the internal crisis situations in some countries.
- Decline in the price at the Colombo Tea Auction.
- Low Productivity in tea lands.
- High cost of production.
- Low adoption of modern technology and low capital investment.
- Inadequate replanting.
- Misuse of “Ceylon Tea” brand name and illegal trading of refused tea.
- Insufficient supply of green tea which is also not compatible with the higher demand internationally.

Courses of action taken for development of the Tea Industry

- Introducing a guaranteed price for tea.
- Making a policy decision by the Ministry that the Sri Lanka Tea Board purchases tea at the tea auction and the tea auction price be stabilized thereby to curb declining the price at the international market.
- Granting subsidies to tea smallholders for tea replanting and new planting.
- Providing subsidies for modernization of tea factories and replanting in the corporate sector.
- Granting subsidies for soil and water conservation in tea smallholdings and enhancing productivity.
- Implementation of Working Capital Loan Scheme for tea factory owners.
- Accelerating the implementation of global tea promotion and marketing campaigns.



Rubber Sector

Overall Performance

Details	2014	Targets	
		2015	2016
Quantity of Production (Mn. Kg.)	99	142	150
Productivity (Kg. Hectare)	909	1260	1270
Export Revenue (Rs.Bn.)	122	134	155
Replanting (Hectare)	1862	3850	4120
New planting (Hectare)	1273	7170	7500

Expansion of Rubber Cultivation

At present, rubber cultivation has expanded to an extent of 134,137 hectares of which 85,100 hectares (63%) are contributed by the rubber small holding sector. Further, an extent of 49,037 hectares (37%) is managed under the government institutions.

Although rubber cultivation has yet been undertaken in the traditional areas such as Kegalle, Gampaha, Ratnapura, Colombo, Kalutara, Galle, Matara, Matale, Kandy and Kurunegala, the rubber cultivation is presently being undertaken in non-traditional areas such as Hambantota, Badulla, Monaragala, Ampara, Vavuniya, Mullaitivu, Anuradhapura and Polonnaruwa districts.

➤ Extent of Rubber Lands

Sector	Extent under Rubber (Hectare)		
	2014	2015 (Target)	2016 (Target)
Rubber Small Holding Sector	85,100	88,200	90,090
Corporate Sector	49,037	51,800	52,910
Total	134,137	140,000	143,000

➤ **Extent of Rubber Lands (Hectares)**

District	Year			
	2011	2012	2013	2014
Kalutara	213.09	145.160	269.09	98.91
Kegalle	351.85	279.920	439.30	250.55
Gampaha	60.481	66.990	86.11	49.76
Kurunegala	-	38.360	79.98	56.51
Kandy	-	11.270	26.57	17.91
Matale	-	11.330	14.73	6.47
Ratnapura	165.374	254.019	339.88	153.41
Galle	91	61.097	89.48	18.07
Matara	84.412	92.453	127.59	24.22
Hambantota	32.25	26.102	38.65	5.03
Colombo	39.381	57.822	72.50	48.63
Monaragala	310.37	48.510	558.00	235.93
Badulla	146.93	39.100	129.63	83.87
Ampara	44.72	137.500	402.93	256.17
Vavuniya	-	-	36.80	12.14
Anuradhapura	-	-	3.60	0.40
Polonnaruwa	-	-	3.03	-

The total extent of rubber lands estimated in the year 2015 is 140,000 hectares due to the rubber new planting in traditional and non-traditional areas.

The estimated,

- Extent of mature rubber lands - 115,000 hectares
- Extent of immature rubber lands - 25,000 hectares

Production

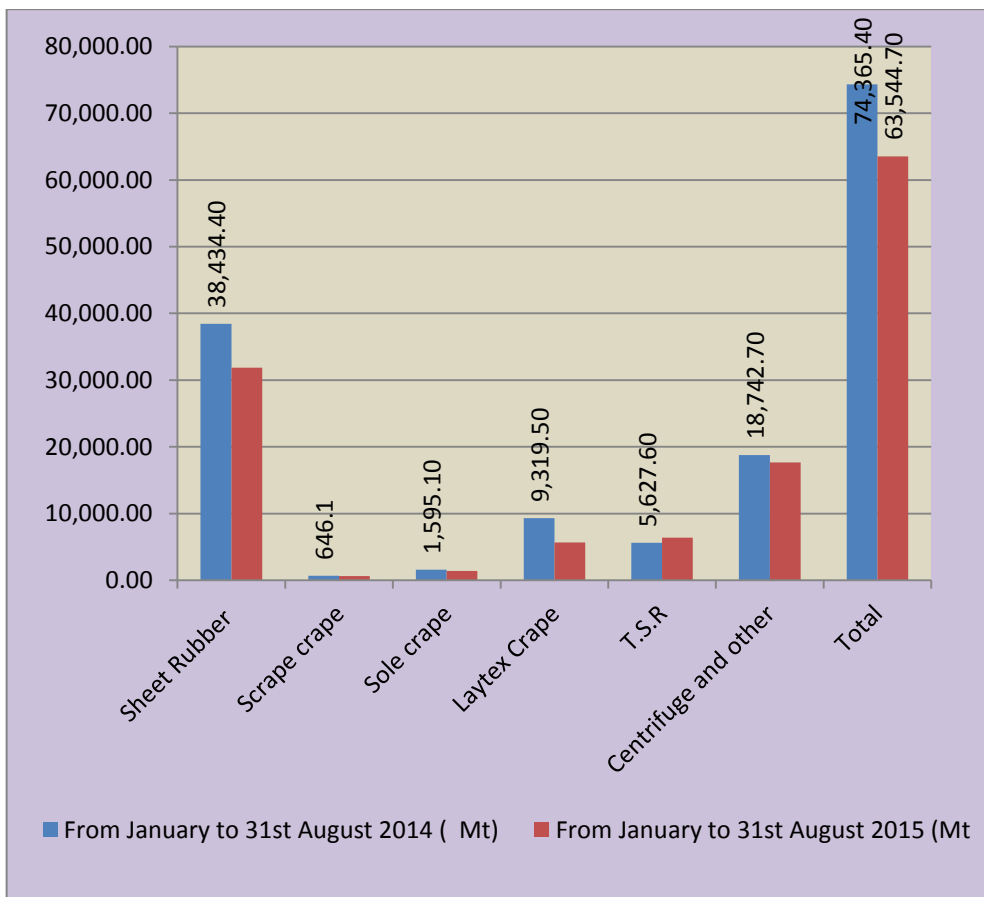
The rubber production from January to the end of August in this year is 63,544 mt. It is 17% decrease as against the corresponding period of the previous year. The reasons for such drop were decline in the price of rubber and the rain prevailed in rubber growing areas. However, it is projected that the rubber production at the end of year 2015 will be 120,000 mt.

The Sheet rubber production which makes the largest contribution to the total rubber production has declined to 31,881 mt (17%) in the period from January to August 2015 compared to the corresponding period of the year 2014. The Sole Crepe production has also

dropped by 13.6% in the period concerned. As well, T.S.R. has increased by 13% and other products including Centrifuge have declined by 17%.

Rubber Production Quantities

Category	From January to 31 st August	
	2014 (Mt.)	2015 (Mt.)
Sheet Rubber	38,434.4	31,880.8
Scrap Crepe	646.1	635.4
Sole Crepe	1,595.1	1,378.0
Latex Crepe	9,319.5	5,650.5
T.S.R.	5,627.6	6,354.5
Centrifuge & Other	18,742.7	17,645.5
Total	74,365.4	63,544.7



Cost of Production (Small Holdings)

Year	Cost of Production (Rs. / Kg.)
2013	150.00
2014	160.00
2015 (Estimated)	170.00

Productivity of the Rubber Sector

Year	Kg. / Hectare
2013	1247
2014	889
2015 (Up to August)	950

Contribution of Rubber Small Holding Sector

Year	From January to August	
	Extent (Hectares)	Production (Mt.)
2014	85100	51,865.4
2015	85,406	50,835.8

- The contribution to the total extent under rubber is 63%.
- Have scattered in 19 districts.
- The contribution to the National Rubber Production is 72%.

Contribution of Corporate Sector

Year	From January to August	
	Extent (Hectares)	Production (Mt.)
2014	49,037	22,500.0
2015	49,037	12,708.9

- The contribution to the total extent under rubber is 37%.
- Have scattered in 12 districts.
- The contribution to the National Rubber Production is 23%.

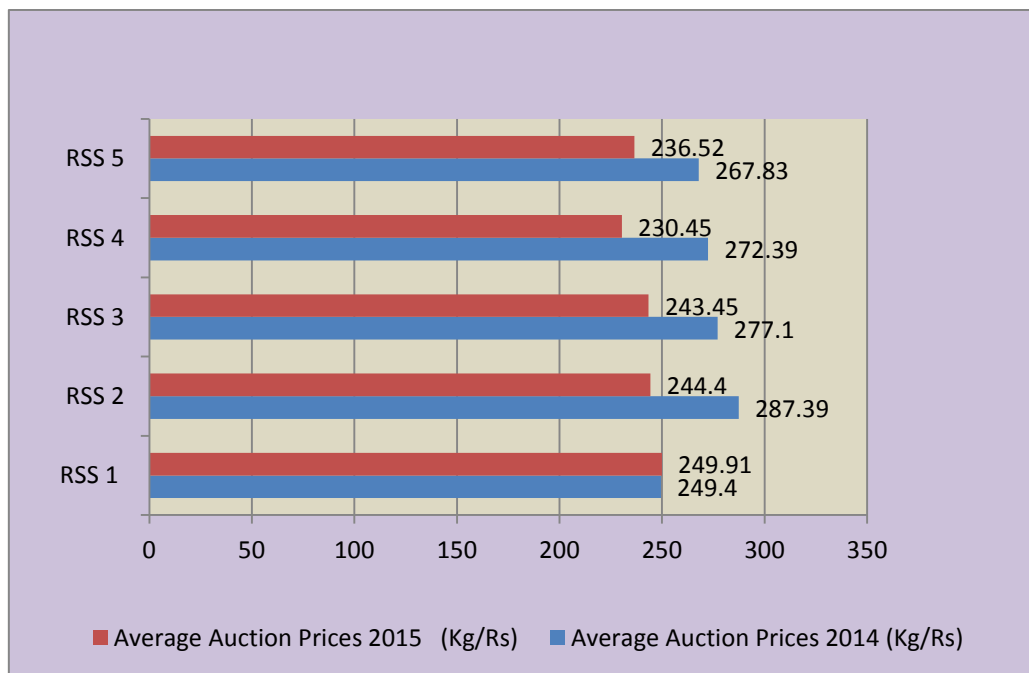
Local Rubber Market

The average price of all types of rubber declined in the first 08 months of the year 2015 compared to the first 08 months of the year 2014.

➤ Average Auction Prices

Prices for RSS Categories from January to August

Category	Average Auction Prices		
	2014 (Rs./Kg.)	2015 (Rs./Kg.)	Variance (Rs./Kg.)
R.S.S. 1	249.40	249.91	-0.51
R.S.S. 2	287.39	244.40	-14.96
R.S.S. 3	272.39	243.45	-10.62
R.S.S. 4	272.39	230.45	-15.40
R.S.S. 5	267.83	236.52	-11.69



➤ Average Prices for Various Categories of Rubber

Price	Colombo Auction Prices - From January to August 2015													
	Price of RSS (Rs./Kg)					Price of Latex Crepe (Rs./Kg)					Price of Scrap Crepe (Rs./Kg)			
	RSS1	RSS2	RSS3	RSS4	RSS5	LC1X	LC1	LC2	LC3	LC4	1XBr	2XBr	3XBr	4XBr
Average	250	244	243	230.4	236	286	280	261	242	202	188	177	171	163
Maximum	323	315	312	280.0	282	340	331	322	288	235	212	202	195	188
Minimum	210	208	205	205.0	200	245	235	215	206	174	161	155	150	142

Rubber Exports

The raw rubber export of Sri Lanka from January to the end of August 2015 was 7,304 mt which was 11% of the total rubber production. It was 17% in the corresponding period of the year 2014. Accordingly, it is 43% decline as against the year 2014. It was attributed by the increase of the quantity of rubber utilized for local products.

➤ Rubber Production and Export

Year (From January – August)	Rubber Production (Mt.)	Quantity of Exports	Export of the Production %	Export Revenue (Rs. Mn.)
2014	74,365	12,848.0	17.27	80,361
2015	63,545	7,304.1	11.49	72,252

➤ Category wise Rubber Exports

Category	From January to August	
	2014 (Mt.)	2015 (Mt.)
Sheet Rubber	1583.8	732.61
Sole Crepe	1519.1	1,312.68
Scrap Crepe	-	12.50
Latex Crepe	7765.4	4,708.78
T.S.R	816.7	339.81
Centrifuge & Other	1162.7	197.72
Total	12,847.7	7,304.10

➤ **Value Added Rubber Products**

Details	From January to 31 st August	
	2014	2015
Quantity value added (Mt.)	61,772	49,101
Variance as against the corresponding period of the previous year (%)	- 6.8	- 23
Export revenue of the products (Rs. Mn.)	75,674	65,259

- Total natural rubber quantity used for production
2014 – 85,632 Mt.
2015 – 11,000 Mt. (80% of the production estimated)

➤ **Locally value added products, appeared a significant trend**

- Tyre and tube
- Sheets and belts
- Surgical and other gloves
- Carpets
- Mats

Global Natural Rubber Production

The rubber production of Sri Lanka from January to August 2015 was 0.82% of the total global rubber production, showing 23% decline compared to the corresponding period of the previous year. About 82% of the rubber production of Sri Lanka is used for local consumption. However, the variance in the price of global economy and the demand and supply of the rubber directly affects to the local rubber price.

➤ **Global Natural Rubber Production**

Country	'000 Mt	
	From January to 31 st August	
	2014	2015
Thailand	2698.0	2601.8
Indonesia	2173.8	2162.8
Vietnam	483.7	600.0
China	457.1	451.4
India	466.5	383.0
Malaysia	454.3	469.0
Sri Lanka	74.8	57.6
Cambodia	52.3	75.4
Philippine	64.0	64.0

Issues related to the Rubber Sector

- Decline in the prices of rubber.
- Decrease in the capacity for expansion of rubber plantation to the traditional areas due to the urbanization and industrialization.
- Shortage of skilled rubber tappers.
- Insufficient of application of fertilizer to the mature plantation.
- Low interest of the rubber small holders in utilization of new techniques.

Special courses of action taken for enhancement of the rubber sector

- Implementation of Guaranteed Price Scheme for Rubber.
- Identifying rubber cultivable lands in non-traditional areas and expanding the rubber cultivation.
- Implementing rubber tapping training programmes.
- Preparation and submission of “Master Plan” for rubber sector.

➤ **Sri Lanka Rubber Industry Development Master Plan**

Sri Lanka Rubber Industry Development Master Plan was submitted to the Cabinet of Ministers and has been referred to the Sub-Committee on Economic Affairs.



Coconut Sector



Overall Performance

Details	2014 Actual	Targets	
		Year 2015	Year 2016
Coconut yield (Mn. Nuts)	2870.00	3107.00	3650.00
Export revenue (Rs. Mn.)	72.00	80.00	90.00
Productivity (Nuts/Hectare)	7.28	8.88	9.26
Coconut seedling production (Mn. Nuts)	6.31	4.02	4.00

Details	January - August		
	2014	2015	Variance %
Coconut yield (Mn. Nuts)	1912.67	2023.99	5.82
Coconut auction price (Rs. per 1000)	29,792.54	30,128.75	1.13
No. of coconut seedlings distributed	2,217,665	1,326,971	-40.16
Export revenue (Rs. Mn.)	48137.99	49598.65	3.03

Coconut Cultivation

➤ **Coconut Seedling Production.**

Year	Seedlings produced (Mn.)
2011	4.1
2012	7.8
2013	6.5
2014	4.3
2015 (Up to 31 st August)	1.13

The target of coconut seedling production in the year 2015 is 4.5 mn seedlings and placing of all seed nuts required for the purpose had been completed by 31.08.2015.

➤ **Distribution of Saplings**

Coconut saplings are distributed free of charge to the lands less than 5 acres by the Coconut Cultivation Board. Coconut saplings are distributed through 08 major programmes including various fields and cultivators. “Divimagata Kapruka” coconut home garden programme was implemented in the year 2015 in place of “Divi Neguma” coconut home garden programme implemented in the year 2014. The Coconut Cultivation Board had distributed 1.597 mn and 1.326 mn coconut saplings as at 31.08.2014 and 31.08.2015 respectively.

➤ **Coconut Yield**

It has been estimated that the coconut yield will be exceeded 3000 mn nuts in the year 2015 after 15 years. Accordingly, a coconut yield of 3500 mn nuts will be projected. A yield of 2023 mn nuts had been reaped as at 31.08.2015, registering 5.75% increase as against the corresponding period of year 2014.

Details	Years				
	2011	2012	2013	2014	2015 (From January to August)
Coconut yield (Mn. Nuts)	2808	2940	2513	2870	2023

Coconut Prices

➤ Average auction, wholesale and retail prices are given below.

Price Category	Average price as at August (From January to August)		
	2014	2015	Variance %
Auction (Colombo)	29.0	30.0	3.45
Wholesale	31.0	35.0	12.90
Retail	41.0	50.0	21.95

Export of coconut based products

➤ Coconut based products as at 31.08.2015

36 products had been exported to 102 countries.

➤ Export Revenue

Product	Year		From January to August		
	2013	2014	2014 (Rs. Mn.)	2015 (Rs. Mn.)	Variance %
Coconut kernal based	17,381	37,191	23,439.03	26,926.14	14.88
Coir fibre	4,774	6,543	4,655.08	3,197.66	-31.31
Coir fibre finished products	15,737	18,271	7,048.88	6,776.59	-3.86
Coconut shell based products	9,651	10,656	12,852.26	12,593.34	-2.01
Other	407	217	142.74	104.93	-26.49
Total	47,950	72,878	48,137.99	49,589.65	3.02

The export revenue has increased by 3.2% in the year 2015 compared to the period from January to the end of August 2015.

➤ Fluctuation of Export

The export quantity and export revenue have been fluctuated significantly when few number of main coconut based products have been compared as at 31.08.2014 and 31.08.2015.

Year	From January to 31 st August					
	Quantity			Revenue (Rs. Mn.)		
	2014	2015	Variance %	2014	2015	Variance %
Coconut Oil (Mt.)	2032	5991	194.83	1153.25	4491.34	289.45
Virgin Coconut Oil (Mt.)	3444	9086	163.82	2466.92	7092.32	187.50
Coconut Water (Mt.)	169	1606	850.30	40.81	237.12	481.03
King Coconuts (Mt.)	1,106,578	1,972,529	78.25	74.49	170.52	128.92
Fresh Coconuts (Nuts)	19198	4324	-77.48	1133.92	344.32	-69.63
Bristle Coir Fibre (Mt.)	11624	8109	-30.24	590.31	459.31	-22.19

Registration of Stakeholders

The registration of stakeholders in the coconut sector, with the Coconut Development Authority for the year 2015 has significantly increased even as at 31.08.2015 compared to the total of the year 2014.

Category	Year 2014	Year 2015 (As at 31.08.2015)
Exporters	561	554
Brokers	20	17
Dealers	86	56
Desiccated coconut manufacturers	48	48

Coconut shell collectors	22	29
Coir based manufacturers	75	146
Buyers	-	07
Coconut oil manufacturers	74	56

Recent Issues and Challenges in the Coconut Sector

- Insufficient of the number of coconuts to meet the increased export demand for coconut based products.
- Increase in the demand for fragmentation of coconut lands for various purposes.

Courses of action taken recently for enhancement of the Coconut Industry

- Expansion of coconut cultivation including Northern and Eastern provinces under various coconut planting programmes.
- Continuation of the programme for standardization of coconut based products.
- Product standardization and certification of registration of manufacturers
- Increase of the import duty on palm oil.
- Enhancement of researches on value added coconut based products.

Plantation Management Monitoring Division

A number of 439 large scale estates in extent, managed by the Janatha Estates Development Board (JEDB) and Sri Lanka State Plantation Companies (SLSPC) have been handed over to 23 Regional Plantation Companies in 1992 on the lease basis of 53 years. The role of this Division is to execute the powers entrusted with the Secretary to the Treasury as the Golden Shareholder of these RPCs, on behalf of the government. Accordingly, functions performed in the year 2015 are given below.

➤ Recovering lease rentals from the Regional Plantation Companies

Although the estimated arrears of lease rentals to be collected during the year 2015 was Rs. 115 million, Rs. 111 million has been recovered as at 31.07.2015. The estimated amount of lease rentals to be collected for the year 2015 is Rs. 864 million of which Rs. 248 million has been recovered as at 31.08.2015.

➤ Financial Progress Review of the Regional Plantation Companies

Proper studying and analyzing of quarterly and annual accounts statements of the RPCs and thereby, instructing to the Companies to make rectifications where necessary, are being undertaken and arrangements have been made to continue it more regularly. Moreover, action has been taken to furnish details on the financial and physical progress of the Plantation Companies to the relevant sectors.

➤ Monitoring of Timber Harvesting

Field inspections and other necessary actions have been taken in respect of the timber felling in 55 estates managed by 07 Plantation Companies up to 31.08.2015. In addition, approval has been granted for removal of unnecessary trees in other various occasions.



• Release of lands for public purposes of the government

Up to 31.08.2015, around 115 requests have been made to this Division regarding the acquisition of estate lands for the activities such as industrial parks, supply of water facilities and other infrastructure development and in addition, actions have been taken in respect of

the requests made for 22 housing projects, 10 schools, 07 estate hospitals, 45 religious places, 25 cemeteries and 112 requests for playgrounds and other welfare activities.

- **Eviction of squatters in the government owned lands**

Up to 31.08.2015, actions are being taken by this Division in respect of 565 such cases in the estates managed by 23 Plantation Companies. Around 17 field inspections related to the cases hearing at the court in respect of the unauthorized use of estate lands have been conducted during the relevant period.

- **Sub-lease of the lands managed by the Regional Plantation Companies**

During the period from 01.01.2015 to 31.08.2015, approval of the Golden Share Holder has been granted to sub lease approximately 08 plots of lands from the estates managed by 23 Plantation Companies to various parties for the purposes referred to above and actions are being taken by this Division in respect of such 08 requests.

- **Complaints from the public**

Necessary actions have been taken with the assistance of the Plantation Companies in respect of various 350 complaints and requests on the estate sector made by the people to H.E. the President and Hon. Minister of Plantation Industries from 01.01.2015 to 31.08.2015.

- **Conducting Golden Share Holder's Meetings**

Three Golden Share Holder's Meetings chaired by the Hon. Minister of Plantation Industries and attended by the Regional Plantation Companies, Planters' Association and other relevant government institutions have been conducted during the period from 01.01.2015 to 31.08.2015.

Tea, Rubber & Coconut Estates (Control of Fragmentation) Board

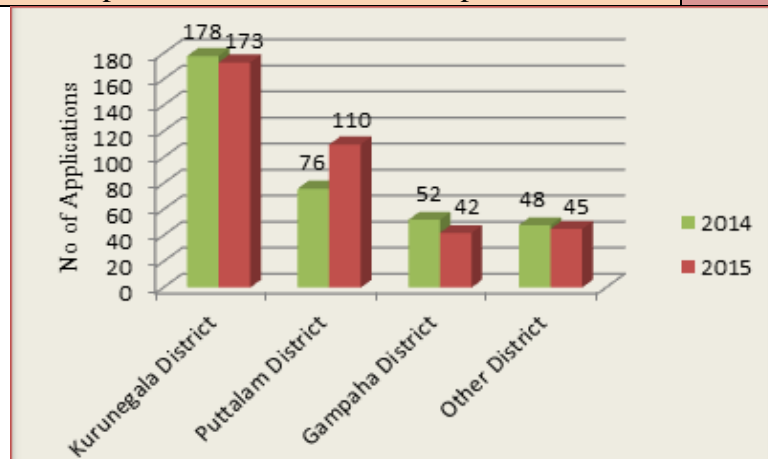
Progress of the Board in previous years

Description	2015
Total No. of applications received	370
No of Board Meetings conducted	05
No of Applications submitted to the Board of Directors	303
No of Applications approved by the Board of Directors	297
No of Applications rejected	06
No of Applications approved by the appeal	

➤ **Details of the Applications received (from 01.01.2015 to 31.08.2015)**

➤ **District wise details of the Application received (up to 31st August 2015)**

විස්තරය	No of Applications
Kurunegala District	173
Puttalam District	110
Gampaha District	42
Applications from other Districts apart from the above District	45
Total No. of applications received	370
Applications incomplete & referred to obtain reports	18



Progress of the Tea, Rubber & Coconut Estates (Control of Fragmentation) Board in previous years

Year	No Of Applications submitted to the board	Method of transfer	Extent of land applied			Extend approval granted		
			Acres	Roods	Perches	Acres	Roods	Perches
2010	473	Single units	4,731	02	09	4,731	02	09
		Other*	5,860	00	02	3,302	01	10
		Total	10,591	02	11	8,033	03	19
2011	589	Single units	11,251	03	17	11,251	03	17
		Other*	6,772	03	33	4,421	01	08
		Total	18,024	03	10	15,673	00	15
2012	566	Single units	1,697	02	00	1,697	02	00
		Other*	10,623	03	16	7,719	03	31
		Total	12,321	01	16	9,417	01	31
2013	530	Single units	2,027	03	05	227	03	05
		Other*	10,473	00	33	6,443	02	18
		Total	12,500	03	38	8,471	01	23
2014	607	Single units	2,525	03	08	2,525	03	08
		Other*	12,942	03	00	9,280	00	27
		Total	15,468	02	08	11,806	00	35
From January to 31st August	370	Single units	1,839	01	06	1,839	01	06
		Other*	8,744	02	38	5,154	00	26
		Total	10,584	00	04	6,993	01	32
*Transfers to children and other persons/institutions subject to conditions of the board								

Receiving Applications – Crop type

➤ Receiving Applications in Year 2014

Crop type	No. of Applications	Extent of Land		
		Acres	Roods	Perches
Coconut	586	14070	02	27
Tea	14	930	01	18
Rubber	07	467	02	08
Total No of applications	607	15468	01	08

➤ Receiving Applications in Year 2015

Crop type	No. of Applications	Extent of Land		
		Acres	Roods	Perches
Coconut	360	10039	-	11
Tea	09	509	02	21
Rubber	01	35	01	12
Total No of applications	370	10584	00	04

Smallholder Plantations Entrepreneurship Development Programme

The Smallholder Plantations Entrepreneurship Development Programme (SPEnDP) was formulated by the International Fund for Agricultural Development (IFAD) in consultation with the Government of Sri Lanka.

Mid country sub program of SPEnDP is targeting the livelihood development of tea small holders in the resettlements in 7 DS divisions of Kandy, Nuwara Eliya & Kegalle Districts and DS Division of Monaragala district covers 8 DSs.

Total targeted households in Mid country and Monaragala is 9600 and 10,000 respectively. They are the immediate prospective beneficiaries of this programme and actions have been taken to encourage them to undertake tea planting in 250 hectares in Mid country region and rubber planting in 5,000 hectares in Monaragala district.

Financial & Physical progress as at August 31st 2015
Mid Country Sub Programme

Financial Target	Financial Progress	Physical Target	Physical Progress
Community Development and Strengthening of Grassroots Institution			
26.41	2.097	40	13 Agricultural Access roads were rehabilitated - total 1.3 Kms.
7.5	6.809	150	122 Matching grants were provided for income generating and livelihood development activities.
0.7	0.447	20	Providing Training for beneficiaries.
1.8	1.532	1	One Service provider contract given.
4.2	2.315		Other
Out growers & Diversification Development			
4.25	4.273	30 Ha	Tea Replanting - 16 Ha
3	2.45	25 Ha	Tea Inputs given (Green leaf baskets & Tea Cutting shears)
		8 Ha	9,811 plants were distributed for Tea infilling.
			Tea & other Subsidy issued.
0.75	0.105	100 Ha	Intercrop Development - Pepper - 3,355 planting materials given - Arecanut – 4,910 plants given
9	3.143	480	437 Lands were surveyed
4.306	1.084		Other
Processing & Marketing			
6.5	4.095	130	43 Hybrid Dairy Cows were supplied. 45 Cattle Sheds were newly constructed.
3.5	0.444		Training
4.5	1.199		Tea Equipments
0.575	-	10	Bee honey Program was continued. Kithul Development Program was continued.
0.3	0.084	30	Outdoor Foliage Plant Development Program was started.
0.5	-	50	Gerbera Cultivation in Poly tunnels was introduced.

Rural Finance & Credit			
23.9	11.333	108	Rs. 11.333 Mn. Worth Loans was disbursed.
Programme Management			
20.309	9.876		Salaries / Operation & Maintenance / Staff training Salaries and Wages

Monaragala Sub Programme

Financial Target (Rs. Mn.)	Financial Progress (Rs. Mn.)	Physical Target	Physical Progress
Community Development and Strengthening of Grassroots Institution			
		164	Strengthened 164 VRDCs (Village Rubber Development Clusters)
6	4.683	120	95 Matching Grants were supplied (including 12 dairy cows)
8	3.292	7	Constructed 6 community access roads – length is 3.225Kms.
1.250	0.587	5	Construction works of 6 Drinking water wells have been completed.
2.565	2.161	45	45 training programs were conducted for entrepreneurship development, book keepingetc.
7.055	3.706	1	One Service provider contract given. VRDC strengthening and animators payments.
Out growers & Diversification Development			
13.755	0.48		Payment has been done for 5,514 Planting materials which had been distributed during Maha season of the year 2014.
48	0	Fertilizer– 1,998 Mt.	Supplying fertilizer for immature rubber plants.
3.250	0.497	Cocoa 150,000 Passion fruit - 25,000	<u>Supplying of inter crop plants</u> Passion fruit plants – 5,600 Cocoa plants – 8,120
33.27	25.01	4,000	Rubber Subsidy paid for 749 farmers.
7.17	1.853	45	43 Training programs were conducted for rubber tapping, rubber cultivation & Mgt., Cocoa & Passion fruit cultivation...etc.
Processing & Marketing			

30	5.9	30	11 Group processing centers are completed. Construction works of 19 GPCs are in progress. 5 GPCs started manufacturing good quality sheet rubber.
6	1.079	19	Disbursed Matching Grants for 18 Hybrid cows.
3.8	1.089	72	27 training/capacity building programmes were conducted.
12.03	1.012	30	Rs. 1.012 Mn. spent for purchasing rubber processing centre equipments.
Rural Finance & Credit			
40	49.3	500	306 Loans were disbursed among farmers.
0.45	0.34	92	28 training programs were conducted for giving knowledge of micro financing.
Programme Management			
23.21	11.63		Salaries / Operation & Maintenance / Staff training.

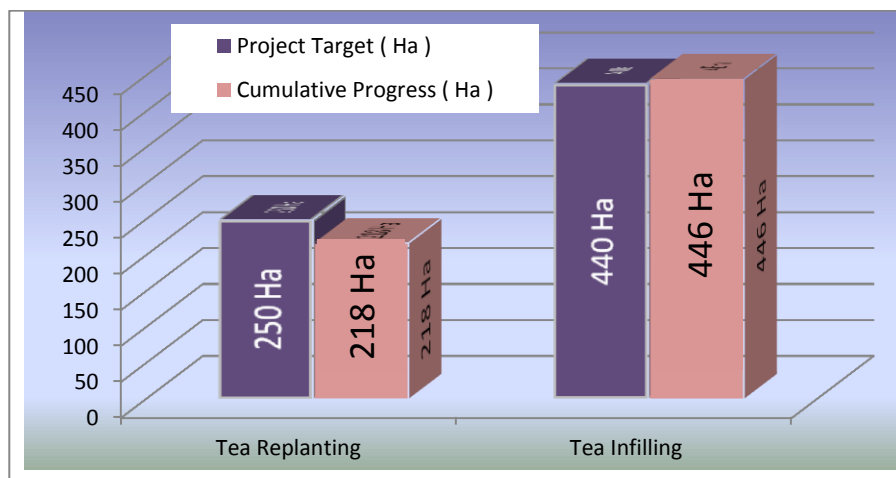
Remaining work of the project (From 01.09.2015 - 31.12.2015)

Mid Country Spmu	Monaragala Spmu
Community Development and Strengthening of Grassroots Institutions	Community Development and Strengthening of Grassroots Institutions
Provision of Matching Grants - 28 Nos.	Development of 6 Access roads. - Rs. 4.8 Mn
Provision of capital Grants - 24 Nos.	Construction of 4 Drinking Water wells – Rs.0.75 Mn.
Rural Access Road Development 27 Nos.	Disbursement of 40 Matching Grants – Rs. 1.5 Mn.
	Construction of one Community hall - Rs.1.5 Mn.
	20 Training programs for VRDC members - Rs. 0.5 Mn.
Out growers & Diversification Development	Out growers & Diversification Development
Tea Replanting –14 Ha.	Supplying 125,000 Rubber plants for infilling - Rs. 13 Mn.
Tea Infilling - 5 Ha.	Rubber cultivation/other related training for farmers –Rs. 1.8 Mn.
Spice crop Intercropping - 25 Ha.	Supplying fertilizer for rubber plantations - Rs. 45 Mn.

Land Surveying – 600 Ha.	<u>Supplying inter crop plants</u>
Provide ownership Deeds for farmers – 250	Cocoa –150,000 (Rs. 2.2 Mn.)
Disbursement of subsidies for tea and other smallholders – Rs. 2 Mn.	Maize seeds -3,000 Kg. (Rs. 3.0 Mn.)
	Passion fruit plants - 25,000 (Rs .1.0 Mn.)
	Pepper plants –25,000 (Rs.0.75 Mn.)
Processing & Marketing	Processing & Marketing
Supply of green leaf collecting baskets and plucking shears – 1,200 Nos.	Establishment of 19 Group Rubber processing centers - (Rs. 24 Mn.)
Provide tea pruning equipments - 5 Nos.	Establishment of 2 Milk Collecting centers - Rs. 3 Mn.
Establishment of Milk collecting centers - 1Nos.	40 Training & capacity building programs for Business Groups - Rs. 2.8 Mn.
Establishment of mini spice processing centers - 2 Nos.	Disbursement of 100 Matching Grants for farmers – Rs. 5 Mn.
Supply of improved dairy cattle - 44 Nos.	Equipment for Rubber processing centers/ Milk collecting centers/ VRDCs – Rs. 8.5 Mn.
Cattle shed improvement/ reconstruction - 10 Nos.	
Giving 2 nd Matching Grant to Income Generating Activities – 40 Nos.	
Rural Finance & Credit	Rural Finance & Credit
Loan disbursement - Rs. 12 Mn. worth	Loan disbursement for 120 beneficiaries - Rs.3Mn. worth
Programme Management	Programme Management
Salaries / Office equipment / staff training / Maintenance - Rs. 10.5 Mn.	Salaries / Office equipment/ staff training / Maintenance - Rs.12.3 Mn.

Achievements of the Program

Progress of Tea Planting (Cumulative as at August 31, 2015)



Progress of Rubber Planting – (Cumulative)

Activity	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2008 Rubber Planting Area (645Ha.)	Achieved 13% of the Target												
2009 Rubber Planting Area (1034Ha.)	Achieved 33% of the Target												
2010 Rubber Planting Area (1475Ha.)	Target	Achieved 62% of the Target											
2011 Rubber Planting Area (644Ha.)	5,087 Ha	Achieved 75% of the Target											
2012 Rubber Planting Area (1027Ha.)		Achieved 95% of the Target											
2013 Rubber Planting Area (262Ha.)		Achieved 100% of the Target											
2014 Rubber Infilling & Rehabilitation (245 517 plants)													4% of 5087 Ha
2015 Rubber Infilling & Rehabilitation (125 000 plants will be distributed)													6.13% of 5087 Ha
2016 Rubber Infilling & Rehabilitation (62 500 plants will be distributed)													7.19% of 5087 Ha

Dimension → 5% of the 5,087 Target



Achievements during the year 2015

➤ **Supply of Improved Green Leaf collecting baskets & Tea Harvesting Shears – Mid Country SPMU**

During the year 2015, MC-SPMU has distributed 300 improved green leaf collecting baskets amongst Tea leaf producers to minimize post harvesting losses. The program spent Rs. 253,500 for the green leaf collecting baskets. In addition 400 plucking shears were distributed during the year at a cost of Rs. 584,000. Altogether 700 Shears were distributed so far.

➤ **Cattle Shed Development – Mid Country SPMU**

Matching grant ceiling increased up to Rs. 100,000. 45 Cattle Sheds were newly constructed during the first two quarters of the year.



➤ **Construction of Drinking Water Well – Monaragala SPMU**

For that purpose, 16 suitable locations have identified with the assistance of Water Supply and Drainage Board.



Six drinking water wells are already completed and the construction works of four wells are in progress. These drinking water wells will be used by direct and indirect 450 beneficiaries in the village

➤ **Group Processing Centers (GPCs - RSS Rubber processing centers) – Monaragala SPMU**

Monaragala SPMU had commenced construction works of 40 small scale rubber processing centers during 2015. Eleven Group processing centers have already been completed. Construction works of 19 GPCs are in progress. Rubber processing activities have already commenced in five GPCs.

➤ **Dairy Development program (Monaragala SPMU & Mid Country SPMU)**

The program has disbursed matching grants for selected beneficiaries to purchase 73 Dairy cows during the reporting year (Jan. – Aug. 2015). Cumulative achievement of supplying dairy cattle is 461.

Financial progress as at 31st August 2013

Component	Mid Country SPMU		Monaragala SPMU		NPCU		Total	
	Annual Target 2015 (Rs. Mn.)	Financial Progress (Rs. Mn.)	Annual Target 2015 (Rs. Mn.)	Financial Progress (Rs. Mn.)	Annual Target 2015 (Rs. Mn.)	Financial Progress (Rs. Mn.)	Annual Target 2015 (Rs. Mn.)	Financial Progress (Rs. Mn.)
Com. 01	40.61	13.2	24.87	14.61	-	-	65.48	27.81
Com. 02	21.306	11.055	105.44	27.84	-	-	126.746	38.895
Com. 03	15.875	5.822	54.83	9.08	-	-	70.705	14.902
Com. 04	23.9	11.333	40.45	49.64	-	-	64.35	60.973
Com. 05	20.309	9.876	23.21	11.63	29.2	12.33	72.719	33.836
	122	51.286	248.8	112.8	29.2	12.33	400	176.42

Tentative Budget for 2016

Component	Mid Country SPMU (Rs. Mn.)	Monaragala SPMU (Rs. Mn.)	NPCU (Rs. Mn.)	Total (Rs. Mn.)
Community Development & Grass roots Institutions	45.5	33.87	-	79.37
Out Growers & Diversification Development	33.675	197.59	-	231.265
Processing & Marketing	12.5	22.35	-	34.85
Rural Financing & Credit	20.95	31.1	-	52.05
Programme Management	30.875	42.09	26	98.965
Total	143.5	327	26	496.5

Plans for Year 2016

MID COUNTRY SPMU	MONARAGALA SPMU
Community Development and Strengthening of Grassroots Institutions	Community Development and Strengthening of Grassroots Institutions
Provision of Matching Grants - 100 Nos. & Provision of capital Grants - 50 Nos.	Development of Access roads – 10 Nos.
Rural Access Road Development - 40 Nos.	Construction of Drinking Water wells - 08 Nos.
Development of Community based resources centers.	Disbursement of Matching Grants - 300 grants
	Training for Entrepreneurship Development - 25 programs.
Out growers & Diversification Development	Out growers & Diversification Development
Tea Replanting - 30 Ha. Tea Infilling – 25 Ha.	Supplying 150,000 Rubber plants for infilling Supply of fertilizer for immature rubber plants – Rs. 45 Mn.
Spice crop Intercropping - 100 Ha.	Conducting Training programs for 4,000 farmers on Crop management, Post harvesting practices.
Land Surveying – 480 Ha.	Disbursement of subsidies for rubber planters -

	Rs. 80 Mn.
Provide ownership Deed – 2,000 Nos.	<u>Supplying inter crop plants</u> Cocoa - 250,000
Disbursement of subsidies for tea and other smallholders – Rs. 21 Mn.	Maize seeds 3000 Kg. Passion fruit plants - 25,000
Processing & Marketing	Pepper planting materials – 80,000 Processing & Marketing
Supply of plucking baskets and shears – 150 Nos.	Establishing Group Rubber processing centers - 10 Nos.
Establishment of green leaf collecting centers - 2 Nos.	Establishing one Milk Collecting center.
Establishment of spice processing centers - 1Nos.	Strengthening of Business Groups - 05 Nos.
Supply of improved breeds of dairy cattle - 45 Nos.	Disbursement of 300 Matching Grants (Including 100 hybrid cattle). Supplying Tapping knives for trained farmers – 2,000 Nos. Giving Tapping training for 3,600 farmers
Cattle shed improvement / reconstruction – 5 Nos.	Rural Finance & Credit
2 nd Matching Grant & supporting of Floriculture & Mushroom production units - 50 Nos.	
Rural Finance & Credit	
Loan disbursement - Rs. 20 Mn. worth	Loan disbursement - Rs.30 Mn. Worth (400 Nos.)
Program Management	Programme Management
Salaries / Office equipments / Maintenance – Rs. 31.8 Mn.	Salaries / Office equipments / Maintenance – Rs. 26 Mn.

Cadastral Survey Programme

The provisions of Rs.10.00 million were approved in this year for the Cadastral Survey Programme of Regional Plantation Companies. The Survey Department and Land Reform Commission act as implementing agencies.

Physical Progress (As at 31.08.2015)

Surveying in 21 estates owned by 10 Plantation Companies is in progress.

Financial Progress (As at 31.08.2015)

Rs.1.43 million has been released to the Survey Department. The future payments will be made on the request of the Survey Department.

Programme for Mapping of Tea & Rubber Lands Using GIS Technology

The Land Use Policy Planning Department and Survey Department act as implementing agencies. The provisions of Rs.5.00 million were approved for this year.

Physical Progress (As at 31.08.2015)

52 maps finalized in the previous year have been handed over to the Land Use Policy Planning Department by the Survey Department.

Activities	Kalutara		Matara		Kegalle		Ratnapura		Kandy	
	T	P	T	P	T	P	T	P	T	P
Receiving 1:10,000 digital data (scale maps) from Survey Department	65	100%	65	100%	53	100%	65	100%	65	100%
Downloading google satellite images	65	100%	65	100%	65	100%	65	100%	65	100%
Preparing base maps (scale maps) with digital data and google satellite images	65	100%	65	100%	65	100%	65	100%	65	100%
Adjusting boundaries of lands owned by Plantation Companies and land use mapping	26	69%	27	45%	51	52%	44	45%	26	10%
Mapping of other tea and rubber lands	14	67%	14	60%	14	40%	17	40%	14	25%
Handing over the final data prepared using GIS to Survey Department (scale maps)	65	-	65	-	60	-	65	-	65	-

*T - Target P - Progress

Financial Progress (As at 31.08.2015)

Approved Amount - Rs.5.00 million
Expenditure - Rs.2.21 million

Soil and Water Conservation Productivity Promotion Programme for Tea Small Holdings

An amount of Rs.5000 is provided to a tea small holding in two stages at a rate of Rs.2,500/- to enhance the land productivity through soil and water conservation in tea small holdings. 21,775 tea smallholders had been provided with Rs.5000 in two stages for 6211.28 hectares of tea small holdings in the year 2014. 169,265 smallholders had been provided with only the first installment of Rs.2500. Tea Small Holdings Development Authority acts as the implementing agency.

Physical Progress

(From January to 31st August)

Regional Office	Step1		Step11		Total	
	No. of Persons	Extent (Acres)	No. of Persons	Extent (Acres)	No. of Persons	Extent (Acres)
Galle	-	-	22,753	17,883	22,753	17,883
Matara	187	157	13,320	10,608	13,508	10,765
Kandy	-	-	7,583	5,451	7,583	5,451
Kalutara	-	-	3,968	2,856	3,968	2,856
Ratnapura	-	-	18,192	14,904	18,192	14,904
Nuwara Eliya	112	82	7,235	5,514	7,347	5,596
Kegalle	35	23	8,751	6,975	8,786	6,998
Uva	-	-	-	-	-	-
Total	334	262	81,802	64,191	82,136	64,453

Financial Progress

(From January to 31st August)

Regional Office	Step1 (Rs. Mn.)	Step2 (Rs. Mn.)	Total (Rs. Mn.)
Galle	-	44.7	44.7
Matara	0.4	26.51	26.91
Kandy	-	13.13	13.13
Kalutara	-	7.13	7.13
Ratnapura	-	37.47	37.47
Nuwara Eliya	0.2	13.77	13.97
Kegalle	0.05	17.43	17.48
Uva	-	-	-
Total	0.65	160.14	160.79

Programme for Control of Weligama Coconut Leaf Wilt and Rot Disease

- Since control of the fatal disease called “Weligama Coconut Leaf Wilt and Rot Disease” which has spreaded in the Southern Province has been expedited since year 2011, spread of the disease outside the diseased area has been controlled successfully at present. As well, spread of the disease in the diseased area has been managed successfully and the number of infected palms found has gradually decreased.
- The infected palms were identified under three stages to control the disease from year 2011 to 2014 and the identification and removal of the infected palms are in progress as the 4th stage in the year 2015. The identified infected palms are removed by the land owners themselves and the infected palms identified in the unsettled lands and the infected palms marked and not removed by the land owners will be injected and destroyed.
- Meetings have been conducted to make the land owners and Grama Niladharies aware of the disease and control of the disease and methodologies to make aware through leaflets and posters have been implemented.
- Researches on the disease, spread, soil in the diseased area and disease resistant hybrid coconut varieties are being conducted continuously.
- The Coconut Cultivation Board and Coconut Research Institute are implementing agencies.

Financial Progress (As at 31.08.2015)

Approved Amount - Rs.100 million

Expenditure - Rs.44 million

Organic Fertilizer Promotion Programme

- Rs.100/- promotional allowance per palm is provided to the coconut growers who are applying organic fertilizer. Maximum is up to 600 palms.
- The Coconut Cultivation Board acts as the implementing agency.

Financial Progress (As at 31.08.2015)

Approved Amount - Rs.50.0 million

Expenditure - Rs.27.6 million

Physical Progress (As at 31.08.2015)

Detail	Progress
No. of organic fertilizer applied palms	82,744

Oil Palm Sector



Making recommendations to import the seeds required for oil palm cultivation under tariff concessions is done by this Ministry. The Oil Palm Research Division of the Coconut Research Institute coming under the Ministry conducts researches on the oil palm cultivation and makes recommendations to the Ministry regarding the requests for imports of seeds.

Making recommendations to import seeds

Year	No. of seeds permitted to import
2013	51000
2014	102000
2015 (31.08.2015)	27000

Expansion of Oil Palm Cultivation

The oil palm cultivation initiated in an area of 20 hectares in the year 1969 was expanded to 1,200 hectares in the year 1974. The oil palm cultivation has expanded in an extent of 25,151.4 hectares by 31.08.2015.

Extent under Oil Palm Cultivation - Hectares

Plantation Company	2014 (As at 31 st August)			2015 (As at 31 st August)		
	Mature	Immature	Total	Mature	Immature	Total
Bogawantalawa	-	-	-	-	30.0	30.0
Watawala	2152.6	912.1	3064.7	2401.3	755.6	3156.9
Nara Agro Industries	-	-	-	-	121.4	121.4
Elpitiya	949.9	452.9	1402.8	1083.3	364.2	1447.5
Agalawatta	997.4	296.1	1293.5	1122.4	180.3	1302.7
Kotagala	117.7	476.0	593.7	117.7	464.1	581.8
Namunukula	1215.5	720.1	1935.6	1330.6	600.1	1930.7
Total	5,433	2857.2	8290.2	6055.3	2515.7	8571.0

Palm Oil Production

Plantation Company	2014 (Mt.)	As at 31 st August 2015 (Mt.)
Bogawantalawa	-	-
Watawala	34,253.0	17,052.6
Elpitiya	11,589.0	8,866
Agalawatta	6,886.5	5,393.8
Kotagala	64.6	192.8
Namunukula	14,655.0	11,413.0
Total	67,448.1	42,918.8

Future Plans for Oil Palm Cultivation

The Plantation Companies undertaking oil palm cultivation at present have planned to expand the extent under oil palm cultivation up to 2500 hectares within next 03 years.

Establishment Matters

➤ Carder Changes (As at 31.08.2015)

Transfers - 17
Retirements - 02

➤ **Trainings (As at 31.08.2015)**

- Local Training Courses

Course	No.
Adopting Healthy Life Style	01
English Diploma	02
Accounting Systems	01
Post Graduate Degree	01
Karyala Sevaka Sevaya	08
Computer	01

- Foreign Training Courses

Training courses in Thailand, China and Malaysia have been attended by each officer.

- Foreign Conferences

Three officers have participated at the foreign conferences (As at 31.08.2015).

Progress of Submission of Annual Reports (As at 31/08/2015)

Institution	Progress	Present Situation
Sri Lanka Tea Board	2012	The Annual Report has been tabled in Parliament.
	2013	The General Manager has approved the draft report and it is to be amended and submitted to the Ministry together with the Auditor General's Report.
	2014	Annual Report is being drafted.
Tea Small Holdings Development Authority	2012	The Annual Report has been tabled in Parliament.
	2013	Although approval of the Ministry has been granted to the draft, it is delayed to finalize the report as the Auditor General' Report was not received.
	2014	The Ministry has approved the draft subject to include the Auditor General' Report.
Tea Research Institute	2012	The Annual Report has been tabled in Parliament.
	2013	Approval of the Ministry has been granted to the draft and it has been informed to print the report in three languages and submit to the Ministry after receiving the Auditor

		General' Report.
	2014	The draft has been submitted and the institution has been informed to make the amendments.
Tea Shakthi Fund	2012	The draft has been submitted and it has been informed to make amendments and submit.
	2013	It has been informed to make amendments and submit to the Ministry together with the Auditor General's Report.
	2014	It has been informed to submit the draft Annual Report to the Ministry.
National Institute of Plantation Management	2012	The Annual Report has been tabled in Parliament.
	2013	The Annual Report has been submitted to the Ministry and the Cabinet Memorandum is being drafted.
	2014	The draft report has been submitted to the Ministry and the accuracy of the report is being checked.
Kalubovitiyana Tea Factory Ltd.	2011/2012	The Annual Report has been tabled in Parliament.
	2012/2013	The Annual Report has been tabled in Parliament.
	2013/2014	The draft report has been submitted to the Ministry and it has been sent back to the institution to check the accuracy and make amendments.
Rubber Development Department	2012	The Annual Report has been tabled in Parliament.
	2013	The Annual Report has been tabled in Parliament.
	2014	The amended draft Annual Report has been approved and the institution has been informed to submit it including the Auditor General's Report together with a background report.
Rubber Research Institute	2012	The Annual Report has been tabled in Parliament.
	2013	The draft has been approved subject to the amendments and submitted for printing.
	2014	The draft report has not yet been submitted to the Ministry and the institution has been informed to submit it immediately.
Thurusaviya Fund	2012	The Annual Report has been tabled in Parliament.
	2013	The Annual Report has been submitted to

		the Ministry and accordingly, the Cabinet Memorandum is being prepared.
	2014	The draft report has been submitted for approval of the Ministry.
Coconut Cultivation Board	2012	The Annual Report has been tabled in Parliament.
	2013	The Annual Report has been submitted to the Ministry to table in Parliament.
	2014	The draft report has not yet been submitted to the Ministry and the institution has been informed to submit it immediately.
Coconut Development Authority	2012	The Annual Report has been tabled in Parliament.
	2013	The draft report has been submitted to the Ministry.
	2014	The draft report has not yet been submitted to the Ministry and the institution has been informed to submit it immediately.
Coconut Research Institute	2012	The Annual Report has been tabled in Parliament.
	2013	The final report has not been submitted to the Ministry.
	2014	The draft report has not yet been submitted to the Ministry and the institution has been informed to submit it immediately.
Sugarcane Research Institute	2012	The Annual Report has been tabled in Parliament.
	2013	Printing of the report is in progress.
	2014	The draft report has been submitted for approval of the Ministry.

Financial Progress of the Ministry

The total revised estimate for the Ministry and the institutions coming under the Ministry up to 31st August 2015 amounts to Rs. 15,605.02 million for the year 2015.

➤ Financial Progress (As at 31.08.2015)

Institution	Capital			Recurrent		
	Provisions (Rs. Mn.)	Expenditure (Rs. Mn.)	%	Provisions (Rs. Mn.)	Expenditure (Rs. Mn.)	%
Ministry	936.25	238.24	32%	5943.64	5769.13	97%
Sri Lanka Tea Board	71.0	50.97	72%	143.0	106.04	74%
Tea Research Institute	100.5	43.55	43%	343.57	214.81	63%
Tea Small Holdings Development Authority	650.0	395.3	61%	276.0	206.22	75%
Rubber Development Department	1102.0	494.97	45%	2553.75	1542.37	60%
Rubber Research Institute	87.6	31.3	36%	342.21	224.87	66%
Thurusaviya Fund	7.0	4.2	60%	13.0	8.767	67%
National Institute of Plantation Management	26.0	13.2	51%	32.0	19.84	62%
Coconut Research Institute	130.0	44.45	34%	190.0	121.3	64%
Coconut Cultivation Board	550.0	284.92	52%	305.0	270.69	89%
Coconut Development Authority	110.0	63.92	58%	110.0	75.3	68%
Sugarcane Research Institute	50.0	39.5	79%	250.0	154.15	62%
Smallholder Plantations Entrepreneurship Development Programme	400.0	194.12			36.6	73%
Total	5052.85	2673.14	53%	10,552.17	8750.08	83%

**Progress of the Institutions
Coming Under the
purview of the Ministry**

Sri Lanka Tea Board



Vision

To position Ceylon Tea as the “most aspired beverage” in the global market

Mission

To increase the foreign exchange earnings to the country through sustainable development of the industry and thereby ensuring the economic development of the plantation community

Progress of Major Activities (as at 31st August 2015)

Major activities	Budget Allocation 2015 (Rs.Mn)	Financial Progress as at 31.08.2015	Physical Targets 2015	Physical Progress as at 31.08.2015
Subsidy for Green Leaf	6738.00	5398.83	350*6	March- 274 April-361 May -394 June-399 July -389
Factory modernization subsidy scheme	21.30	4.07	Factory-20	Factory -13
Tea replanting subsidy scheme	49.70	43.72	Area -300Ha	Area -400Ha
GMP /SLSI/SLTB Quality and product certification	6.00	1.28	20 Program	12 Program
Improvements of Green tea leaf Standard	10.00	1.326	500 Dealers and Factories	-
Trade fair participation	167.50	33.33	Trade fairs - 37	Trade fairs -18

Above the Line advertising	800.00	2.03	Countries-25	Countries -8
Below Line advertising	475.00	29.61	Countries-25	Countries-3
Social Media	352.50	-	Countries-25	SLTB Website & Face Book updates
Public Relation campaign	157.50	1.09	Countries-25	PR Program in Sweden
Events	122.50	7.18	9 Events	Tea forums at Russia,UK,USA,Canada and Hong Kong(15 Events)
Market Intelligence and Research	17.50	3.17	3 Research	Completed a Qualitative research for Germany
production cost of Communication material (ATL/BTL)	237.50	0.19	Countries-25	-
Programms with embassies	77.50	0.13	Countries-25	7 programs in Germany .Poland and Russia
Tea Houses(Overseas)	60.00		2 Countries	
Subsidizing listing fees and Brand marketing	470.00	-	18	processed until board approval for 40 applicants
Interlectual property/G.I Registration/Lion Logo Registration & Renewals	87.50	2.34	6 Countries	Renewals – Bahrain , Nigeria New Registrations – South Korea Chile – registration completed for Ozone logo Local franchise registrations- 03 for Ozone logo
Complimentary tea services & tea sampling, gifts	75.00	-	58	Delivered to 45 missions
Cricket Sponsorship	215.00	203.63	3rd year installment	<ul style="list-style-type: none"> • Third year – Sponsorship • Ceylon Tea Bus Branding during the Cricket Tournament in

				Australia • Tea Tasting Program at ICC annual National Umpire Managers Meeting
Local Promotional programs	234.50	14.59		Travelers Lanka Explore Sri Lanka, Serendipity Awareness Program – Sri Lanka Rupavahini on Sunday Ayubowan

Special Programmes

Regulatory

- Amendment to the Tea Control Act No. 51 of 1957
The draft copy of the amendment has been forwarded to the Legal Draftsman by the SLTB with some proposals to re-amend the draft section.
- Amalgamation of Sri Lanka Tea Board Law No. 14 of 1975 with Tea Control Act No. 51 of 1957, Tea Act (Tax Control of Export) No. 16 of 1959 and Licensing of Produce Brokers Act No. 09 of 1979. A consultation was held at the Attorney General's Department with a Law Officer and the Officials of the SLTB(Chairman, DG and Legal Officer of SLTB) and awaiting the advice from the Attorney General's Department.

Development

- Tea Commissioner Division
 - Implementation of lower interest working capital loan scheme for tea factories in progress
 - SLTB intervention to strategies the prices at the auction in progress
 - routing activities without budget allocation

Major activities	Unit	Physical	
		Target	Progress
Monitoring of Green tea leaves standard at Factory level	Inspections	4000	3101
Monitoring of Green tea leaves standard at Dealer Level	Inspections	6000	142
Renewal & Registration of Green tea dealers	Renewals & Reg	2000	1661
Awareness programs for Green tea dealers	Programs	20	22
Reasonable price payment inspections of Green tea dealers	Inspections	10000	4757
Renewal & Registration of tea manufacturers and tea factories	Facories	714	319
Monitoring of pre - auction samples	Samples	12000	4844
Issuing of Refuse tea license to sell refuse tea	License	6000	4874
Monitoring of Reasonable Price Payment	Inspections	6500	4705
Renewal & Registration of refuse tea processing centers	Centers	300	298
Implementation of GMP practices	Inspections	200	46
Monitoring of purchasing and sales	Inspections	3000	1157
Special Investigation on TTO	Inspections	100	68
Tea Factory evaluation for GMP	Factories	700	145

Export Section

➤ Inspection (as at 2015.08.31)

Inspection Type	No. of Inspections
Surprise Inspection for adulteration	03
Pre Auction samples	4844
Warehouse Inspection	206
Local Office Inspection	63
Exporter Office Inspection	29

➤ Registration and Renewals (as at 31.08.2015)

Category	No. of Registrations	Renewals
Packers	63	48
Exporters	24	252
Warehouse	25	248
Packet	144	-
Importers	8	86

Administration Division

➤ Human Resources Management

- No of Vacancies filled - 19
- Resignations - 09
- Retirements - 05

➤ Human Resources Development (as at 31st August 2015)

Training Program	Physical Target	No of Programme/s	No of staff Trained	Cost (Rs.Mn)
Skill, Knowledge & Technical Development Trainings to all levels of staff	07	06	16	1.328

Analytical Laboratory

- Participated Proficiency Testing (PT) programs with accredited PT providers to evaluate the test performance of the labs.
- Participated in ISO technical committee-2015 meeting for tea standards which held in Japan.
- Participated for the training on residue analysis of pesticides and plant growth regulators in fruits and vegetables using GC-MS/MS and LC-MS/MS at National referral laboratory, ICAR- National Research Centre for grapes,pune,India
- In order to preparation for introducing new international standard in Microbiology testing of tea, lab staff of microbiology section were trained to perform test according to the new standard.

IT Division

- Completed Tea System development project and signed agreement with H-Senid software development team.
- Completed renovation of the Sri Lanka Tea Board website and developing online payment gateway for Cricket T-shirt selling.
- Completed automating ‘Tea replanting’ and ‘factory modernization’ modules in the Tea System with H-senid.
- Completed developments in FinPac finance system to include promotion levy.

Promotion

- Tender for the global campaign has been approved by the cabinet
 - Creation and production-Phoenix Ogilvy (USD 2.26Mn)
 - Public Relation- Grey First serve advertising (pvt) ltd(USD 1.56Mn)
- Finalized of market research In Germany and presented to the Promotion & Marketing Committee.
- Dubai Airport advertising programme till March 2015
- Brand promotion subsidy programme.
- Conducted Estate Tea of the Year competition in Dubai Feb.
- Brand promotion with Auchan Super Market Chain in Russia.
- Promotion – Program done by Honorary Tea Ambassador - USA
 - Ventura Congregation Tasting and speaking forum
 - Tasting Forum on Coffee bean and Tea -Redondo Beach Ca.
 - Tea forum and tasting of Ceylon teas at Maui Culinary University.
 - Embassy of **Poland** participated with Basilur tea gift show.
- Few Ceylon Tea promotional events were organized through Embassies in Germany, USA, Switzerland, Poland, Canada etc. during the first half of 2015.
- Magazine – Articles (Stir magazine – USA (March 2015),Tea and Coffee Magazine- USA,Advertisement in Rustea and Coffee Magazine- Russia)
- Implementation of global campaign with selected advertising agencies (ATL,BTL,PR and Social Media)
- Joint promotion with other state bodies.
- Participation of key overseas trade fairs with private sector companies.
- “Best cuppa” programme conducted in Saman Villa Wadduwa- Induruwa, The Sands- Kalutara, Heritance- Kandalama.
- Sponsored for annual NCE Export awards 2015.
- Organizing & participation at 14 international trade fairs & exhibitions

Prodexpo	-Moscow,Russia	Dubai Tea Forum	-Dubai
Gulfood	-Dubai,UAE	CIBUS	-Parma,Italy
Foodex	-Tokyo,Japan	World Tea Expo	- Long Beach,USA
Cairo int'l fair	-Cairo,Egypt	Food Taipei	-Taipei,Taiwan
Summer fancy food	-Newyork, USA	World Food Warsaw 2015	
Sial	- Canada	Hofex	- Hong Kong
Seoul Food	- Korea	IFE	- London

Special achievements or appreciations and succeeded strategies

- Increased the testing capacity and efficiency per day
 - Purchase of new crude fiber Machine double up the no of samples tested per day. (6 samples per day to 12 samples per day)
 - Purchase of new consumables for Microbiology lab increased the no of samples could be tested per week
- Deputy Director (Laboratory) was awarded with the chartered chemist from the Institute of Chemistry Ceylon (IChem), which is a very significant qualification for technical staff working in an accredited laboratory
- Extending working hours until late night of export section resulted to omitting delays and increased the efficiency

Special Agreements or Relationships Established with Foreign Countries

- Participation at Joint bilateral Economic Commission meetings with Vietnam, Bangladesh, EU, and India
- Establishment of Tea promotion unit in China.

Financial Progress (as at 31.08.2015)

Budget Allocation (Rs.Mn)				Actual Expenditure(Rs.Mn)			
Capital		Recurrent		Capital		Recurrent	
DF	GF	DF	GF	DF	GF	DF	GF
6809.00	229.4	143	194.54	5446.62	9.72	106.04	86.26
Total Allocation : 7375.94				Total Expenditure: 5648.65			

GF- Generated Funds

DF- Domestic Funds

Promotion and Marketing Levy

Year	Allocation (Rs.Mn)	Expenditure (Rs.Mn)
2015	3700.00	333.55

Plans/programs and project information for 2016

- Continuation of Factory modernization subsidy scheme with increased budgetary amount of Rs.50Mn
- Continuation of Tea Replanting subsidy scheme with increased budgetary amount of Rs.50Mn
- Implementation of Green leaf improvement program (B leaf 60) with subsidy for plucking and handling of green leaf with Rs.80Mn project cost. (Distribution of plucking buckets, plucking scissors with 75% government contribution and transport crates with 1/3 of government contribution)
- Five year program of Product quality improvement with new orientation including GMP and SLSI/SLTB quality certification (Budgetary amount for 2016 is 25Mn)
- Establishment of internationally accredited quality inspection body for Sri Lanka Tea Board within five year period (Project cost:Rs.10Mn for five years)
- Implementation of Trade fair subsidy scheme
- Implementation of Brand promotion subsidy for the exporters
- Global Ceylon Tea marketing Campaign covering 25 countries
- Market Research to identify strength and opportunities for Ceylon tea in few selected markets
- Certification of all warehouses(Exporters, Blend and Broker) with SLSI/SLTB certification
- Continuation of firewall implementation.
- Implementation of Automate Inventory Control process
- Setup new WiFi network system to enhance customer satisfaction.

Tea Research Institute



Vision

To achieve excellence in tea research & to provide technological guidance to the tea industry for the upliftment of socio-economic status of Sri Lanka & to make Sri Lankan tea the most preferred tea in the world

Mission

To generate & transfer scientific knowledge & technologies appropriate for the stakeholders to improve productivity & quality of Sri Lankan tea in a most sustainable manner

Researches

Following thematic & sub thematic areas have been identified to address the needs of industry. The progress made as at end August 2015 under thematic & sub thematic areas have also been appended.

- ❖ Crop improvement
 - Breeding of new tea cultivars to improve productivity, quality & to face emerging challenges
 - Application of molecular technology to support genetic conservation & improvement of tea
- ❖ Land productivity improvement
 - Integrated approach to soil fertility management
 - Improvement of land productivity through agronomic practices
- ❖ Impacts of climate change, adaptation & mitigation
- ❖ Mechanization of field practices
 - Developing, modifying & evaluating of harvesting devices
- ❖ Nursery management techniques
- ❖ Crop management
- ❖ Tea processing technology
 - Development & improvement of tea machinery & factory conditions
 - Development/evaluation of alternative energy sources in tea processing

- ❖ Made tea quality improvement
 - ❖ Value addition, new product development & product diversification
 - Characteristics of the prototype instant milk tea mixture, was further improved by modifying ingredient ratios.
 - ❖ Resource planning
 - *Socio-economic studies*
 - *Application of Geographic Information System (GIS) to tea sector*
 - *Micro & macro-economic analysis*
 - Technology dissemination
 - *Extension activities & programs*
- Advisory & extension activities & formal extension programs (as at 31st August 2015)

Major activities	Talawakele	Ratnapura	Kandy	Galle	Deniyaya	Passara	Kalutara	Total
Visitors to the Division/Centre	1760	979	260	297	940	361	23	4620
Advisory correspondence	187	333	48	73	268	73	163	1493
Advisory visits	81	70	42	42	82	15	16	348
Group training approaches	18	43	36	44	90	11	45	729
Distribution of publications	70	72	-	330	252	33	15	442
Soil samples tested for pH	-	464	414	-	154	598	20	1980
Soil samples tested for C%	-	-	-	-	-	583	-	583
Soil samples tested for Nematodes	-	-	-	-	9	-	-	9
Commercial nursery inspection	-	7	44	2	80	-	22	152
Other visits/involvements in adaptive trials	-	-	-	8	7	-	17	32

- Formal participatory technology dissemination activities

Extension forum	Number of programs
Regional Technical and Extension Forum (RTEF)	06
Experiment and Extension Forum for the Smallholdings Sector	02
Experiment and Extension Forum for the Corporate Sector	02
Regional Scientific Committee (RSC) seminars	02

Advisory and extension visits to factories

The Officers at the Technology Division made 32 visits to factories for advising on various aspects of tea manufacture and testing machineries.

Other services to factories

- i. 248 Moisture determinations were done from made tea samples received from different estates.
- ii. 10 Moisture meters, 20 Thermometers and 13 Hygrometers were calibrated.

Services to Stakeholders

- Analytical services
- Other services to stakeholders: Issuance of cuttings

Publications

- Tea Bulletin Volume 22, 1 & 2, June/December 2013
- Tea Bulletin Volume 23, 1 & 2, June/December 2014
- TRI Guideline No. 02/14 - Operational & Maintenance practices for trouble free firewood air heaters (Sinhala version)
- S L J T S 78, 1 & 2, March/September 2013
- S L J T S 79, 1 & 2, March/September 2014
- A reprint of the TRI “Hand Book on Tea” - 2015
- TRI Guideline No. 02/14 - Operational & Maintenance practices for trouble free firewood air heaters (Tamil version)

TRI Estates

❖ Achievements of St. Coombs estate and factory

As at end July, a profit of Rs 3.27 million was made collectively from the bought leaf operation, estate crop & ADB mother bush shoot sales *etc.*, despite significant drop in sale averages at auction & workers’ go-slow approach in July. Four occasions, top prices were recorded for dust1 grade. While maintaining premium prices for dust 1 category, sale averages of BOPF grade have also been improved. As at end July, gross sale average of St. Coombs was Rs 473.37 although the elevation average was Rs 396.71, with a significant difference of Rs 76.66.

❖ Performance of St. Joachim estate and factory:

A loss of Rs 10.87 million occurred as at end July collectively from estate, bought leaf and ADB mother bush operations.

Special projects for the development of sector & addressing stakeholder concerns

- ❖ The project launched for popularizing mechanical devices for harvesting, pruning & land preparation in smallholding sector
- ❖ Year of adoption 2015 - Soil fertility management: Extension campaigns for the RPC sector
- ❖ 100 day program: Fertilizer quality monitoring at retail market places
 - A box-plot technique was used and sample populations were partitioned into quartiles.
 - Scientific method of mixed fertilizer application
 - ❖ Soil fertility management strategies

The samples which conform to standards as a percentage of the total at regional level varied from 82% to 91%. The average is 85 % (Table 3). This value could be considered as satisfactory. Samples conform to standards as a percentage of the total at company level varied from 72% to 100% as evident from Table

TSHDA Region	No of samples	Samples conform to standards (as a % total)	TSHDA Region	No of samples
Galle	80	69	11	87
Matara	60	50	10	84
Kalutara	40	34	06	85
Kegalle	40	33	07	83
Ratnapura	85	65	15	82
Uva	60	50	10	84
Kandy	80	73	07	91
N'Eliya	80	69	11	87
Total	520	443	77	85

Company	No of samples	Samples conform to standards	Samples deviated from standards	Samples conform to standards (as a % of total)
A Bours Co Ltd	92	81	11	88
Hayleys Agro	85	76	09	90
Lak Phohora	70	65	05	93
Tea Shakthi	16	15	01	94
Ag Star	53	41	12	78
CIC Fertilizer	115	90	25	79
Govijana	14	14	00	100
Sri Lak Phohora	32	23	09	72
Colombo	04	03	01	72

Commercial				
Asia Commercial	09	07	02	78
Allied Commercial	30	28	02	94
Total	520	443	77	938

Quality of fertilizer based on nutrient composition at company level

❖ *Presence of impurities - Sodium (Na)*

Statistical parameters for the distribution of Na contents

Mean	Standard deviation	Minimum	1 st quartile	Median	3 rd quartile	Maximum
0.27	± 0.098	0.04	0.2	0.27	0.34	0.44

The 95% confidence intervals for mean and median are 0.27 - 0.28 & 0.25 - 0.27 respectively. Na contents in sulphate of ammonia (SA) based mixtures are significantly higher than the urea or urea and sulphate of ammonia containing mixtures. As per Sri Lanka Standards Institution (SLSI) for muriate of potash (MOP; KCl), while a minimum 60% K₂O should be present, Na content need to be less than 3.5% as an impurity of the production process. It is because the mixtures that are recommended to immature tea contain sulphate of ammonia as the source of nitrogen (N), have relatively larger volume of MOP as a percentage than the urea based mature fertilizer mixtures. In general, Na contents in the fertilizer mixtures are obviously lower than 3.5%.

❖ *Quality of fertilizer based on nutrient composition at company level*
statistical parameters for the distribution of moisture contents.

Mean	Standard deviation	Minimum	1 st quartile	Median	3 rd quartile	Maximum
1.22	± 0.619	0.10	0.77	1.20	1.47	4.03

The 95% confidence intervals for mean and median are 1.16 – 1.27 & 1.14 – 1.25 respectively. In general it is recognized that the moisture content in straight fertilizers be lower than 1%. Moisture content in urea (U) or urea and sulphate of ammonia containing mixtures (UT) are significantly higher than the SA based mixtures. The obvious reason is that the Urea being hygroscopic (i.e. prone to absorb moisture from environment), urea containing fertilizer mixtures also become prone to absorb moisture thus precautionary measures need to be taken when bagging and storage conditions and as well as handling are concerned.

❖ *Lead (Pb) and Arsenic (As) contents in fertilizer mixtures*

Mean	Standard deviation	Minimum	1 st quartile	Median	3 rd quartile	Maximum	Mean
Lead	1.03	± 0.702	n/d	0.50	1.20	1.40	2.70
Arsenic	3.57	± 1.305	2.10	2.68	3.25	4.00	7.30

- ❖ Cadmium contents in all fertilizers were below the detection limit of method used.

The samples conform to standards as a percentage of total sample population varied from 82% - 91% at regional level. The average is 85 %. This could be considered as satisfactory.

- ❖ Augmentation of water treatment plant at TRI, Head office, Talawakelle

Progress

Work description	Progress
Construction of new treatment plant	85%
Construction of new office building	70%
Procurement of filters, pipes, pumps & other equipments	80%
Installation of above equipments at site	-
Renovation of existing WTP	-
Overall progress of the full scope of work	60%

Awards & Recognitions

- Dr K M Mohotti, Deputy Director Research, Mr. J D Kottawa-Arachchige, Research Officer and Mr. K K Ranaweera, Experimental Officer, Plant Breeding Division won National Research Council Merit Award for Scientific Publications.
- Dr I S B Abeyasinghe, Director, TRI was appointed as a member of the Board of Directors of Elkaduwa Plantations Ltd.

Financial Progress - as at 31st October 2015

Descriptions	Budgetary Provisions Rs. Mn.	Treasury Funds Received Rs. Mn.	Actual Rs. Mn.	TRI Income Rs. Mn.
Recurrent	369.57	214.81	224.27	10.83
Capital	85.00	39.55	23.64	-
Capital – Special projects	15.50	4.00	-	-
Total	470.07	258.36	247.91	10.83

TEA SHAKTHI FUND



Vision

The vision of the Tea Shakthi Fund is to be the center of Excellence committed to the advancement of the economic and social

Mission

The mission is to manage Tea Shakthi Fund efficiently and effectively in creating wealth for its members.

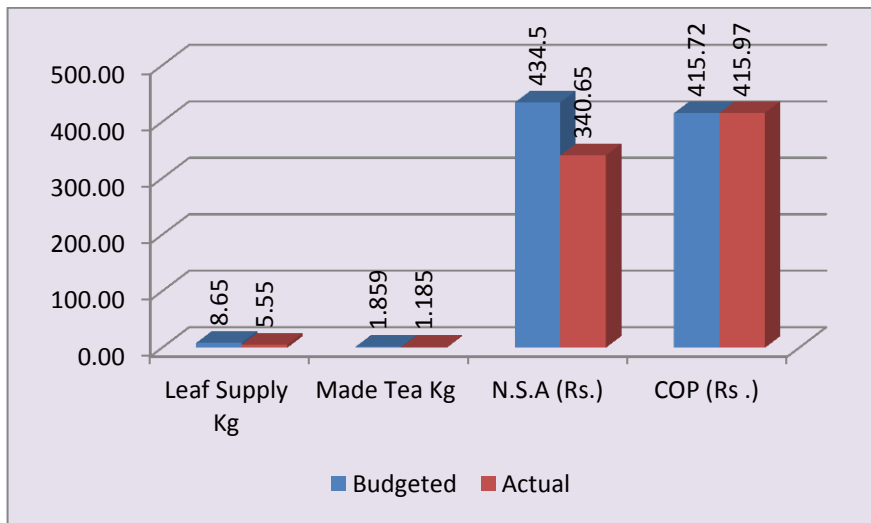
Objective

- a) To inculcate and promote the saving habits in and to improve the economic and social status of Tea Small holders.
- b) To promote necessary investments relate to the tea industry.
- c) To acquire and develop tea factories and to provide other facilities, necessary for the manufacturer of the produce of tea small holders.
- d) To promote and develop the marketing of the produce of such tea factories.
- e) To take such steps as may be necessary for the improvement of well being of those who are engaged in the production of tea as tea small holders.

Overall Performance (As at end of August 2015)

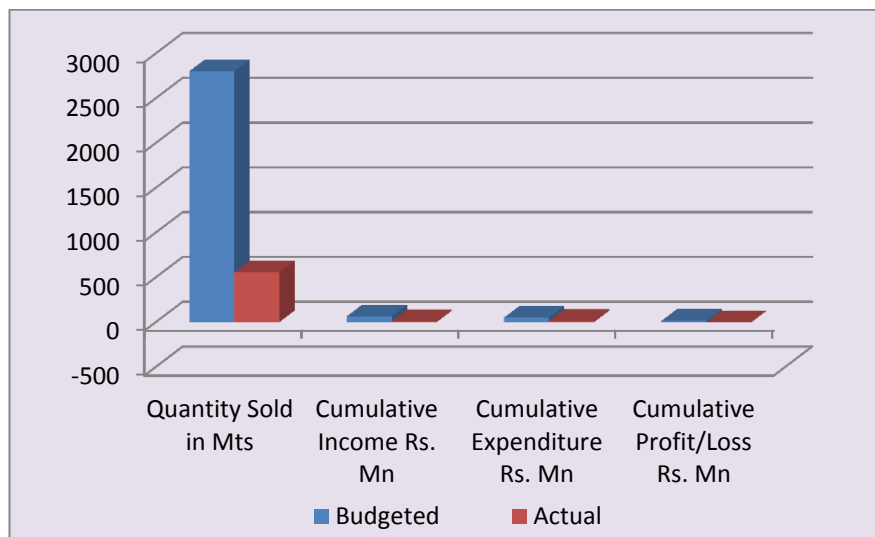
Factory Project

Description	Budgeted	Actual
Leaf Supply Kg	8,651,800	5,545,962
Made Tea Kg	1,859,600	1,185,530
N.S.A Rs.	434.5	340.65
Cop Rs.	415.72	415.97
Cumulative Expenditure Rs. Mn	639.72	260.93
Cumulative Income Rs. Mn	668.52	311.55
Cumulative Profit/Loss Rs. Mn	28.8	50.62



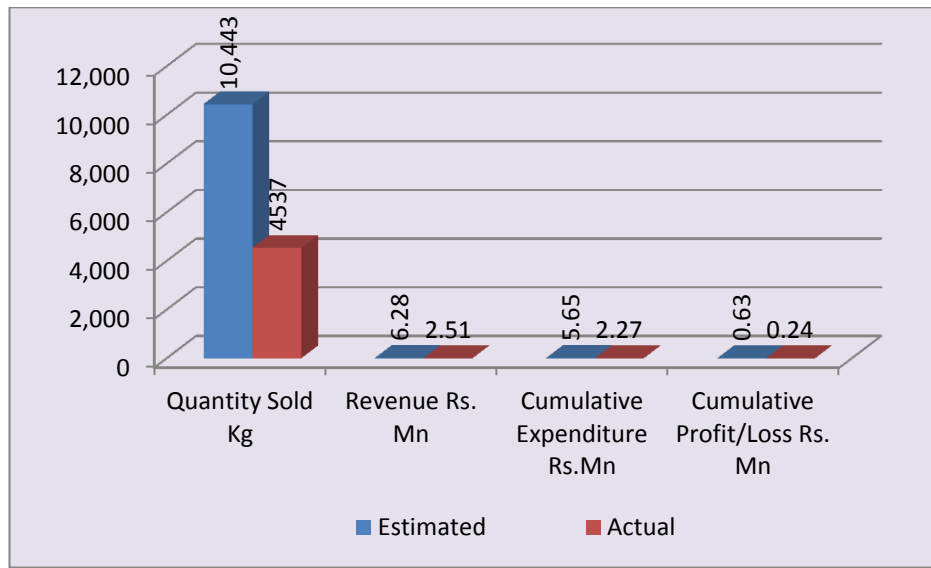
➤ Tea Shakthi Fertilizer Project Performance (2015 as End of August)

Fertilizer Project	Budgeted	Actual
Quantity Sold in Mt	2802.46	553.24
Cumulative Income Rs. Mn	65.115	11.847
Cumulative Expenditure Rs. Mn	50.61	13.37
Cumulative Profit/Loss Rs. Mn	14.5	(1.52)



➤ Tea Shakti Local Tea Sale Project Performance 2015 as End of August

Tea Sale Project	Estimated	Actual
Quantity Sold Kg	10,443	4537
Revenue Rs. Mn	6.28	2.51
Cumulative Expenditure Rs.Mn	5.65	2.27
Cumulative Profit/Loss Rs. Mn	0.63	0.24



Human Resources Development (2015 as End of August)

- **Employee Training Programme**

Local Training Programme From 2015.01.01 to 2015.08.31

Tanning Program/ Target Group	Institute	Number of Employees Participated	Targeted Progress
Public Revenue Accounting & Reporting	Skills Development Fund 12.03.2015 to 13.03.2015	01	To improve knowledge and efficiencies of Internal Audit Division.

Enhance performance of Tea Factories /Head Office Executives, Factory Managers, Factory Officers and Chief Clerk.	National Institute of Plantation Management (NIPM) From 19.03.2015 to 20.03.2015	40	Build Up Team Work attitude among the executives & other staff officers.
5S Implementation and Training Program/ Head Office Executives and Management Assistants	Tea Shakthi Fund From 12.05.2015 to 14.05.2015	40	To improve office work process practices, employee efficiency, productivity and quality of works.

Welfare Project Performance 2015 as End of August

- Tea Shakthi Insurance Claims 2002 to 2015/08/31

Year	Number of Benefits	Total Amount(Mn)
2002	489	11.65
2003	495	13.43
2004	382	10.38
2005	425	11.61
2006	413	11.61
2007	947	20.34
2008	883	18.59
2009	696	14.79
2010	557	10.70
2011	839	15.65
2012	745	16.17
2013	669	13.61
2014	505	9.47
2015 (31 st August)	419	8.4
Total	8464	186.47

Tea Yield

- Year to Year Comparison (From January to August)

Description	2015	2014
Green leaf Supply (kgs)	5,545,962	5,546,770
Made Tea (kgs)	1,185,530	1,175,912
Yield or Out Turn	21.38	21.20
Standard Yield / Out Turn	21.50	21.50

Balance activities to be completed for the year 2015

- To receive target balance, bought leaf of 8,651,800 kgs.
- Made Tea target of 1,859,600 kgs.

Capital

- **To finance for Factory Project's capital requirements.**

1. Complete balance common activities as per the Action Plan 2015.
 - a) Attending urgent machinery repairs – Financial Commitment Rs. 61.97 mn.
 - b) Attending major repairs to buildings (Infrastructure) Rs. 38.43 mn.

Fertilizer Project

- To sell 4325kgs of Fertilizer
- Import of fertilizer
 - Urea – 1500 mts
 - Mop – 900 mts
 - SA – 400 mts
 - Dolomite – 600 mts
 - ERP – 931mts
 - Kieserite - 200 mts
 - Zinc Sulphate – 25 mts
 - Financial Commitment - Rs. 92 mn.
- Complete and Provision of required machineries and Equipments
Financial Commitment Rs. 3.5 mn

Issues and Challenges

- Lack of funds for urgent major repairs and provision of needy machinery requirements in a position that lower margins against higher cost of production eroding surplus.
- Increasing in cost of Transport, Electricity and other utilities towards high cost of production.
- Lower labor productivity under rising wage bills.
- Increasing the share to the world tea market despite of sluggish demand by Kenya, Tanzania and North India.
- Volatility in fertilizer prices.

Cost of production

The variations in the cost of production Vs NSA for last 4 years are as follows.

Description	2011	2012	2013	2014	2015 (as at 2015.08.31)
COP Rs.per Kg	342.73	337.04	415.89	469.00	415.72
NSA Rs.per Kg	332.96	346.84	332.93	411.85	392.93

Targets for Year 2016

➤ Tea factory project

Green leaf (Kg)	11,809,650
Made Tea (Kg)	2,547,075
NSA.(Rs)	401.88
Cop.(Rs)	394.51
Out tern	21.5
Yield (Kg)	20,693,513

➤ Fertilizer Project – 2016

Fertilizer Sales in Mts	5873
Revenue Rs. Mn	133.13
Expenditure Rs. Mn	100.15
Profit/Loss Rs. Mn	32.98

➤ **Local Tea Sales Project – 2016**

Sales Quantity Kgs	16,264
Revenue Rs. Mn	9.23
Expenditure Rs. Mn	7.93
Profit/Loss Rs. Mn	1.3

Measures taken for sustainability of Tea Sector

1. To take initiatives to change Tea Shakthi Act under the direction of Ministry of Plantation.
2. Leased out (Hiniduma and Yatinuwara) two continuing loss making TSF factories to Kalubovitianana Tea Factory Ltd operating under Ministry of Plantation Industries.
3. To submit a proposal to allocate Rs. 200 million from the National Budget 2015 to fulfill urgent repair and replacement of machineries and buildings of Tea Shakthi Tea Factory Project.
4. A special committee of TSF has negotiated a decision to lease out following four factories (Deniyaya, Mawarala, Kotmale & Gilimale).

Kalubowitiyana Tea Factory Limited

Vision

To be the most recognized model in manufacturing and marketing of best Sri Lankan CTC and Orthodox Tea.

Mission

To manufacture superior quality, tasty and consumer friendly Sri Lankan Tea aiming at internal and external markets.

**Progress of Implemented main factors as per the Action Plan
(as at 31st August 2015)**

Actions	Allocation year 2015 (Rs. Mn.)	Financial / Physical Progress
<u>Kalubowitiyana CTC Tea Factory</u>		
Renovation of Factory Labour Dormitory	0.50	
Tiling & Partition work for Radiator Room	0.40	
Prime wall to Factory premises	3.50	
CCTV Camera System	0.60	Basic Stage
Computer Base Accounting System	0.20	
<u>Derangala Tea Factory</u>		
Prime wall to Factory premises	4.0	
Purchase of 02 No.s Tea Rollers	5.0	Basic Stage

Purchase of 04 No.s Tea Rollers	1.0	
Computer Base Accounting System	0.25	
<u>Hiniduma Hills Tea Factory</u>		
Purchase of Capacitor Bank	0.50	
Purchase of Colour Separator	15.0	Basic Stage
Purchase of Main Fan for Drier	0.30	

Progress of Activities without Action Plan 2015

- Newly Built a Menikdiwela Tea Factory in Kandy

As per the 100 day programme, we established a new tea factory and manufacture on 27.06.2015 in Menikdiwela, Yatinuwara to supply green leaf and certified rate of bought leaf Rs. 80.00 (per kg) for the Tea Small Holders. This factory will be leased our company in future.

Financial Progress - Civil construction Rs. 37,170,083.10
 Machinery Rs. 17,771,723.40

- Project of introducing new cloners to Tea Small Holders from Derangala Tea Factory. Tea Plant 100,000 Nos. Estimate Rs. 2,228,753.00.

As at 2015.08.31

Physical Progress	Financial
Construction of Shed	} Rs. 1,014,630.97
Planting - Plants 100,000	

Achievements

- Kalubowitiyana CTC Tea Factory and Derangala Tea Factory have obtained following certificates.

- SLS ISO 22000:2005
 - Good Manufacturing Practices System (GMP)
 - Hazard Analysis and Critical Control Points System (HACCP)
- Top price in Colombo Tea Auction PDUST (Rs. 490.00) on 05th May 2015, sale by Asiya Siyaka.
- Top price in Colombo Tea Auction BP I (Rs. 415.00) on 26th May 2015, sale by Forbes & Walkers.
- Top price in Colombo Tea Auction for PF I (Rs. 695.00) on 14th July 2015, sale by Forbes & Walkers.
- Top price in Colombo Tea Auction for PF I (Rs. 490.00) on 16th September 2015, sale by Forbes & Walkers.

Financial progress (as at 2015.08.31)

Factories	Capital		Recurrent	
	Budgeted	Actual	Budgeted	Actual
Kalubowitiyana Tea Factory	25,950,000	228,339	546,203,159	180,508,340
Derangala Tea Factory	6,435,000	850,085	242,020,181	91,692,399
Hiniduma Hills Tea Factory	19,115,000	661,111	143,225,534	41,780,401
Menikdiwela Tea Factory	48,281,983	54,941,806	119,354,611	6,739,993
Head Office	830,000	-	34,857,531	13,502,080
Total	100,611,983	56,681,341	1,085,661,016	334,223,213

* Company Financial year 01st April 2015 to 31st March 2015

Special Plan/Programme/Project

- Expansion of Local Sales Project.
- Project of introducing new cloners to Tea Small Holders from Derangala Tea Factory.
- Implement the Practical Training Programme conducted by TRI Professionals, to enhance crop.
- Introduced new Bought leaf recording System, Accounting System and Delivering System using Information Communication System.
- Government certified Bought leaf rate (Rs. 80.00) to Small Holders from our factories.

Tea Small Holdings Development Authority

Vision

To create a economically & socially sustainable tea small holding sector.

Mission

To improve quality and productivity in the tea small holdings sector through provision of excellent support services.

Physical Progress (as at end August – 2015)

Activity	Unit	Target	Achievement
1. Replanting.			
Awareness programmers for permit holders	No of programmers	550	401
	Participation	15275	11050
Production and issue of training material (Replanting)	No	13313	6811
Land preparation	No	13010	2472
	Hectares	1700	492
Checking of soil samples for pH	No	12675	44535
Soil rehabilitation (SR 1)	No	12579	2282
	Hectares	1500	447
Training for establishment of input nurseries (Permit Holders)	No of programmers	146	50
	Participation	1383	574
Production and issue of training material (Nursery techniques)	No	1125	302
Training of commercial nursery owners	No of programmers	158	48
	Participation	1267	518
Production and Issue of shoots from mother bush areas	Extent (Ha)	10	10
	No of Shoots	371650	154704
Soil rehabilitation (SR 2)	No	8090	2443
	Hectares	1200	477
Training on tea planting	No of programmers	396	239
	Participation	8510	5791

Activity	Unit	Target	Achievement
Production and issue of training material (Tea Planting)	No	7405	3247
Planting of tea	No	7466	1693
	Hectares	1200	317
Maintenance (After 1 year)	No	6246	2120
	Hectares	1090	329

Activity	Unit	Target	Achievement
2. New Planting			
Land preparation	No	4138	1152
	Hectares	253	186
Planting	No	3987	1164
	Hectares	227	185
Maintenance	No	4605	681
	Hectares	225	100
Conducting training programmers on plucking	No of programmers	1161	590
	Participation	24095	13683
Production & issue of training material (Plucking)	No	24530	6446
Individual land visits	No	36450	13621
Provision of record books	No	34855	51
Farmer training programmers on pruning practices	No of programmers	569	381
	Participation	13541	8097
pH testing of soil samples	No	13755	4533
Supply of Dolomite through Loan Scheme	Mt	393	81
Training of Trainers on pruning	No of programmers	11	-
	Participation	175	-
Skill Training of pruners/land owners	No of programmers	257	151
	Participation	4310	2858
Production & Issue of training material on pruning (leaflets) Booklets on pruning	No	9090	3860
	No		2140

Activity	Unit	Target	Achievement
3. Crop Rehabilitation			
Crop Rehabilitation (Incentive) Stage I	Hectares	566	52
	Plants	854643	10466
Crop Rehabilitation (Incentive) Stage II	Hectares	283	38
	Plants	495884	74097
Conducting awareness programmers on soil management	No of programmers	825	494
	Participation	18590	17730
Production & Issue of training material on soil management	No	18660	6019
Conducting training programmers (Establishment & management of shade)	No of programmers	852	370
	Participation	19200	9601
Production & issue of training material on shade management	No	21235	6015
Training on nutrient management including use of fertilizer, Dolomite, Zinc etc	No of programmers	812	403
	Participation	19500	12373
Production and Issue of training material (leaflets)	No	17055	5906
Conducting training programmers on plucking	No of programmers	641	260
	Participation	10780	5095
Preparation of training material (Illustrated booklet)	No	6076	2207
Develop and prepare awareness material	No	9180	3121
Conduct joint awareness programmers on leaf quality	No of programmers	223	79
	Participation	22300	4765
Conduct awareness programmers on importance of leaf quality (seminars)	No of programmers	288	97
	Participation	14400	5345
Conduct training programmers on Tea Based Farming	No of programmers	144	16
	Participation	1640	370

Financial Progress (as at 31st August 2015)

Activity	Allocation for 2015 Rs.Mn.	Financial Progress Rs.Mn
Maintain a replanting rate of 2% annually	760.09	163.68
Improve harvesting practices on 10% of the lands annually	14.31	0.018
Improve pruning practices on 10% of the lands annually	20.72	1.99
Improve soil management practices on 10% of the lands annually	0.84	0.00
Ensure recommended shade management practices on 25% of the lands annually	0.79	0.00
10,000 puckers trained annually	0.63	0.00
Conduct joint awareness programs involving factories on importance of leaf quality for small holders and leaf suppliers within one year	1.36	0.00
50% of the smallholders are aware of importance of quality leaf in 2 years	1.01	0.00
Appropriate legislative changes related to societies are effected within two years	0.50	0.00
400 societies function in an effective manner every 3 years	6.00	0.466
Conduct mobilization programmer Training of society coordinators	3.00	0.00
A Wide Area Network is established linking all units in the organization within 2 years	2.15	0.225
Strengthen the monitoring system.	18.60	0.097
Organizational staff have positive attitudes towards work	1.00	0.731
5% of the organizational staff is provided with professional training annually	6.00	1.019
Inter organizational relationships maintained and strengthened	0.75	0.00
Introduce tea based farming systems into 1000 tea lands annually	0.25	0.00

Tea Production of tea Small holder Sector

Description	2014 (as at August)	2015 (as at August)
Small holder tea production (Mn.Kg)	165.122	163.95
Contribution to the national tea production(%)	72.91	73%
Productivity (PH /PY /MT)	2126	2111

Elevation	2014 (January - August)	2015 (January - August)
High (Mn.Kg)	10.494	9.847
Mid (Mn.Kg)	20.995	21.650
Low (Mn.Kg)	133.633	132.456

Cost of Production Rs/Gl/Kg (as at August)

Year	C.O.P. Rs/Gl/Kg
2014	53.87
2015	54.74

Incentives given to the tea small holders:-

- i. Increased the tea replanting subsidy rate from Rs.350,000 to Rs.500,000 with effect from 01.01.2015
- ii. Increased the tea new planting subsidy rate from Rs.250,000 to Rs.400,000 with effect from 01.01.2015
- iii. Paid at rate of Rs.5,000 per acre for each qualified tea small holder under the Soil and Water Conservation Program.

Financial Progress as at 31/08/2015

Development Capital	Estimate (Rs. Mn)	Actual (Rs. Mn)
Replanting	474.11	128.78
New Planting	46.26	34.41
Crop Rehabilitation	19.96	2.00
Extension	29.91	0.58
Strengthen Community Based Organization	9.50	0.47
Strengthen the Institution to function more Effectively	<u>28.50</u>	<u>2.07</u>
	<u>608.24</u>	<u>168.31</u>
Building and structures	16.18	3.61
Vehicle Major Repair	2.00	0.20
Furniture and Office equipment	13.37	5.03
Land and Land Improvements	<u>10.00</u>	—
	<u>41.55</u>	<u>8.84</u>
Recurrent Expenditure		
Revenue	289.55	208.92
	13.55	0.45
	<u>Approved Funds</u>	<u>Actual Funds</u>
Capital	650.00	177.15
Recurrent	276.00	208.92
<u>Extra Activities done by out of the Action Plan</u>		
Water and Soil Conservation Programmer	418.60	160.86

Rubber Development Department

Vision

Management of the Rubber Plantation Industry for the Socio-Economic Development in Sri Lanka

Mission

Implementation of the legal provisions for the qualitative and quantitative development of the rubber plantation industry, supply of financial subsidies, agricultural inputs and extension services for the cultivation of rubber and the development of the rubber industry.

Priority areas of the Institution

- Rubber New Planting and Replanting Subsidy Programme.
- Granting subsidies for intercropping in the immature phase of rubber cultivation.
- Conducting training programmes for Latex Harvesting Assistants.
- Producing high quality rubber plants in the plant nurseries owned by the Department.
- Registering rubber traders, shippers and rubber product manufacturers and issuing annual licenses.
- Levying Cess.

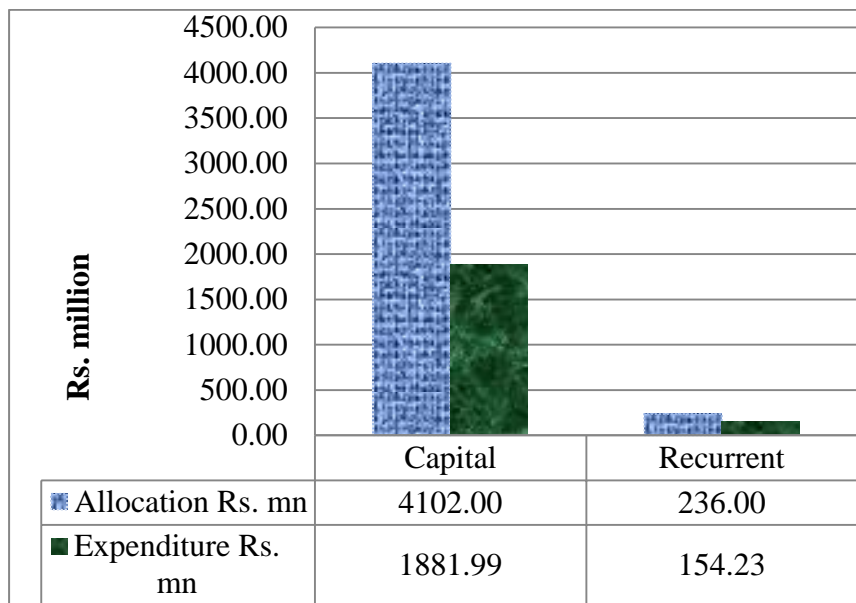
Physical Progress (Up to 31st August 2015)

Activities	Physical Targets 2015	Physical Progress	Progress %
Rubber replanting (Smallholder) - Hectares	2145	255	12
Rubber new planting (Traditional) - Hectares	1970	77	4
Rubber new planting (Non-traditional) - Hectares	5200	0.41	0.01

Rubber replanting (Corporate sector) - Hectares	1700	(Licenses have been issued for 358 hectares)	-
Intercropping (Traditional) - Hectares	295	34	12
Intercropping (Non-traditional) - Hectares	460	2.24	1
Rain Guards (Smallholding sector) - Hectares	1115	80	7
Rain Guards (Plantation Companies) - Hectares	3570	3 ha. & (Licenses have been issued for 4050 hectares)	0.1
Training of Latex Harvesting Assistants - General (Traditional) - Persons	2340	757	32
Training of Latex Harvesting Assistants - General (Non-traditional) - Persons	740	300	41
Training of Latex Harvesting Assistants - Professional - Persons	390	81	21
Training of Bud Grafters - Persons	270	90	33
Plant production - Plants	1,850,000	711,813	38

Financial progress (Up to 31st August 2015)

Activities	Allocation for the year 2015 (Rs. million)	Expenditure incurred (Rs. million)	Progress %
Capital	4102.00	1881.99	46
Recurrent	236.00	154.23	65
Total	4338.00	2036.22	47



Progress of the Implementation of Budget Proposals and Development Proposals

➤ **Budget Proposals 2012**

In order to further enhance rubber cultivation to non-traditional areas, providing high quality plants for new planting of rubber in 10,000 hectares targeting at the Ampara and Mahaoya areas and improve plant nurseries.

- New planting programme in Ampara

Year	Extent of land cultivated Hectares
2012	137.50
2013	402.93
2014	256.17
2015 (31 st August)	No Progress because planting work starts end of the year



New rubber cultivation in Ampara area

• Expenditure for development of nurseries from 2013 to 2015

Activity	Expenditure for 2013 (Rs. mn)	Expenditure for 2014 (Rs. mn)	Expenditure up to 31 st August 2015 (Rs. mn)
Improving nursery irrigations	12.02	3.42	1.30
Purchasing nursery equipment	3.99	0.76	-
Nursery constructions	18.69	16.41	4.79



• Budget Proposals 2013

New planting of rubber in Vavuniya and Mullaitivu Districts in Northern Province (From 2013 to 2017)

Progress from 2013 to 31st August 2015

Year	Extent of land cultivated in 2013 Ha.	Extent of land cultivated in 2014 Ha.	Extent of land cultivated up to 31 st August 2015 Ha.
Vavuniya	36.80	12.14	No Progress because planting work starts end of the year



Vavuniya Rubber Land

- **Budget Proposals 2015 - Pay the Guaranteed rubber price Rs. 350.00**

International and local market prices of natural rubber have been declining since 2011 because of low demand. Falling rubber prices are discouraged smallholders from tapping, thereby result in a decline in rubber production. To overcome this issue government decided to pay Rs. 350 guaranteed price to small holders according to budget proposal of 2015.

Progress of Guaranteed Rubber price Payment to Small Holders up to 31st August 2015

Office	No. of request received	No. of Voucher paid	Amount paid RS. Mn.
Kalutara	6215	6175	75.50
Monaragala	3638	3537	39.25
Ratnapura	10017	9540	125.44
Galle	2371	2109	42.72
Kegalle	20784	19002	179.80
Head Office	25000	24827	527.54
Total	68025	65190	990.25

Progress of Guaranteed Rubber Price Payment through the Dealers up to 31st August 2015

Office	No. of request received	No. of Voucher paid	Amount paid RS. Mn.
Kalutara	398	350	56.31
Monaragala	27	25	28.97
Ratnapura	432	382	69.15
Galle	166	147	17.24
Kegalle	966	936	205.12
Head Office	1754	265	42.41
Total	3682	2105	419.20

Total Progress of Guaranteed Rubber Price up to 31st August 2015

Office	No. of request received	No. of Voucher paid	Amount paid RS. Mn.
Kalutara	6613	6525	131.81
Monaragala	3665	3562	68.22
Ratnapura	10449	9922	194.59
Galle	2537	2256	59.96
Kegalle	21750	19938	384.92
Head Office	26754	25092	569.95
Total	71768	67295	1409.45

➤ **Future Plan for implementation of the development programme from August to December 2015**

Activities	Physical Targets 2015	Progress up to end of August 2015	Quantity to be completed
Rubber replanting (Smallholder) - Hectares	2145	255	1890
Rubber new planting (Traditional) - Hectares	1970	77	1893
Rubber new planting (Non-traditional) - Hectares	5200	0.41	5199
Rubber replanting (Corporate sector) - Hectares	1700	358 හෙක්ටයාර් බලපත්ර නිකුත් කර ඇත	1700
Intercropping (Traditional) - Hectares	295	34	261
Intercropping (Non-traditional) - Hectares	460	2.24	457.76
Rain Guards (Smallholding sector) - Hectares	1115	80	1035
Rain Guards (Plantation Companies) - Hectares	3570	Planted 3 Hectares Issued Licence for 4050 Hectares	3567

Training of Latex Harvesting Assistants– General (Traditional) - Persons	2340	757	1583
Training of Latex Harvesting Assistants– General (Non-traditional) - Persons	740	300	440
Training of Latex Harvesting Assistants– Professional - Persons	390	81	309
Training of Bud Grafters - Persons	270	90	180
Plant production - Plants	1,850,000	711,813	1,138,187

Physical and Financial Targets for the year 2016

Activities	Financial target for planting in previous years Rs. million	Financial target for planting in year 2016 Rs. million	Physical Target	Units
Training of Latex Harvesting Assistants– General (Traditional)		1.79	1900	Persons
Training of Latex Harvesting Assistants– General (Non-traditional)		0.42	440	Persons
Training of Latex Harvesting Assistants– Professional		3.00	300	Persons
Training of Bud Grafters		0.26	210	Persons
Rubber replanting (Smallholder)		118.33	2315	Hectares
	208.54	-	10174	Hectares
Rubber new planting (Traditional)		88.91	2115	Hectares
	128.02	-	7424	Hectares
Rubber new planting (Non-traditional)		76.44	1820	Hectares
	129.77	-	8700	Hectares
Rubber replanting (Corporate sector)		92.26	1805	Hectares

	147.01	-	7276	Hectares
Intercropping (Traditional)		3.20	320	Hectares
Intercropping (Non-traditional)		5.10	510	Hectares
Rain Guards (Smallholding sector)		21.00	1500	Hectares
Rain Guards (Plantation Companies)		70.00	5000	Hectares

➤ **Progress of other institutionally implemented programmes (up to 31st August 2015)**

- Continue the Providing facilities in collaboration with the Sri Lanka Institute of Information Technology to get rubber prices through the Short Message Service (SMS).
- The system study report to develop the computer system (RIMS) Rubber Information Management System Project has been completed and tender called from the relevant consultancy organizations.



Successful rubber land with rainguard



Successful mature rubber land

Rubber Research Institute

Vision

The Institute's vision is to emerge as the centre of excellence in providing high quality scientific technologies to the rubber Industry.

Mission

The institute's mission is to revitalize the rubber sector by developing economically and environmentally sustainable innovations and transferring the latest technologies to the stakeholders through training and advisory services.

Objectives

- Increase productivity of rubber lands to international standards
- Increase national production of NR to meet the increasing demand
- Optimal and sustainable utilization of land, labour and other resources
- Maximize domestic value addition to rubber
- Encourage individual competency and self development of RRI personnel and in the process, improve the organizational effectiveness of the institute

Prioritized Areas

- Developing technologies and identifying suitable lands for the expansion of rubber cultivation in Eastern and Northern areas
- Development of rubber compounds for product manufacture on stakeholder demand
- Development of new rubber products for niche market.
- Popularization of newly developed technologies namely improved tapping knife, power mat and single day drying system among stakeholders.
- Introduction of new high yielding clones to the smallholder sector
- Acceleration the research programme of breeding clones tolerant to drought conditions
- Development of rubber components for biomedical applications

- Multiplication and evaluation of the “Germplasm Collection of “*Hevea*” obtained from 1981 IRRDB expedition to the Amazon
- Development of small and medium scale natural rubber based product manufacturing sector in Sri Lanka
- Testing new pesticides for sustainable rubber industry

Special Achievements & Awards

- Dr.(Mrs.) Dilhara Edirisinghe received a Merit Award from the Plastics and Rubber Institute of Sri Lanka for the significant contribution made towards the development and growth of the polymer industry of Sri Lanka.
- Obtaining the highest price for crepe rubber six times in Colombo auction

Highlight of the Research & Development Activities

- Rubber nurseries of Plantation Companies, Rubber Development Department and private owners were continuously inspected to assure quality planting materials for rubber growers.
- New rubber tapping knives and tapping marking stencils were supplied to both Plantation Companies and smallholders on requests.
- Advisory and stakeholder training programmes on all aspects of up and midstream production lines of rubber industry were conducted.
- Plants and budwood from different rubber clones were issued to nurserymen to established budwood nurseries to maintain clonal balance in the country
- Introduction of economical, environmental friendly bio film bio fertilizers for rubber nursery plants and immature field plants for improved growth
- Introduction of slow release fertilizers for rubber nursery plants to address the problems, such as excessive leaching losses of nutrients, possible pilferage and adulteration of fertilizers, and labour costs associated with repeated application
- New weedicide “Glyfosinate ammonium” was identified weedicide “Glyphosate”
- An extent of 1750 ha. was surveyed for land suitability of planting rubber.
- Fertilizer samples (200) from different stakeholder were analyzed to assure the application of good quality fertilizer for the rubber land.
- Development of temperature and impact resistant, tire paint for inner heel compound in solid tires.

- Development of abrasion resistant, crack resistant and wear resistance screen printing ink for natural rubber gloves and slippers
- More than thousand samples of polymer materials and compounding ingredients were tested to analysis of their constituents using FTIR. Analysis of thermal properties of polymers/compounds using DSC and DMA was carried out for more than 60 samples.
- Detailed analysis on variation of cost of production (COP) in both estate and smallholder sectors
- GIS based resource quality and accessibility analysis for rubber farming in Ampara and Vavuniya district of Sri Lanka to facilitate efficient planting for rubber cultivation
- Natural rubber latex foam and cast films were successfully produced using aloe vera for ayurvedic applications.
- A light weight rubber ball with low resilience, high abrasion resistance and high hardness was produced out of styrene-butadiene rubber for cricket training purpose.
- A natural rubber latex foam backing was developed for door mats manufactured out of coconut fibre.
- A rubber compound for oil seals was developed using nitrile latex compound waste.
- A hard, abrasion resistant coating for textile rollers was developed using a natural rubber based compound.
- Natural rubber latex based moulds suitable to produce different shapes and sizes of natural material based soap pieces were developed.
- Property improvement of natural rubber / low density polyethylene / calcium carbonate composites was conducted with a titanate coupling agent.
- Natural rubber based composites were produced using coconut shell powder for solid tyre treads.
- A paving material was developed with ground rubber tyre and bitumen.
- A floor tile was produced with a blend of natural rubber, low density polyethylene and recycled low density polyethylene.
- More than 500 physico-mechanical tests were performed on rubber compounds, products, crepe rubber samples and polythene samples.
- Analysis of the financial benefits of low intensity harvesting systems with present low prices was carried out. Adoption of S/2 d4 system has reduced the COP in 19% and increased the net profit from 1hectare of rubber land in 99% when compared to the traditional S/2 d2 harvesting system. Investigations on Biochemical components and physical properties of rubber wood of RRIC 102 and 121 genotypes were completed.
- New hybrid drying system was developed for drying of different types of raw natural rubber.

- Novel high performance lighter weight prosthetic foot based on hybrid nanomaterial filled natural rubber compound was developed and will be planned to use for disabled army personnel. The project funded by National Science Foundation (NSF) was carried out in collaboration with army rehabilitation center, Ranaviru Sevena.
- Value added novel sole crepe rubber material with a higher hardness, improved abrasion resistance and with a smoother surface characteristics was developed as an alternative for present coloured sole crepe rubber.
- Annual girth increment rate of 8.9cm was achieved in adaptive research plots established during the period of 2010 to 2014 in Vauniya district.
- Carbon foot print of rubber sugarcane intercropping system was established.
- Papaya has successfully been cultivated as an intercrop with a density of 560 plant/ha in immature rubber field in Vauniya district.

International Relationships

The memorandum of understanding has been signed with fourteen rubber growing countries to exchange 52 Hevea clones among them as multilateral clone exchange between IRRDB member countries

Financial Progress up to 31st August 2015

Allocation (Rs Mn)			Expenditure (Rs. Mn)				
<i>Capital</i>	<i>Recurrent</i>		<i>Total</i>	<i>Capital</i>	<i>Recurrent</i>		<i>Total</i>
<i>Tresury Funds</i>	<i>Tresury Funds</i>	<i>Generated Funds</i>	291.44	<i>Tresury Funds</i>	<i>Tresury Funds</i>	උපයාගන්	260.9
58.4	226.87	6.17			31.9	224.6	

Special Projects

Maintenance and Evaluation of the Germplasm collection of Hevea obtained from 1981 IRRDB expedition to the Amazon

Thurusaviya Fund

Vision

Making the Local Rubber Industry the number one Foreign Exchange Earner of Sri Lanka.

Mission

Taking actions to uplift the economic conditions of the rubber small holders and thereby, strengthening the entire local rubber industry and contributing them to the

Progress of Activities without Action Plan 2015

➤ 100 days programme

- Conducting an awareness programme and distribution of resources for Thurusaviya society members at the Galagedara Division of Kandy district in the presence of Hon. Minister of Plantation Industries .
- Conducting 10 Training Programs for 100 days Programme.(Annex 3)
- Conducting an awareness programme & distribution of resources of the Matugama city of Kalutara District.
- Providing a Loan of Rs. M. 6.23 under a concessionary interest jointly with the Bank of Ceylon to 50 members of Thurusaviya societies.
- Introducing a loan scheme subjects to a very low interest by the jointly with Regional Development Bank to the Rubber Small holders at district level making them aware and conducting a Training programme on the loan scheme.
- Work completed at Lunugama Group Processing Center handed over to the people.

Progress of projects & programs against action plan 31.08.2015

- Obtaining 100% physical progress and 80% of financial progress from construction of 2 Smoke Houses
- Obtaining 100% physical progress and 76.4% of financial progress Distribution of the 90 Alluminium Trays & Roll pairs
- Obtaining 50% of financial target for distribution of Alluminium Trays.
- Under the Strengthening of Societies and introducing of new loan schem, established 400 Societies and obtained 79.6% of financial target.
- Providing Rs.78.2 mn under a concessionary interest jointly with the Bank of Ceylon.The role of the Thurusaviya fund is the introducing the small holders to the bank.

Achievements, Evaluations and Successful Strategies

- Even though it was initially planned to start 07 rubber purchasing centers in per the activity plan for 2015, only one purchasing center was initiated in Baduraliya town of Kalutara district on 16.07.2015 with the objective of providing the government subsidy and speed up the process of providing a fair set price for small rubber land owners.
- the small rubber land owners products were not given a set price. Because this newly opened purchasing center, the small rubber land owners do not get caught to the intermediaries and is able to receive a set price in par with their expectations from them and even from the other purchasing centers as well which is a substantial achievement of the farmers.

Financial Progress as at 31.08.2015

Description	Approved Allocation (Rs.Mn)	Expenditure (Rs.Mn)
Capital	7.0	3.9
Recurrent	13.0	9.5
Total	20.0	13.4

➤ Self- earnings

Net profit by purchasing rubber	- Rs. 113,345.00
the rent income from two of the Group Processing Centers	- Rs. <u>13,000.00</u>
Total	- Rs. <u>126,345.00</u>

Special Tasks / Programs and Projects

- ❖ Conducted programs with the National Institute of Plantation Management for Thurusaviya society members to enhance attitude development and positive thinking as well as 05 training sessions to enlighten about the rubber industry.
- ❖ Conducted 25 awareness training sessions with the collaboration of Rubber Research Institute.
- ❖ “National Program for narcotic drugs and alcohol eliminating program 2015” to create a country free from narcotic drugs and alcohol.
- ❖ Created awareness among 2500 Thurusaviya society members through national program for dangerous narcotic drugs and alcohol eliminating program 2015 in order to create a country free from narcotic drugs and alcohol. This was done in divisional levels in Kalutara, Kegalle, Ratnapura, Colombo, Gampaha, Galle, Matara, Hambantota and Monaragala districts.
- ❖ Created awareness among small rubber land owned Thurusaviya society members about dengue eradication in par with national policies.
- ❖ Conducted 02 restructuring training programs covering Monaragala, Ampara and Baulla Districts.

Coconut Cultivation Board

Vision

Be the most efficient and effective coconut producer in the world.

Mission

Achieve self-sufficiency to meet the local & export demand by increasing production and productivity of coconut land through an efficient & effective extension service and development assistance.

Activities

- Increase production of high quality coconut seedling and supply to the growers.
- Promote coconut growers to apply organic and inorganic fertilizer.
- Promote moisture and soil conservation in coconuts lands.
- Promote coconut based farming systems.
- Control of disease and pest in the coconut cultivation.
- Popularize new technology and advisory service amongst the growers.
- Popularize intercropping and animal husbandry in the coconut lands.
- Expansion of Kapruka Purawara programme to 160 divisional secretariats throughout the island.
- Establish Kapruka Purawara centralized nurseries .
- providing loan facilities for development of coconut lands.
- providing subsidies for development of coconut lands.
- providing subsidies for rehabilitation of coconut lands.

Special Programmes Implemented (as at 31st August 2015)

Programme	Unit	Physical		Financial (Rs. Million)	
		Annual Target	Progress		Unit
1. Divimagata Kapruka Programme	Coconut Seedlings	500,000	257,640	50.00	25.76
2. Kaprukai – Sipnenani Program	Coconut Seedlings	250,000	80,064	46.25	13.27
			Students 41,379		
			Schools 888		
3. Rehabilitation Subsidy Program	Coconut Seedlings	310,000	185,226	31.00	16.85
4. Subsidy programme for cultivation under 5 acres	Acres	15,000	10,060	94.00	68.02
	Coconut Seedlings	960,000	709,043		
	<i>New Planting</i>	Acres	7020.5		
	<i>Re Planting</i>	Acres	579.09		
	<i>Under Planting</i>	Acres	3460.41		
5. "Kapurakai Parapurai" Programme	Coconut Seedlings	100,000	12,144	18.5	2.19
6. Urban Homegraden programme	Coconut Seedlings	20,000	12,098	2.00	0.93
7. Coconut planting in Kapruka Purawara	Coconut Seedlings	900,000	743,071	90.00	70.23
Total number of coconut seedling issued under development programmes			1,999,286		
Total seedling sold			179,513		
Total (Seedlings)			2,178,799		
8.i Kapruka Ayojana Loan" Programme	Acres	3000	Acres 1,809	152.00	108.04
ii Payment of interest rebate			Lands 301		5.9
9. Subsidy program to construct cattlesheds in coconut lands to promote organic fertilizer application	Cattle sheds	250	58	8.75	1.50
10. Subsidy programme to establish hose pipe	Acres	1,000	228.25	8.00	0.70

irrigation systems in coconut lands.					
11. Kapruka Purawara Programme				11.78	2.44
I. Establish primary societies	Number of Societies	335	26		
II. Establishment of Zonal Kapruka societies	Number of Societies	105	4		
III. Laying seed nuts	Seed Nuts	2,200,000	300,794		

12 Promote intercropping through awareness programs	No of training programmes	200	101	0.79	0.01
13. Conduct extension programmes with other development programmes	No. of programmes	2000	1,420	5.79	0.25
14. Pest & Disease Control Programmes					
I. Mite control demonstrations	Number of demonstrations	18	17	9.54	1.13
II. Maintenance of predatory laboratories	Number of Laboratories	12	9		
III. Awareness programmes to control of main pests	Number of programmes	400	225		
IV. Issue of pheromone traps	Traps	20,000	1000		
V. Issue of predatory vials to control Coconut caterpillars	Vials	800	221		
VI. Weligama Coconut Leaf Rot and Wilt Diseases	Number of lands examined		18,944	Funds allocated to the Ministry.	12.34
	Number of demonstrations		7,608		
	Number of Laboratories		2,259		



Group of children who benefitted from distribution of Coconut seedlings under “Kaprukai Sinenai” Programme

➤ **Production of coconut seedlings**

Coconut Cultivation Board targeted at producing 4 million seedlings during the 2015 and 5.7 millions of seednuts should have been laid in order to achieve the seedling target, 3.2 Million seed nuts were laid in the nurseries of the coconut cultivation board along with community nurseries during both *Yala* and *Maha* seasons. These seed nuts have been laid in 38 nurseries of Coconut Cultivation Board and 41 community nurseries, scattered island wide



• **Pest & disease control programmes**

Coconut Development Board implements programmes to control pest & disease in order to increase the coconut production. Special programs are being implemented by the Coconut Development Board to control main pests such as Red weevils, Black Beetle, Coconut Mite and Coconut leaf Caterpillars. The Board implements integrated pest control program to control Red weevil, Black Beetle and Coconut Leaf Caterpillar.

• **Mita control programmes**

In islandwide predatory centers, produce predatory mites and distributes them amongst the growers to utilize them in the coconut lands to control mites.

Progress of Predatory Centers – as at 31st August 2015

Laboratory	Number of packets produced	Number of packets distributed
Kurunegala	13,984	11,102
Habantota	2,051	2,612
Ampara	24,885	20,189
Batticaloa	17,810	9,731
Moneragala	6,150	5,756
Mullaitivu	5,985	2,325
Wariyapola	12,251	10,885
Palai	6,685	836
Bibile	2,650	551
Total	92,415	63,987

*Small number of mite predators that were produced during the last year, were also issued during this year.

Coconut Harvest of Model Coconut Gardens

4,112,207 numbers of nuts were produced during 01.01.2015 to 31.08.2015 by 12 model garden parks belongs to the coconut cultivation Board. The Board could be maintained the low cost of production of Rs. 11.10 per nut and also could be maintained high N.S.A. value of Rs. 28.79 , by 31.08.2015.

Coconut Harvest of Model Coconut Gardens (from 01.01.2015 to 31.08.2015)

Coconut Model Gardens	Total Yeild (Nuts)	Coconut Model Gardens	Total Yeild (Nuts)
Bopitiya	175,407	Pasikuda	75,123
Desivalley	609,531	Kohombana	134,649
Mahayaya	29,019	Corai	206,278
Mundel	29,019	Palai	55,682
Gurdland	534,903	Randeniya	443,577
Lenawa	519,130	Nagansola	865,914

Rs. 118.4 Million earned from coconut from 01.01.2015 to 31.08.2015

Human Resource Management

Staff from 01.01.2015 to 31.08.2015

Class	Approved	Permanent	Vacant
Senior Level	05	04	01
Turtiary Level	44	41	03
Secondary Level	725	536	189
Primary Level	151	130	21
Total	925	711	214

Personal based appointments - 05

Number of recruitment from 01.01.2015 to 31.08.2015

Level	Recruitments
Senior Level	-
Turtiary Level	-
Secondary Level	50
Primary Level	13
Total	63

Special Strategies that Succeeded (from 01.01.2015 to 31.08.2015)

- Awarded with Silver medal of agricultural service under the category of best input producer of the year 2014, which is offered annually by National Agriculture Entrepreneurial Council
- The Board was being able to formulate a formal Institutional structural framework covering all division of the head office by implementation of 5S system

Local and Foreign Relationships

- In 2015 three officers were participated 01 overseas training programme.
- 21 officers were participated for 11 local training programme in 2015.

Financial Progress (as at 31.08.2015)

Description	Approved Allocation (Rs.Mn)	Expenditure (Rs.Mn)
Capital	500.00	233.90
Recurrent	300.00	308.13

Programmes and Projects in year 2016

No	Program	Financial Targets (Rs.Mn)
1	Subsidy program for cultivation under 5 acres	
1.1	Subsidy Program of New/re/under Planting of coconut	139.150
1.2	Program on promotion of of king coconut cultivation	1.650
2	Kaprukai – Sipnenai Subsidy Program	71.225
3	Kaprukai – Parapurai Subsidy Program	19.250
4	Reahabilitation subsidy program	55.000
5	Coconut cultivation program on urban homegardens	6.600
6	Homegarden subsidy programme	88.000
7	Coconut cultivation subsidy program within “Kapruka Purawara”	88.000
8	<i>Transport cost of coconut seedlings</i>	41.206

9	Irrigation subsidy program	8.000
10	Subsidy program to construct cattle sheds in the coconut plantations	8.750
11	Conservation of soil moisture and promoting Dolomite application programme in coconut lands	95.000
12	“Kapruka Ayojana” loan programme	
12.1	“Kapruka Ayojana” loan programme(interest rebate, credit guarantee)	32.000
12.2	“Kapruka Ayojana” loan programme(revolving fund) – Release loans	150*
12.3	Operational cost of “Kapruka Ayojana” loan programme	20.000
13	“Kapruka Purawara” programme	
13.1	Conducting training programmes	6.000
13.2	Printing stationeries under Kapruka Purawara Programme	4.000
13.3	Establishment of Zonal Community Resource Centres	2.000
13.4	Establish market and bank linkages	1.500
13.5	Operations, Evaluations and Monitoring at national and regional levels	1.000
13.6	Establishment of Micro Credit Scheme	4.000
13.7	Travelling & subsistence allowances for Development Officers	9.000
13.8	Administrative and Operational cost (Kapruka Purawara Programme)	2.000
14	Conducting Progress Review Meetings (Regional Managers, Extension Officers, Farm Planning Officer, Head Office)	0.500
15	National Extension Programmes	
15.1	Fertilizer Promotion Programs	0.871
15.2	Promotion intercropping in coconut lands	0.871
15.3	Extension programmes associated with Development Programmes	6.377
15.4	Printing stationeries that are relevant to development programmes	4.400
16	Special Extension and Training programmes	
16.1	Training Programmes for internal Technical Officers	1.100
16.2	Training Programmes for other Internal Officers	1.188
16.3	Training Programmes for Growers (Lunuwila, Achchuveli, Pasikuda Training Centers)	3.410
16.4	Training programme for growers (Medamulana Training Centre)	2.000
16.5	Attending National Level Exhibition	2.000
16.6	Awareness programs through electronic and printed media & printing activities	5.000
	a) Publish at least one technical bulletin related to coconut	
	b) Conduct two awareness programmes on coconut cultivation, by electronic media.	
	c) Publish at least 10 articles on technical information on coconut cultivation, in newspapers & other printed media	
	d) print and disseminate leaflets, brochures, handbills, dissemination materials on technical aspects for development of coconut cultivation	

17	Pest & disease control programme	10.495
17.1	Integrated Mite control programme	
17.2	Maintenance of predatory reproduction centers and mite laboratories.	
17.3	Production of mite parasites to issue to growers	
17.4	Awareness programme on control of main pests of coconut cultivation	
17.5	Issue of Pheromone Traps to control Red Weevil	
17.6	Red weevils Campaigns	
17.7	Issue of Pheromone Traps to control Black Beetles	
17.8	Issuing predatory vials to control coconut caterpillars	
17.9	Control of sudden pest & diseases attacks	
18	Special programmes	(Funds will be allocated to ministry)
18.1	Organic fertilizer promotion programmes (subsidies)	
18.2	Welligama coconut leaf Rot and wilt diseases control programme	
19	Construction, rehabilitation and repairs of buildings and procurements of equipment and other required goods	194.76
Total Estimated Cost (Rs. Million)		935.30
	* Excluding "Kapruka Revolving Fund"	

Coconut Development Authority

Vision

To make the Coconut Industry the Largest Contributor in the Gross Domestic Product from among the entire Plantation Sector and to be the Global Leader in the product Market Diversitication

Mision

To facilitate the Coconut Industry With the intention of achieving long term Commercial Productivity, sustainability and to provide the highest level of contribution for the National Economy through the Establishment of the supply of Coconut and Coconut Products for the household consumption and the Industry

The progress of major functions (as at 31.08.2015)

Marketing Development and Research Division

	Programme	Physical	Physical progress
1	Identification of direct exporters for novel trade zones and participate in International Exhibition	Identification of 10 Exporters	04 International Exhibitions (Germany, Japan, China and Russia)
2	Registration of new exporters.	625	554 (63 New)
3	Making arrangements to issue temporary export licenses.	Issue of 4000 licenses	2556 - fresh coconut – 2323 king coconut – 165 and others - 68
4	Conducting survey activities regarding production costs of coconut based products and local and foreign market conditions.	6 Surreys	The pilot survey in this regard has been initiated
5	Participating in local exhibitions for the extention of coconut and coconut based products / exports in divisional level.	08 trade exhibitions	05 trade exhibitions (Jaffna, Kandy, Kurunagala, Minuwangoda and Colombo)
6	Redesigning of the web site attractively covering 12 fields in the three languages in	Updating information	The activities pertaining to up loading the web site

	a way that it is easy to use.	required for redesigning the web site	which has been redesigned to the internet is in its final stage
7	Printing and Distribution of Product Catalogues including novel products for the broadening of market opportunities.	Printing and Distributing of 500 Product Catalogues.	In Chinese Language – 750, In Russian Language - 500
8	Issue of publications		
	i. Issue of daily reports.	250	163
	ii. Issue of weekly reports.	48	33
	iii. Issue of monthly reports.	12	06
	iv. Issue of the annual report.	1	Have been directed for printing
9	Implementation of a extensive propaganda campaign for publicizing the logo of “Ceylon Coconut” in countries to which coconut is exported.	Activities pertaining to publicizing the logo of “Ceylon Coconut”	in negotiation level

10	Introduction of coconut kernel and non kernel products to the market	1 Product	Novel ornamental products have been manufactured by the undergraduates of the University of Moratuwa and they have been introduced to the industrialists
11	Development of relationships among foreign buyers and local manufacturers on the value added coconut based products through trade inquiries received.	Development 10 relationships	19 trade inquiries have been referred to the registered exporters and 50 trade inquiries have been referred at the exhibition held in China.
12	Establishment of the products of small and medium scale manufactures.	Registration as 150 manufactures	Action is being taken to supply the products of local industrialists to government institations.
13	01. Registration of Buyers/ Auctioners/Brokers and Estate owners of coconut based products.	200 Estates	Coconut Estates – 270 (less than 10 Acres – 06), Coconut / Copra Buyers – 56, Brokers - 17
14	Conducting Coconut Auction through the internet and Conducting Copra Auction.	Conducting Coconut / Copra Auctions	Coconut Auctions – 33 (Colombo) and 08 (Divisional), Copra

			Auctions – 20The software of conducting the coconut Auction through the internet has been prepared and the other necessary activities are being conducted with the coordination of the ICTA Institution.
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Processing Development Division

➤ **Registration and Supervision of Processing Units.**

Processing units for the processing of 465 of coconut and coconut based products have been registered with the Authority in the year 2014 while 525 processing units have been registered with the Authority up to August 2015.

Registered Manufacturing Industries

Production	2014	No. Registered up to 31 st August 2015
Desiccated Coconut	47	6
Partially defatted Desiccated Coconut	1	Since this is a by-product it has been registered at the time of utilization of it as a product
Coconut Oil	72	64
Copra	14	9
Virgin Coconut	29	73
Coconut Milk/Coconut Cream and Related Products	10	14
Coconut Water /Juice related products	3	9
Coconut fibre products	170	122
Cococnut fibre based finished products	78	84
Cococnut shell charcoal	26	27
Active Carbon	5	6
Coconut shell based ornamentel handicrafts.	10	4
Coir substrates	-	104

Vinegar	-	1
Others	-	2

- Implementation of Kapruka Nipayum Diriya Concessionary Loan Scheme/Kapruka Jaya Isuru Bank Credit Proposal Methodology

Provision of Bank loans to industrialists

No	Function	2014	Up to 25th of August 2015
1	Number of applications referred to the Bank People's Bank Divisional Development Bank	76	35 10
2	Amount of credit provided by the bank People's Bank Divisional Development Bank	61	21 5
3	Amount of credit provided by the bank People's Bank Divisional Development Bank	Rs. Mn. 44,725	Rs. Mn. 16,440 Rs. Mn. 6,163
4	Interest wise concessionaries provided	88	102
5	Amount as interest provided People's Bank	Rs. Mn. 6,388	Rs. Mn. 1,698

- Implementation of Recognized Certifying Methodologies with the Objective of Manufacturing Quality Products.

Implementation of recognized certification methodologies for manufacturing industries

Industry	Relevant Certification	Number Obtained Certificates	Number Applied for Registration
Virgin Coconut Oil	ISO 22000	73	317
Coconut Milk	ISO 22000	7	12
Desiccated Coconut	ISO 22000	13	57
Coconut Water	ISO 22000	9	18
Coconut Cream	ISO 22000	2	4
Frozen Grated Coconut	ISO 22000	1	2
Creamed Coconut	ISO 22000	4	8
Vinegar	ISO 22000	1	1
Coir Substrate	GMP	104 (Have oriented towards GMP)	111

		methodology)	
Total		214	530

- Reimbursement of Money from Mills Development Fund for modernization/Developmental functions affected by Desiccated Coconut Manufacturing Institutions.

A sum of Rs. 20,440 million has been reimbursed for performing developmental functions for 20 Desiccated Coconut Manufacturing Institutions at the end of the year 2014 and a sum of Rs. 1.424 million was reimbursed for 1 Desiccated Coconut Mills up to August 2015.

- Awareness Programmes

Training Programme and Awareness Programme

Year	Name of the Programm	No of Programmes
2014	Coconut and Coconut based products	1096
	Awareness Programme	29
	Awareness programmes on coir related products	25
	Awareness programmes using presentations	07
2015 (as at 31 st August 2015)	Programmes on thawashi brush production	09
	Coconut based produc training programme	03
	Programmes using presentations	04



- Trainig Programmes

Distribution of Equipments

2014	Thawasi Brushes - 131
	Other Equipments - 19
2015	Thawasi Equipments 133

Income earned by the Processing Development Division up to August 2015

Charges of exporting fresh coconut	-	Rs.	56,131,956.60
Registration fees of processing Units	-	Rs.	8,690,739.62
Fees charged from Desiccated coconut mills for the collection of Desiccated Cococnut Speimens	-	Rs.	3,197,776.50
Fees charged from Desiceated Mills for water samples	-	Rs.	149,323.59
Total		Rs.	68,169,796.31

Quality Control and Quality Assurance Division

Major Project/Projects under the Programme	Annual Target/Targets	Number of Projects completed by 2015.08.31	Physical Progress (%)
➤ Conducting Pre Export Microbiological Analysis of Cococnut Products	Specimens	Specimens	
	Coconut Kernel Based Products- Desiccated	10500	5941 57%
Non Kernel Products – Coir Fibre Pith Products	900	461	51%
➤ Conducting of pre Export Physico – Chemical Tests of Coconut Products and Certification.	Specimens	Specimens	
	10500	5953	57%

Services for Testing Products	Specimens	Specimens	
Coconut Kernel Products	1000	326	33%
Non Kernel Product	As per the Requirement	--	
Non Coconut Products	As per the Requirement	1	
➤ Activities pertaining to Laboratory Modernization and obtaining ISO 17025 Quality Certification	Commencement of initial accreditation Activities for Salmonella present in Water, Total Microbial Count, Coliform and E-coli.	The Initial Assessment for the targetted functions of the Microbiological Laboratory has been finalysed and rectifications have been submitted to the Sri Lanka Accreditation Board and conducted Followup audit for that.	80%
	Conducting of Activities for obtaining ISO 17025 for the Salmonella and E-coli and other parameters tested at the Microbiological Laboratory	The Re-assessment which should be conducted after 3 years for Coconut oil Testing Methodologies has been conducted and the rectifications have been made and it was submitted to the Sri Lanka Accreditation Board. Accordingly, the	95%

		accreditation has been given to the Coconut Oil.	
➤ Training Programmes	6	4	67%
➤ Microbiological Tests for the improvement in the process of manufacturing Desiccated Coconut	Specimens	Specimens	
Desiccated Coconut	450	272	60%
Products Microbiological and Chemical Tests in Water and Waste Water.	300	175	58%
➤ Testing of Factories which produce Coconut products and the provision of Consultancy contribution	Field Programmes	Field Programmes	
	400	350	88%
➤ Investigation Project of Identifying Adulterated Coconut Oil.			
Identification of adulterated Coconut oil from specimens obtained by wholesale and retail traders	Specimens 150	Specimens 55	
➤ Implementation of Quality Control Programmes for the Coconut oil Industry.	Specimens	Specimens	
Copra	75	20	27%
Coconut Oil	100	42	42%
Poonac	75	26	35%
Formulation of Standards and revision of existing Standards	Accorsding to the Requirement of the Industry and as per the Annual Plan of the Standards Institution	Performance of Tests for Polycyclic Aromatic Hydrocarbons & Aflatoxin of Coconut Oil by the University of Kelaniya for the Revision of the existing Standards for Cococnut Oil and the results have been submitted to	5%

		the Sri Lanka Standards Institution for the future actions	
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Financial Progress (as at 31st August 2015)

Discription	Allocation (Rs.Mn)	Expenditure (Rs.Mn)
Capital	110	16.67
Recurrent	110	75.30

Coconut Research Institute

Vision

Our vision is to be the Centre of Excellence in coconut research, technology development, and technology transfer in the region.

Mission

Our mission is to generate knowledge and technology through excellence in research towards increasing productivity and profitability of coconut.

Researches

A total of 113 laboratory and short- and long-term field experiments on coconut production, crop protection and coconut processing were conducted satisfactorily. The outcomes and salient outputs of those are given below.

Recommendations

following three recommendations were prepared for dissemination to stakeholders.

➤ **Short term agroforestry to rehabilitate coconut cultivated soils**

A new recommendation was developed to rehabilitate coconut cultivated soils prior to establishing a new plantation by growing leguminous trees, non-leguminous trees and grass species producing high biomass 05 years before re-planting.

This is by establishing *Gliricidia sepium* (double row, 8ft x 3ft) with sunflower, *Tithonia diversifolia* (single row between gliricidia rows, 3' spacing) or grass, *Panicum maximum* (four rows, 1.5' x 1') with *Gliricidia sepium* (single row center of the coconut row, 3' spacing) between coconut rows alternatively. Lop all the plant species at the vegetative stage before flowering, lay green biomasses adjacent to coconut rows and incorporate with the soil by harrowing.

➤ **Vermicompost-based integrated fertilizer package for young coconut plantations**

Vermicompost-based integrated fertilizer package to enhance growth of young coconut palms was recommended.

Applying vermi-compost produced from organic residues in coconut plantations, coconut fronds, stalks, livestock wastes, poultry litter, dairy wastes, weeds biomass and NFT lopping's etc along with inorganic fertilizer. The recommended doses of the fertilizer package were given.

➤ **Coconut yoghurt**

Coconut milk based yoghurt was recommended for the consumers looking for coconut flavor. Coconut yoghurt is prepared using 50% cow's milk and 50% skim coconut milk. Skim coconut milk is obtained by adding water to defatted coconut residue in 3:1 proportion. The contents are heated at 80° C for 30 minutes followed by cooling to 60°C. Sugar (12 %) and gelatin (1 %) are added and heated to 93°C for 01 minute. The contents are cooled to 45°C and the fresh yoghurt culture (3%) is added. The mixture is filled into sterilized cups and is incubated at 45°C for 4 hours. The solidified yoghurt has 2 weeks shelf life at refrigerated conditions.



Research Highlights

- I. In favourable areas for coconut cultivation, full genetic potential of brown dwarf hybrid were seen. Under hash environmental conditions, hybrid performed better than tall cultivars, although yield is poor in both type of cultivars.
- II. Pure yellow dwarf itself can be recommended as a coconut cultivar for urban home gardens considering the flowering, fruit components and yield.
- III. Four responsive palms for tissue culture were identified from cultivars CRIC 65 (1) and TSR (3) and shoot development was achieved from the cultures.
- IV. Annual National Coconut Production for 2015 was forecasted as 3107 ± 140 Mn nuts. The expected yield increase in 2015 compared to 2014 is 7%. The information was disseminated in the second issue of the 'coconut yield forecast' brochure to stakeholders and policy makers.
- v. Using the islandwide survey data, the national coconut yield from January to April was estimated as 816 Mn nuts.

- VI. In favourable areas for coconut cultivation, DGT and DGSR showed a higher survival of fruits compared to DBT, TDB and DBSR under water and heat stress.
- VII. Of the currently available coconut cultivars / hybrids, DGT showed the highest tolerance to heat stress for *in vitro* pollen germination.
- VIII. Water stress during the three months before inflorescence opening significantly reduced the germination ability of coconut pollen.
- IX. Coconut+ banana and coconut+guava mixed cropping systems were found be efficient in improving the micro-climatic condition, photosynthetic dry matter production and fruit setting of coconut compared to mono-cropping in the dry zone.
- X. Maximum, optimum and minimum temperatures for in vitro pollen germination of 07 cultivars were determined.
- XI. Estimation of Carbon stock in Dwarf Green X Tall variety was completed for one age group.
- XII. Spatial variability of coconut yield Gampaha district using geo-statistical methods was completed.
- XIII. Analysis Leaf samples in WCLWD-affected areas in Matara and Hambantota districts showed that palms were deficient in major nutrients. In Matara district 69%, 43%, 29% and 17% palms were deficient in K, Mg, N and P while in Hambantota district 30%, 2%, 13% and 63% of palms were N, P, K and Mg.
- XIV. Tobacco extract (15000 ppm) caused 90% mortality of termites and plesispa beetles.
- XV. Field studies revealed that the new insecticide “Cadusaphos” is effective in managing black beetle damage.
- XVI. The island-wide diagnostic survey to identify adaptation of recommended technologies by growers, issues and prospects of coconut cultivation was completed.
- XVII. Three collaborative research projects were initiated with medical faculties of University of Kelaniya, University of Peradeniya and Kothalawala Defence Academy to study the effect of edible coconut products on diabetes and Alzheimer’s disease in humans.
- XVIII. Preliminary morphology studies of microorganisms’ presence in ret liquor and husk samples were identified.



Kapsuwaya palm recovering from a 2-month drought



Sri Lanka Yellow dwarf (L) and Ranthambili (R), putative tolerant

Research Grants

- Dr. H D D Bandupriya received a NRC grant of RS. 555,000.00 to conduct research on “Field performance and molecular evaluation of coconut (*Cocos nucifera* L.) palms regenerated from somatic embryogenic cultures”.

Development Activities

- **Field planting of Tissue cultured plants**

For the first time in history of coconut tissue culture clonal plants produced from ovary culture were field planted. A total of 13 plants derived from 3 clones of varieties, DT and TSR were planted at Bandirippuwa Research Centre.



produced tissue culture clonal plants

- Planting of Kinyama seed garden established for production of Kapruwana hybrid seeds was completed. Initiation of flowering in Green Dwarf palms was also observed early this year.



View of the Seed Garden in 2015

- Produced seed nuts for the National Replanting Programme from the 03 seed gardens maintained by the institute.

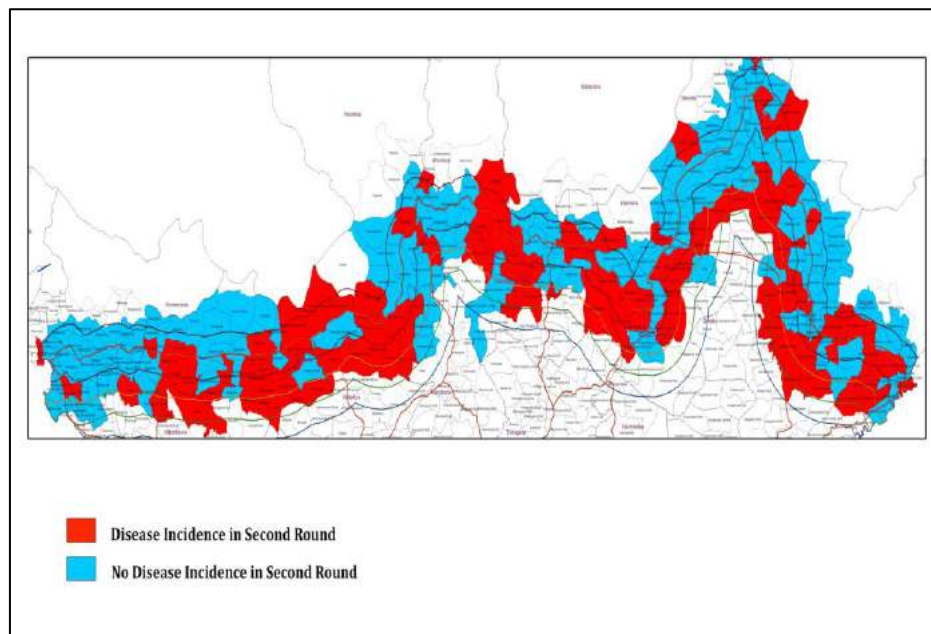
CRIC60 - 622911, CRIC65 - 92876, CRISL98 - 15069, Kapruwana – 3376, Kapsuwaya – 4837, Kapsetha – 800, TT hand pollinated seeds - 502, SR hand pollinated seeds - 4082. No. of Plus Palms selected – 819, No. of seedlings certified - 58857.



Flowers emasculated for production of CRIC 65 hybrid seeds

- Management of the buffer zone of Weligama Coconut Leaf Wilt Disease (WCLWD)

One round of checking all the palms in the 3X86km buffer zone was completed and a new round of checking was initiated. During the year 6667 lands covering 7384.04 ac inspected and found 12 affected palms out of 120946 palms.



Diseased areas (red) in the buffer zone

- The surveillance of the 05 km strip beyond the boundary revealed that the WCLWD has not spread beyond the buffer zone, except for 06 diseased palms found in Galle district within the 02 km distance beyond the boundary.
- Production of WCLWD tolerant seedlings was continued. Hybridization was carried out in 47 parent palms and 120 seed nuts were picked and nursery laid. A total of 325 experimental hybrid plants in 03 experimental sites were monitored.



Raising of hybrid seedlings at Weligama nursery

- Demonstrations on livestock integration, intercropping, bioenergy production, gliricidia for production of wood fuel and foliage biomass and vermicompost production were maintained at CRI estates.



Demonstrations on various farming systems

Technology Transfer Activities

- Conducted 02 Research –Extension dialogues with the CCB.
- Conducted 05 Educational and awareness programs for trainers of state and private sector organizations.
- Three one day training programmes were conducted at the Ratmalagara RS, Makandura RS and CRI.
- Conducted 05 Farmer Field schools.
- Technology of king coconut exporting was demonstrated to twelve interested groups for export.
- Two training programmes were conducted for growers on self-hybrid seed production, one in Bambbukuliya for 180 growers and other in Kandy for a group of 50 growers.



Distribution of Dwarf Yellow seedlings for the self-hybrid seed production



One day training programme in agronomic practices

Publications

- Certificate training series – 3 booklets
- CRI NEWS (English) – 01 issue
- Technology Update (English) – 01 issue
- Leaflet on using “Vertaco” for Red Weevil control

Joint Ventures

A memorandum of understanding was signed between the Coconut Research Institute of the Ministry of Plantation Industries and the Coconut Research Institute of Chinese Academy of Tropical Agricultural Sciences, the People's Republic of China for the development of the coconut industries. The purpose is to establish a framework to strengthen cooperation in the field of coconut research and development and also to set up joint coconut research and development programmes including scientific, technological and capacity building in coconut and other related areas.

Services to Stakeholders

- Advisory assistance provided– 716, Advisory field visits made – 11
- No. lands assessed for land suitability – 22,200 ac
- No. of DFR reports provided – 86 covering area of 6,082 ac
- Analysed 223 inorganic fertilizer samples, 91 organic fertilizers (organic manure, compost and coir pith), 77 soil samples, 45 leaf samples, 11 water samples and issued quality certificates. Tested 265 coir pith and issued 40 certificates for exportation of coir pith products.
- Analysed 193 no. of VCO samples, 25 no. of coconut oil samples 3 DC samples, 02 no. of wine samples and 01 poonac samples.
- No. of predatory mite sachets were produced - 11,104, No. of sachet issued to growers - 9,749.
- Produced and issued 329,000 parasitoids to manage coconut caterpillar out breaks.
- Produced and issued 980 red weevil pheromone vials to growers.
- Forty four red weevil detectors were sold to growers.

- Issued 1162 certificates for exporting 2,108,957 king coconuts.
- No. of oil palm seeds imported - 9,000 for Watawala Plantation PLC.
- Maintained 5 agro-met stations and 4 rainfall stations of CRI and supplied data to the central data base at Meteorology Dept, Colombo (daily data) and 4 Divisional secretariats (Wennappuwa, Madampe, Mahawewa and Dankotuwa) (monthly data).
- Issued the second leaflet on ‘coconut yield forecast’ is being printed.
- 118,049 husks were processed for making 17,396 kg of wet bristle fibre, 12,840 kg dry mattress fibre, 360 kg of dry mixed fibre, 159,366 kg of pith. 1,019 kg of twine also prepared.



Human Resource Development and Infrastructure Development Activities

Target	Physical progress
Human Resource Development Recruit 95 staff and fill vacancies when arise	Recruited 14 officers Provided training to 25 officers (Foreign -4, local – 21)
Infrastructure Development	
Construction of new toilet complex	Construction of new toilet complex completed.
Construction of buidings in Pooneryn seed garden	Pooneryn seed garden not acquired.
Renovation of auditorium ceiling and staff quarters	Tender ordered
Construction of office to PPD	Completed
Renovation of Tissue culture laboratory	Approval not received for renovation of Tissue culture laboratory
Tiling of office areas	In progress
Construction of CRI name board and pond	Quotations called
Renovation of one staff quarters	Completed

Special Project/ Programmers/ Activities Planned

➤ *New Projects proposed*

Three new projects were proposed for funding from the Treasury.

- I. Modernizing Coconut Processing Research Division of the Coconut Research Institute – Rs. 75.0 mln
- II. Production of genetically superior high yielding coconut planting material for national replanting programme – Rs. 138.2 mln
- III. Revival of local coconut industry with special reference to North and Eastern Provinces –Rs. 300.0 mln

➤ *The 6th Symposium on Plantation Crop Research*

CRI is the responsible Institute to organize this biannual event.

Financial progress up to 31 august 2015

Self- Financing Units

Description	Allocation	Actual	as% of Estimates	Available Balance
Income				
Sales of coconut	160.02		55%	72.47
Sales of copra	2.55	1.59	62%	0.97
Sales of seedlings	13.89	10.33	74%	3.56
Sales of animal products	1.95	3.28	168%	(1.33)
Sales of intercropping	1.96	0.05	3%	1.91
Sundry income	10.34	6.39	62%	3.96
Total Income	190.712	109318	57%	81.54
Expenditure				
Staff salaries	20.12	19.90	99%	0.22
General charges	48.04	16.01	33%	32.03
Coconut cultivation cost	51.50	16.07	31%	35.43
Copra manufacturing expenses	1.34	0.48	36%	0.85
Nursery expenses	9.82	3.77	38%	6.05

Animal husbandry	3.41	1.69	50%	1.72
Intercropping expenses	2.53	0.52	20%	2.01
Other expenses	1.57	0.04	2%	1.53
Total Expenditure	138.32	58.48	42%	79.83
NET PROFIT/(LOSS)	52.40	50.69	97%	1.70

Capital Expenditure

Rs.Mn.

Capital Expenditure	Allocation	Received from Treasury	Actual Expenditure	Expenses on % of Estimates	Available Balance
Research & Development Expenses	58.90	44.45	19.90	34%	39.00
Office Furniture & Equipment	8.18		6.01	74%	2.16
Machinery Equipment	18.89		2.00	11%	16.88
Building Constructions	42.66		4.71	11%	37.95
Other Capital Expenses (E-Journal)	1.38		-	0%	1.38
Total	130.00	44.45	32.62	25%	97.38

Recurrent Expenditure

Recurrent Expenditure	Allocation	Received from Treasury & CRI Own Income	Actual Expenditure	Expenses as % of Estimates	Available Balance
Personal Emoluments	147.21	Treasury 121.295 CRI Own 10.34	105.43	72%	41.79
Travelling Expenses	2.12		0.66	31%	1.45
Supplies	11.12		2.42	22%	8.70
Maintenance Expenditure	14.30		7.73	54%	6.57
Contractual Services	20.32		9.29	46%	11.03
Other Recurrent Expenditure	9.94		2.40	24%	7.53
Total	205.00	131.64	127.93	62%	77.07

National Institute of Plantation Management



Vision

To be the Centre of Excellence in providing training and conducting consultancy and research on Plantation Management

Mission

To elevate the professional competence of all human assets in the Plantation Industry towards perfection through quality training

Prioritized Area

Conducting academic courses and training programmes in order to meet the training needs of the RPCs and smallholders involved in cultivation of plantation crops such as Tea, Rubber, Coconut, Sugarcane, Cashew and Palmyra, who contribute around 75% to the total plantation production of the country.

Physical Progress

➤ **Income Generating Programmes**

Income Generating Programmes	No of programmes		No of participants	Income Generated (Rs millions)	
	Annual targets	Actual up to August		Annual targets	Actual up to August
Academic and Professional	16	3	123	9.650	3.75
Management and Technical Development	13	8	138	0.925	0.90
Skill Development	5	-	-	1.750	-

Worker Development	3	1	200	0.06	0.04
Basic courses	8	1	28	2.325	0.14
Induction courses for plantar Trainees	5	1	21	6.375	1.79
Special Training	20	5	93	2.50	0.93
Total Programmes	70	19	603	23.585	7.55
External Exams			122	1.50	0.30
Income from Renting out facilities	-	-	-	14.50	7.75
Other income	-	-	-	2.215	0.58
Total	70	19	725	41.80	15.60
Progress		27%			37.3%

➤ Training Programmes

Treasury funded Programmes	No of Programmes			
	Annual Targets	up to August	No. of Participants	Cost (Rs Million)
Capacity Building Training for Smallholders				
Rubber	50	19	1,221	0.722
Coconut	50	21	1,153	0.801
Tea	60	21	1,296	0.766
Sugarcane	10	-	-	-
Others	30	1	60	0.05
Total	200	62	3,730	2.34
Progress		31%		20%

Major Achievements

- The Institute has conducted 62 Capacity Building Training Programmes up to the end of August 2015 for out growers and plantation workers, under which 3,730 out growers have been trained in Tea, Rubber, Coconut, and other plantation crops etc. It is anticipated that over 200 such training programmes to be conducted at the end of the year 2015.

- The Institute initiated to develop the course content of some Academic training programmes to obtain NVQ certificates from which the Institute anticipate to increase the number of trainee and uplift global recognition of the certificate Smallholder programmes

Income Generated Programmes	No of Programmes	Capacity Building Programmes	No of Programmes
Academic Programmes	06	Rubber	37
Management Programmes	08	Tea	39
Technical Development Programmes	02	Coconut	41
Skill Development Programmes	04	Sugarcane	02
Induction Courses	03	Cashew	02
Special Programmes	02	Others	05
Total	25		126

Activities to be completed in 2015

Activity	Present status	Amount to be incurred (Rs Mn)
Renovation of Hostel buildings at Athurugiriya and training centre at Bogawanthalawa	Bidding procedure is in progress	5.00
Sound system for auditorium, and purchasing of multimedia projectors	Bidding Procedure is in progress	1.20
Purchasing 12 computers and installation of AC	P/O issued	2.10
Capacity building programmes	126 programmes are scheduled to trained 6,300 smallholders	6.30
Purchasing a 150 KVA generator and re arrangement of electrical system	Bids were invited and it will be opened on 17/09/2015	6.50
Total to be incurred		21.10

Financial Progress up to August 2015

Approved allocation (Rs million)	Recurrent	Capital
Approved allocation	32.00	26.00
Expenditure	19.844	13.20

Physical and Financial Targets for 2016

➤ **Stakeholders Expectation**

The Institute has submitted a new development proposal to upgrade training facilities towards the plantation sector development in accordance with the university college concept. Total estimated project cost is Rs. 314 million. Under this project construction of a new office building has also been proposed for the estimated cost of Rs 200 million. It is expected to contribute Rs. 47.10 million from generated income of the Institute.

➤ **Training Programmes**

The NIPM expects to conduct 244 training programmes in 2016 to train 10,650 plantation personnel in the RPCs and smallholders. Special attention will be paid to the smallholding sector to upgrade their knowledge and skills aiming at a sustainable and prosperous future for the personnel involved in the sector. A sum of Rs. 10.0 million has been estimated for 2016 under the training grant for small holder sector.

➤ **Capital Expenditure-2016**

The total budgeted allocation for Capital expenditure would be Rs. 139.7 million. Expected treasury grant for capital expenditure would be Rs. 139.7 million. It is expected to renovate the existing building incurring Rs. 25.5 million and acquisition of capital assets would be Rs.100.2 million including construction of hostel at Athurugiriya. It is expected to incur Rs 10.0 million for training and capacity development programmes for small holders and Rs 4.00 million for Development distance learning modules.

Items under the Capital Budget

Activity	Amount (Rs. Mn)
Renovation and improvements of Capital Assets	
Renovation of Buildings	25.5
Acquisition of Capital Assets	
Furniture and office equipments	20.2
Construction of hostel building	80.0
Training and capacity building	
Training programmes for small holders	10.00
Other Investment	
Development of distance learning modules and Development of course content to obtain NVQ Certificates	4.00
Total	139.70

Sugarcane Research Institute

Vision

To be the centre of excellence in sugarcane technologies and the leader in sugarcane industry development in Sri Lanka”.

Mission

Development and transfer of appropriate sugarcane technologies to enhance competitiveness of, and to contribute to expand and develop, the local sugarcane industry in a sustainable manner

Progress of the main activities

➤ **Sugarcane crop improvement**

- Maintenance of 1431 accessions) in germplasm collection.
- Starting and continuing hybridisation activities in 2015.
- Seed sowing, establishment and maintenance of nurseries, successive stages of clonal selection and yield trials.
- Developing a protocol for direct regeneration of plants from leaf tissues.
- Mericlone 10 varieties to be exported to Sugar Research Australia and despatching 9 varieties.
- Identifying three superior varieties, SL 98 2087, SL 98 2535 and SL 98 2549 for commercial release.
- Provision of 24 tonnes of hot-water treated seed cane of improved varieties to Sevanagala.

➤ **Sugarcane crop and resource management**

- Finding out palagonic acid 57% as an alternative to restricted herbicide Paraquat to be used alone and mixing with Diuron to control weeds in sugarcane at early post-emergence and post-emergence stages of weeds.

- Confirming that application kerosene oil 20 – 50 ml per plant is effective to control creeping problematic weed *Ichnocarpus frutescens* (*kiriwel*) in sugarcane plantations.
- Studying maturity pattern of SL 2000-series varieties
- Establishing, maintaining, and collecting data of the field experiments conducted in Uda Walawe, Sevanagala, Pelwatte, Hingurana, Bandarawela and Kininochchi to study performance of different sugarcane varieties growing in different environmental conditions.

➤ **Sugarcane crop nutrition**

- Identification of the succession pattern of composting filter-mud and vinasse and starting preparation of compost in Sevanagala.
- Initiation of works for verification of fertiliser recommendations given to Sevanagala, Pelwatte, Siyambanduwa, Hingurana, Badulla, Kantale and Killinochchi sugarcane plantations

➤ **Sugarcane crop protection**

- Confirmation of absence of the white leaf disease (WLD) vectors in the nursery area in Kantale.
- Finding out that WLD vector, *D. menoni* prefers laying egg in sandy loam and loamy soils.
- Finding out that tobacco extract and liquid dish wash as a user-friendly alternative for the recommended synthetic insecticide used to control sugarcane woolly aphid (SWA) and could successfully be used to suppress at initial stages of SWA infestation

➤ **Sugarcane farm mechanization**

- Completion of fabricating fertiliser measuring system and fixing fertiliser dispensing units for each fertiliser bin of the combine fertiliser applicator.
- Completion of designing, fabricating, field testing and subsequent modification of trash cutting unit and preparation of the same for final designing of trash cutting machine.

➤ **Processing and product development**

- Isolating fifteen yeast strains to produce an improved yeast strains from different sugar containing materials.
- Isolation of thirteen phosphate- solubilising bacteria strains from different soil types and plant root samples for bio fertiliser production.

- Producing bio fertiliser by using phosphate- solubilising bacteria and filter-mud and vinasse.
- Improving quality of sugarcane jaggery by adding Sesame, Puff rice and ginger powder as additives.

➤ **Technology transfer and development**

- Conducting field 12 demonstrations, 15, training programs and a field day 686 participating farmers from commercial sugarcane- growing areas and Kilinochchi, and 307 field officers, 68 school children and 150 university students.

Progress of Development Activities (as at 31st August 2015)

- Establishment and maintenance of 35 ha seed cane nursery at Kantale.
- Installation of automated weather stations at Kantale and Kilinochchi.
- Installing convertainer building at Punagar site with necessary basic facilities and resolving long felt needs of providing accommodation facilities for the SRI officers going on duty to Kilinochchi.

Development of Human Resources

- Continuing postgraduate studies of four Research Officers.
- Providing postgraduate training for the Procurement Officer.
- Providing opportunities to attend seminars, workshops, training programs for all categories of staff.
- Undertaking a study tour by Chairman and Head of Crop improvement division to Sugar Research Australia.
- Visiting Director to Vietnam for international Sugarcane conference.
- Attending Research Officer in mill technology the 7th international summit in FAD 2015 in India

Collaboration with other Countries

- Links were developed with the Sugarcane Research and Development Centre of Vietnam and Yunan Sugarcane Research Institute in China for exchange of sugarcane germplasm and scientific collaboration.

Financial Progress up to 31st August 2015

Description	Allocation (Rs.Mn.)	Received (Rs.Mn.)	Expenditure (Rs.Mn.)
Recurrent	250.00	141.65	166.95
Capital	50.00	19.50	10.39
Total	300.00	161.15	177.34
Kantale and Kilinochchi project under MPI	18.00	9.80	8.52
Grand Total	318.00	170.95	185.86

Plans for the year 2016

- In addition to continuation of the long-term research and development activities, development of the following of infrastructure and manpower required to carry out the research and development activities have been planned.
- For infrastructure development:
 - Development of a 15-ha land for arrowing blocks and the following facilities for sugarcane hybridisation at Enselwatte:
 - a crossing house
 - a building consisting of a pollen shedding inducement room, a laboratory, a true seed preparation unit, an office-cum-quarters and stores
 - security huts
 - stone terrace bunds, lateral and main drains for soil conservation.
 - Construction of an office-cum-laboratory at Hantane
 - Construction of a laboratory complex, a technology transfer and development centre, an information centre, a guest house and staff quarters at Uda Walawe.
 - Paving internal roads with premises at Uda Walawe
 - Purchasing a land in Colombo and construction of an office for Colombo office of the institute
- For man power development, increasing necessary scientific and technical staff to carry out the research and development activities has been planned.