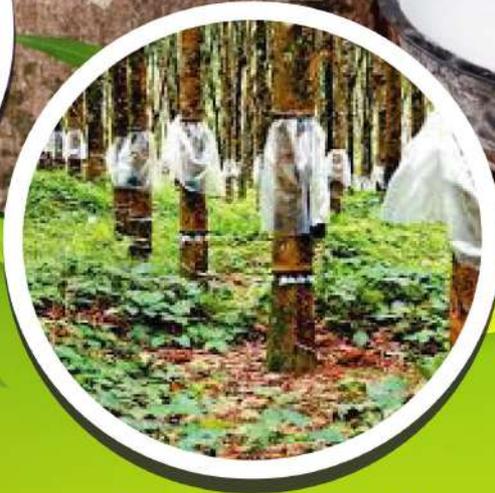


# 2021

# කාර්ය සාධන වාර්තාව செயலாற்றுகை அறிக்கை PERFORMANCE REPORT



රබර් සංවර්ධන දෙපාර්තමේන්තුව  
වැවිලි අමාත්‍යාංශය

இறப்பர் அபிவிருத்தித் திணைக்களம்  
பெருந்தோட்ட அமைச்சு

RUBBER DEVELOPMENT DEPARTMENT  
MINISTRY OF PLANTATION



## **Message of the Director General**

The domestic rubber industry, which occupies an extremely important position in the export economy of Sri Lanka, has achieved a significant growth in the year 2021. Although the COVID-19 global pandemic had exerted a severe negative impact on all the sectors, the increase in the demand for rubber-related products due to the global pandemic situation has been the reason for that improvement.

There was an increased trend in the number of farmers cultivating rubber due to the increase in the price of rubber in the year 2021, as compared to the prices of the past few years. As a result, it was possible to replant rubber in an extent of 560 ha in the year 2021 by surpassing even the replanting target of 500 ha of the rubber smallholding sector. Moreover, the plantation sector has also replanted rubber in an extent of 906 ha by achieving a physical progress of 91% under replanting. The government nurseries have produced 1,277,232 plants this year. Arrangements have been made to release the successfully bud grafted rubber plants produced in government nurseries to the rubber smallholding sector and to the STaRR project for rubber replanting and new planting.

A physical progress of 247% has been achieved by applying 1,237 rain guards in accordance with the target of applying rain guards in an extent of 500 ha for the rubber smallholding sector under the rain guard application programme implemented this year through the activities performed by the Department to popularize the application of rain guards among the rubber planters during the past few years. Similarly, the plantation companies have been able to achieve a progress of 152% by increased application of rain guards in 4,561 ha. Under the circumstances, it was possible to harvest rubber latex during the rainy seasons and to maintain the annual rubber production steadily.

It was not possible to achieve the expected progress from the overall training programmes as rubber-related training programmes could not be implemented as planned due to the inability of mobilizing personnel as the government institutions had to function according to the quarantine laws and guidelines of the Ministry of Health in the year 2021.

The progress achieved through the programmes implemented by this Department in relation to the rubber sector is presented in the performance report of the Rubber Development Department for the year 2021 and I believe that this report will be helpful in the study of this sector as well as in taking policy decisions for the advancement of the sector.

Madhava Warnakulasuriya  
**Director General**  
**Rubber Development Department**

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## **About Us.....**

The Rubber Control Department was established in 1934 by the Rubber Control Ordinance No.6 for the advancement of the rubber cultivation, which has occupied a prominent place in the economy even to date among the three main plantation crops that had marked the beginning of local export economy in Sri Lanka. The Department has been providing other necessary services including the provision of basic services required for the cultivation, such as rubber extension services, production of plants, fertilizer distribution since the time of Mr. P. Saravanamuthu, who had been appointed as the first rubber controller at the initiation.

As per a decision taken by the Cabinet in 1994, the Rubber Development Department was established, instead of the Rubber Control Department, to strongly integrate technical, scientific cooperation and financial support required for advancement of the rubber cultivation. The Rubber Development Department, which currently operates under the purview of the Ministry of Plantation Industries, is carry out functions such as expanding the rubber cultivation in traditional areas as well as in non-traditional areas by using the most modern techniques and strategies, related development activities, payment of subsidies, production and distribution of plants, conducting training programmes and implementation of consultation services related to the cultivation activities, registration of rubber lands and buyers of rubber, maintaining plant nurseries, intercropping with rubber, administration of Cess.

The Head Office of the Rubber Development Department is located at No. 465, Battaramulla, Ganahena, and extension services of the Department are conducted by 05 regional offices established in the cities of Kegalle, Kalutara, Ratnapura, Galle and Monaragala covering the entire island. Moreover, 08 Plant nurseries supervised by those offices have been set up in Welikadamulla, Mirigama, Egaloya, Gurugoda, Karapincha, Middeniya, Kumbukkana and Padiyathalawa. These nurseries produce rubber plants, distribute plants and maintain model plantations to meet the national requirement of plants.

## **Vision**

**To become a leading stakeholder in the plantation industry to achieve socio-economic development in Sri Lanka**

## **Mission**

**Implementation of agricultural extension services for the qualitative and quantitative development in rubber cultivation and rubber related industries in Sri Lanka in accordance with the powers and functions lawfully vested in the Department**

## **Objectives of the Organization**

- **Increasing the local rubber production by enhancing the productivity of the existing lands under rubber cultivation and increasing the extent under rubber cultivation.**
- **Increasing the quality of rubber and rubber related products to obtain a higher price for rubber and increasing the income earned by farmers.**
- **Establishment of the social security by increasing the employment opportunities in the field.**
- **Contributing to fulfil the local timber demand.**
- **Ensuring the sustainability of the cultivation to safeguard the balance of the natural environment.**

# **1. Introduction**

The recognition of rubber as an industrial raw material became a positive turning point in the industry. For that purpose, the properties inherent in rubber, such as optimality, elasticity, adhere easily to other materials, electrical insulation, resilience, plasticity, resistance to water were helpful. Taking advantage of these properties of rubber, significant progress has been made in many fields such as the automobile industry, construction industry, agriculture, health and hygiene services sector, and the production of household appliances. In addition, the rubber plant has given a great support to preserve the ecological balance as an artificial forest plantation at the time of breaking down the natural ecological balance.

## **1.1. Historical background**

The rubber plant, native to Brazil, was introduced to this country during the British colonial regime. A British National called “Henry Wickham” had planted the first rubber plant in Gampaha Henarathgoda Botanical Garden using the rubber plants brought from Britain. Cultivation of Plantation crops had been started in Sri Lanka, which had been under the British rule and coffee cultivation had been expanded as a commercial crop. Yield of coffee dropped drastically due to the fungal disease that affected the coffee cultivation. Although cocoa and cinchona cultivation had been started thereafter, it had been difficult to get successful results as factors had not been favourable for cultivation and the demand had decreased rapidly. Accordingly, the introduction of rubber plant to Sri Lanka had occurred at the exact moment of need for the selection of a suitable crop to popularize it as a commercial crop and it had been a revolutionary transformation in the cultivation of plantation crops. Therefore, it had been possible to expand rubber cultivation rapidly among the planters, who had been affected by the crisis in the coffee cultivation.

By 1914 AD, Sri Lanka had provided 60% of the rubber production supplied to the international market. Subsequent to introducing rubber cultivation to Sri Lanka by Henry Wickham, rubber cultivation had also been introduced to Asian countries such as Malaysia, Indonesia, Singapore and China. By 1906 AD, Sri Lanka had been able to export rubber plants from the country to Brazil, the motherland of the rubber plant. In 1934 AD, all the countries involved in rubber cultivation signed a common agreement titled, 'International Rubber Regulations Agreement and it had led to the establishment of government institutions for the control and development of rubber in each rubber growing country. Sri

Lanka is a member of the International Rubber Study Group (IRSG) and the Association of Natural Rubber Producing Countries (ANRPC) established to share experience in the rubber industry and implement international policies.

## **1.2. Rubber Plantation**

A commercial rubber plantation is a long-term investment spanning nearly for 30 years. The commercial rubber cultivation has been centralized in the wet zone of Sri Lanka and has been widespread more in the districts of Kegalle, Gampaha, Matale, Kandy, Kalutara, Ratnapura, Colombo, Kurunegala, Galle and Matara. By now, rubber cultivation has been expanded with the intervention of the Government in dry and intermediate regions, such as Monaragala, Badulla, Vavuniya, Anuradhapura, Ampara and Hambantota Districts, where rubber is not cultivated traditionally. The following physical and environmental factors help the rubber plant to grow successfully and thus yield more. Factors such as,

- ✓ Annual rainfall of 1650 – 3000mm
- ✓ Average temperature around 28<sup>0</sup> C
- ✓ Well drained highland areas with moderately steep terrain between 0 - 500m,

are essential for the rubber cultivation. Nitrogen (N), Phosphorus (P), Potassium (K), Magnesium (Mg) should be available in the soil for the quality growth of the rubber plant. There are three developmental stages associated with the rubber plant. Viz,

- Nursery Stage
- Immature Stage
- Mature Stage

The number of rubber plants that should be planted per hectare to obtain high yield in a general commercial rubber plantation is between 510-520. Harvesting latex can be started in 6-7 years by maintaining the rubber plantation productively from the beginning of planting rubber. It is scientifically recommended that it is preferable to harvest yield in a rubber land between 3-6 a.m. Tapping latex in rubber trees on every alternate day leads to more yield. Tapping by adopting those techniques will provide the opportunity to get continuous yield of rubber latex for more than 24 years. It has been possible to harvest latex even in the normal rainy seasons by minimizing the obstacles through the introduction of rain guards with the advancement of the technology although there were some obstacles in tapping during the rainy seasons every year in the past.

## **1.3 Major Functions of the Department**

### **1.3.1. Functions of the Head Office**

- Execution of the powers vested by major Acts and Legal Sources.
- Implementation of rubber replanting and rubber new planting subsidy schemes and supervision of the provision of subsidies by the Regional Offices.
- Production of high-quality bud grafted rubber plants by the government nurseries.
- Issuance of licences for rubber plantation and rubber trade.
- Provision of rubber replanting and new planting subsidies to rubber smallholdings and plantation sector.
- Maintenance of updated and important data and information on the extent under rubber cultivation, production, domestic consumption and exportation and importation.
- Educating the rubber smallholders about the rubber market.
- Working with international organizations on the production, consumption and trade of natural rubber.
- Collection and administration of Cess fund.
- Providing necessary knowledge and instructions to rubber smallholders regarding the respective stages of rubber cultivation and production.
- Organizing and implementing activities for the economic prosperity of rubber smallholders.
- Implementation of government policies aimed at enhancing the productivity and production of the rubber sector and acting as the foremost institution for the achievement of that objective.
- Estimating and collecting the government revenue.
- supervision of the Regional Offices.

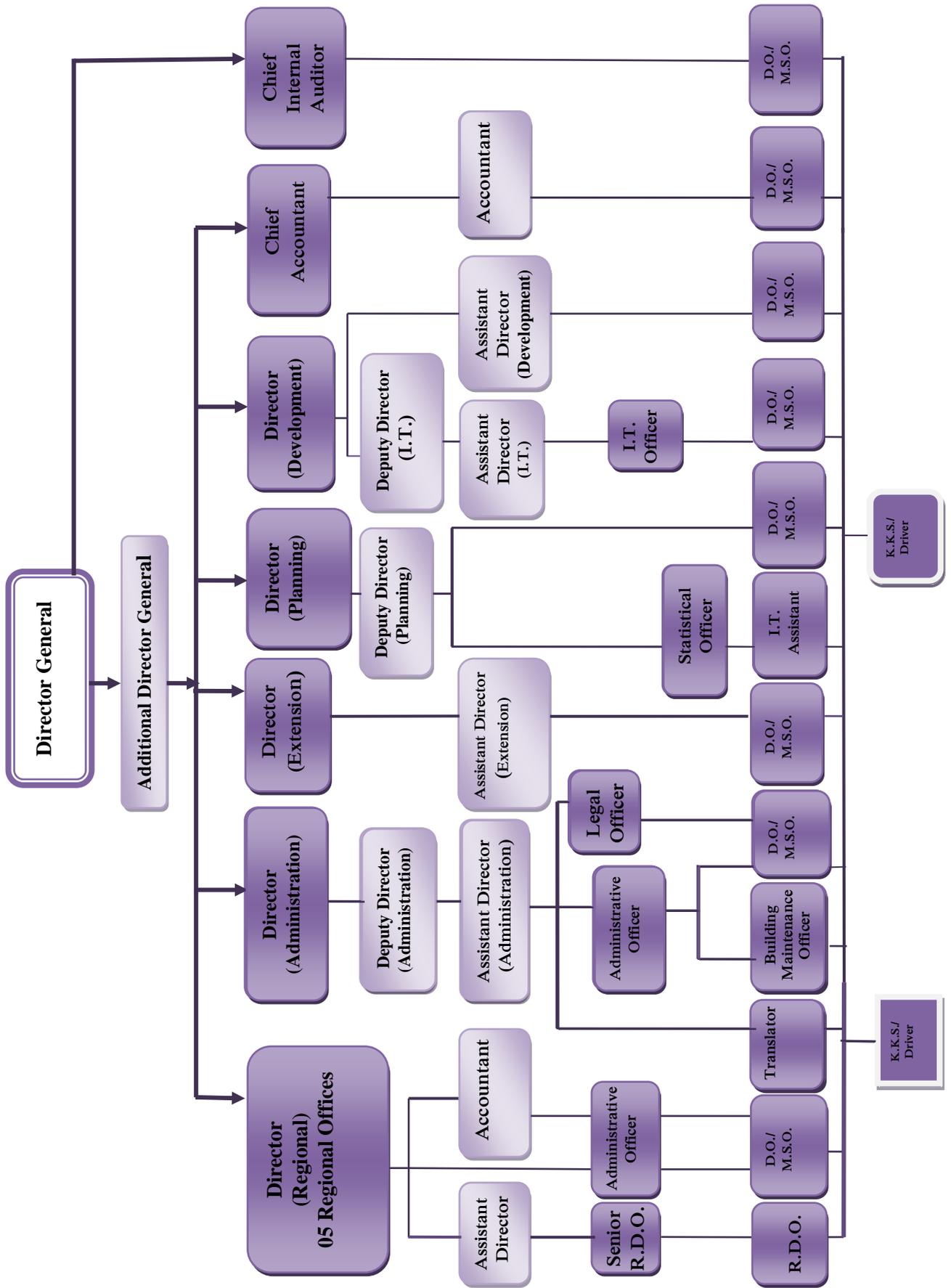
### **1.3.2. Functions Performed by Regional Offices**

- Granting licences for rubber cultivation and registration of lands.
- Rubber replanting and new planting.
- Provision of other services including cultivation subsidies to planters.
- Issuing trade licences for rubber traders.
- Conducting government rubber plant nurseries, distribution of rubber plants and supervision of private plant nurseries.
- Provision of necessary technical instructions to farmers and estate owners.
- Informing the Rubber Research Institute of Sri Lanka regarding diseases of the rubber cultivation and taking necessary steps for controlling such diseases.
- Implementation of livelihood development projects to uplift the economy of the rubber planters.

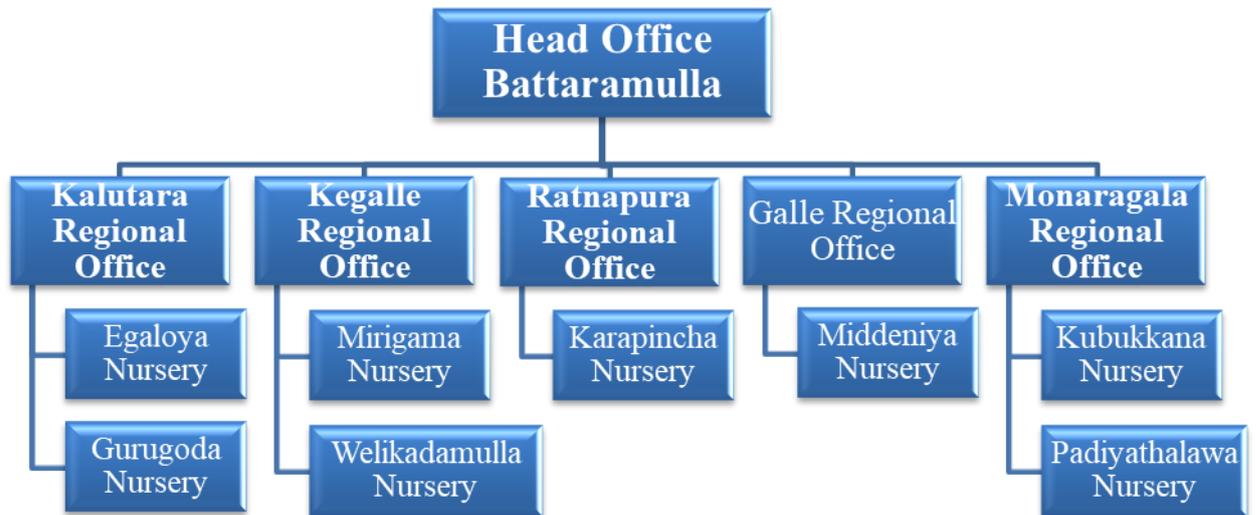
### **1.3.3 Functions of the Rubber Nurseries**

- Production of high-quality budded rubber seedlings for replanting and new planting on the recommendations of the Rubber Research Institute.
- Introduction of improved varieties to farmers based on new clones developed by Rubber Research Institute of Sri Lanka.
- Fulfilment of seedlings requirements of plantation companies as and when required.
- Provision of necessary support for the research plantations of the Rubber Research Institute of Sri Lanka.

# 1.4 Organizational Structure of the Rubber Development Department



## 1.5 Institutional Structure of the Rubber Development Department



## 1.6 Information of the Departmental Staff

Serial Number	Designation	Approved Cadre	Present Cadre	Vacancies	Excess Staff	Acting Staff
01	Director General (S.L.A.S. - Special Grade)	1	1	0	0	0
02	Additional Director General (S.L.A.S. Special Grade)	1	1	0	0	0
03	Director / Regional Director (S.L.A.S. – Grade 1)	7	5	2	0	2
04	Director (S.L.P.S. – Grade 1)	1	1	0	0	0
05	Director (Departmental)	1	0	1	0	0
06	Chief Accountant (S.L.Ac.S. – Grade 1)	1	1	0	0	0
07	Chief Internal Auditor (S.L.Ac.S. – Grade 1)	1	1	0	0	0
08	Deputy Director / Assistant Director (S.L.A.S.- Grade II, Grade III)	12	7	5	0	0
09	Deputy Director / Assistant Director (S.L.P.S.- Grade II, Grade III)	1	1	0	0	0
10	Deputy Director / Assistant Director (Departmental)	1	0	1	0	0
11	Legal Officer (Departmental)	1	0	1	0	0
12	Accountant (S.L.Ac.S. – Grade II, Grade III)	6	3	3	0	0
13	Deputy Director (S.L.I.C.T.S. – Grade II)	1	1	0	0	0
14	Assistant Director (S.L.I.C.T.S. III)	2	1	1	0	0
15	Administrative Officer (P.M.A.S – Special)	4	2	2	0	0
16	Senior Rubber Development Officer – Extension (Departmental – Supra Grade)	17	6	11	0	0
17	Translator – Sinhala / Tamil (G.T.S.)	1	0	1	0	0
18	Information Technology Officer (S.L.I.C.T.S.)	2	0	2	0	0
19	Information Technology Assistant (S.L.I.C.T.S)	5	2	3	0	0
20	Development Officer (D.O.S.)	22	23	0	1	0

<b>21</b>	Clerk /Typist (Departmental)	8	2	6	0	0
<b>22</b>	Nursery Manager (Departmental)	2	2	0	0	5
<b>23</b>	Buildings Maintenance Officer (Departmental)	1	1	0	0	0
<b>24</b>	Public Management Service Officer (P.M.S.O.)	120	116	4	0	0
<b>25</b>	Management Assistant (M.A.)	8	7	1	0	0
<b>26</b>	Rubber Development Officer (Departmental)	170	120	50	0	0
<b>27</b>	Driver (D.S.)	40	26	14	0	0
<b>28</b>	Driver (Departmental)	1	0	1	0	0
<b>29</b>	Lorry Assistant (Departmental)	10	10	0	0	0
<b>30</b>	Karyala Karya Sahayaka (O.E.S.)	33	29	4	0	0
	<b>Total</b>	<b>481</b>	<b>369</b>	<b>113</b>	<b>1</b>	<b>7*</b>

\* These officers will perform full-time acting duties in their respective posts.

Table No. I

## **2. Progress of the Major Programmes Implemented by the Department**

The Department of Rubber Development has extensively developed and implemented its programmes in the year 2021 in order to achieve the goal of increasing the inflow of foreign exchange into the country through the extension of rubber cultivation in Sri Lanka. Accordingly, the following programmes have been implemented fundamentally.

- 1. Rubber Replanting Programme - (Rubber Smallholdings / Plantation Companies)**
- 2. Rubber New Planting Programmes (Rubber Smallholdings)**
- 3. Plant Production Programme (Government Nurseries / Private Nurseries)**
- 4. Programme of Fixing Rain Guards - (Rubber Smallholdings / Plantation Companies)**
- 5. Intercropping programme**
- 6. Training programmes related to the Rubber Plantation**
- 7. Projects implemented under the budget proposals of the year 2021**
- 8. Programme of constructing one-day smoke houses and distributing machinery**

### **2.1 Rubber Replanting**

The need to remove the mature rubber trees that are currently being cultivated and harvested, and to replant new rubber plants arises almost 30 years after a rubber plant is established in the field. This is due to the factors, such as the aging of the rubber plants in the rubber land, the decrease in the latex yield of the cultivated plants, the quality of the rubber latex being below the recommended level, and the marginalization of the land. The Rubber Development Department provides replanting subsidies to rubber smallholders and regional plantation companies for motivating farmers to replant rubber. Accordingly, Rs. 350,000 each is given as planting subsidies for one hectare of land that is replanted.



A Replanted Rubber Land

### 2.1.1. Rubber Replanting- Rubber Smallholding Sector

The information related to the physical progress achieved by the Department according to the replanting target of 500 ha set for the Rubber Smallholding Sector for the year 2021 is given in the table below.

#### Extent of Land Replanted by the Rubber Smallholding Sector under the Rubber Replanting Subsidy Scheme -2021

District	Target (ha)	Number of Applications Received	Extent of Land related to the Applications Submitted (ha)	Number of Permits Issued	Extent, for which Permits were Issued (ha)	Number of Permit Holders, Replanted Rubber	Extent Replanted (ha)
Ratnapura	70	152	120.43	140	115.24	102	71.50
Colombo	30	63	47.67	52	43.06	41	35.08
Monaragala	5	11	8.38	8	5.71	7	5.09
Badulla	5	3	12.24	3	12.24	3	7.11
Galle	15	6	12.95	6	12.95	3	3.04
Matara	20	27	24.35	27	24.35	11	10.20
Kegalle	210	651	447.56	553	370.19	410	261.54
Gampaha	15	43	36.62	39	30.58	30	25.44
Kurunegala	20	43	45.94	34	38.19	29	27.45
Kandy	5	39	22.43	35	19.19	21	11.70
Matale	5	6	18.38	5	18.76	6	9.64
Kalutara	100	205	193.00	166	163.12	113	92.17
<b>Total</b>	<b>500</b>	<b>1,249</b>	<b>989.95</b>	<b>1,068</b>	<b>853.58</b>	<b>776</b>	<b>559.95</b>

Table No. II

In the year 2021, rubber planters in the rubber smallholding sector submitted 1,249 applications for rubber replanting to the Department and permits have been issued to 1,068 applications, out of the applications submitted. Replanting of rubber has been carried out in 559.95 ha of land by 776 permit holders under those permits. In the year 2021, the target set by the Department for replanting rubber was 500 ha. Therefore, it was a constructive feature that the area cultivated in that year was approximately 560 ha. That is an achievement of 112% progress against the target.

District-wise rubber replanting carried out by the rubber smallholding sector is as follows.

### Extent Under Rubber Replanting by Rubber Smallholding Sector (ha)–2021

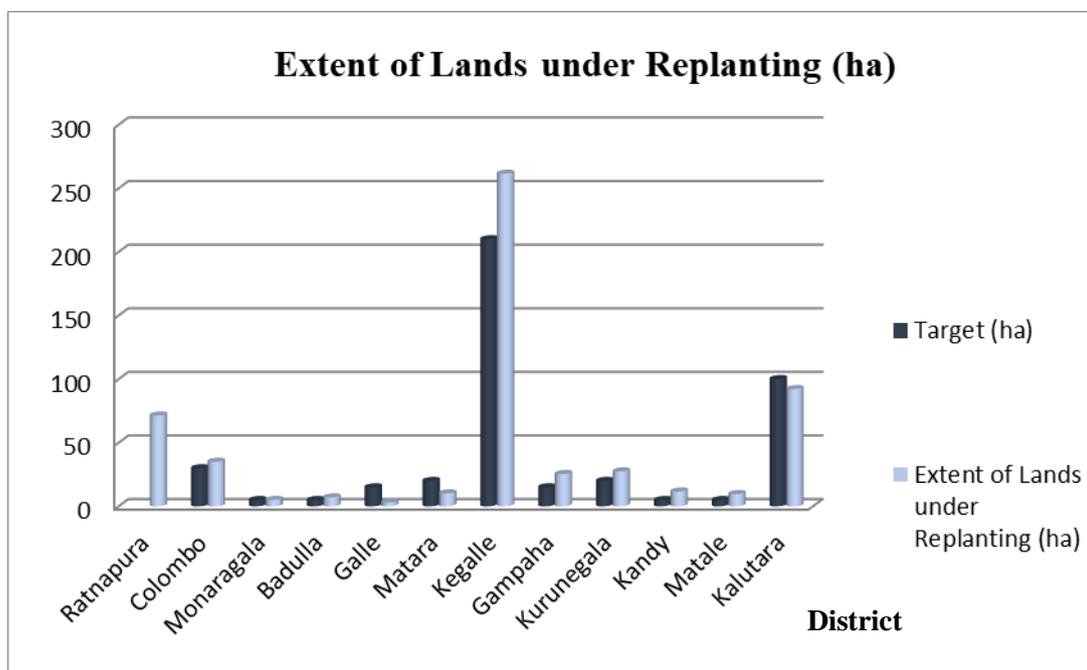


Diagram No. 1

According to the above graph, it is obvious that more rubber replanting has been carried out in Kegalle, Kalutara and Ratnapura districts surpassing the other districts in the year 2021. The Department has provided a sum of Rs.36.9 million as subsidies to rubber smallholding sector for rubber replanting carried out in this year.

#### 2.1.2 Rubber Replanting - Plantation Sector

Information on rubber replanting carried out by regional plantation companies in the year 2021 under the subsidy provided by the Rubber Development Department is given in the table below.

### Rubber Replanting by Plantation Companies – 2021

Plantation Companies	Extent as per the Applications Received	Extent, to which Permits are issued (ha)	Extent Replanted (ha)
<b>Pussellawa Plantations Ltd.</b>	343.43	263.38	213.05
<b>Namunukula Plantations PLC</b>	172.82	134.67	4.98
<b>Agalawatte Plantations PLC</b>	513.80	361.51	289.35
<b>Kotagala Plantations PLC</b>	24.00	23.89	8.87
<b>Hapugastenna Plantations PLC</b>	14.10	14.10	14.10
<b>Elpitiya Plantations PLC</b>	48.19	27.95	24.92
<b>Balangoda Plantations PLC</b>	41.09	10.47	-
<b>Lalan Plantations Ltd.</b>	175.00	167.96	167.96
<b>Kegalle Plantations PLC</b>	291.50	127.34	120.38
<b>Kelani Velley Plantations PLC</b>	141.36	44.40	12.00
<b>Malwatte Valley Plantations PLC</b>	50.24	50.24	50.24
<b>Horana Plantations PLC</b>	24.09	-	-
<b>Janatha Estate Development Board</b>	17.50	17.50	-
<b>Elkaduwa Plantations Ltd.</b>	29.45	23.24	-
<b>Total</b>	<b>1886.57</b>	<b>1266.65</b>	<b>905.85*</b>

\* Extent Replanted only under the Departmental Subsidies

Table No. III

According to the above table, Agalawatte Plantations PLC, Pussellawa Plantations Ltd. and Lalan Plantations Ltd. have replanted more rubber compared to the other Plantation Companies in the year 2021. It is a significant feature that Agalawatte Plantations PLC, among the Plantation Companies, has come to the forefront surpassing the other Plantation Companies by contributing 32% to the area replanted with rubber in 2021.

Even though the Rubber replanting target set for the Plantation Companies Sector for the year 2021 had been 1000 ha, permits had been issued for a land area of 1,266.65 ha for Plantation Companies for rubber replanting. The extent under cultivation by the plantation companies had been 905.85 ha in the year 2021. Thereby, Plantation Companies had achieved 91% physical progress through rubber replanting. The Department has provided subsidies amounting to Rs.55.23 million to the plantation companies for rubber replanting.

The total rubber replanting target to be accomplished by the rubber smallholding sector and plantation companies sector in the year 2021 under the supervision of the Department had been 1,500 ha and rubber had been replanted in a total area of 1,466 ha.

### **Extent of Land under Rubber Replanting (2012 – 2021)**

(ha)

<b>Year</b>	<b>Smallholdings</b>	<b>Plantation Companies</b>	<b>Total</b>
<b>2012</b>	1,117	2,126	3,243
<b>2013</b>	1,710	2,784	4,494
<b>2014</b>	1,343	1,554	2,897
<b>2015</b>	614	1,303	1,917
<b>2016</b>	538	1,048	1,586
<b>2017</b>	787	400	1,187
<b>2018</b>	525	336	861
<b>2019</b>	578	462	1,040
<b>2020</b>	457	555	1,012
<b>2021</b>	560	906	1,466

Table No. IV

The total extent under rubber replanting in 2021 had been a higher value as compared with the total extent under rubber replanting in 2020 and doubling of the total extent under rubber replanting by the plantation companies sector in the year 2021, as compared to the year 2020 was a commendable achievement.

## **2.2 Rubber New Planting**

The demand for natural rubber, which is an industrial raw material, is increasing rapidly in the world market day by day. Under the circumstances, the Department is functioning towards expanding the rubber new planting in order to increase the domestic production to expand the rubber exportation by Sri Lanka. The Rubber Development Department is implementing a subsidy scheme of Rs.300,000 each per hectare for new rubber planters only for the rubber smallholding sector and necessary extension and advisory assistance are also being granted to the new rubber planters. The primary objective of the Department is to contribute in the economic development through the development of

the rubber production. Increasing household income through the generation of new jobs, providing opportunities to earn income especially for those who are unemployed in the labour force, using uncultivated land for agricultural activities and safeguarding the sustainability of cultivation through increasing the cover to protect the balance of the natural environment are the other objectives of the rubber new planting.

### 2.2.1 Rubber New Planting -Smallholding Sector

Information related to the rubber new planting in the rubber smallholding sector during the year 2021 is given in the table below.

#### Extent of Lands under Rubber New Planting by the utilization of the Subsidies of the Department - 2021 (Smallholdings)

District	Target	Number of applications received	Extent of land related to the No. of applications (ha)	Number of Permits Issued	Extent, to which permits are Issued (ha)	Number of permit Holders Completed the New Planting	Extent under New planting (ha)
Ratnapura	25	84	53.01	80	49.61	55	32.26
Colombo	10	34	20.37	25	16.89	14	7.74
Monaragala	175	353	202.18	325	188.23	297	163.67
Badulla	25	34	18.82	29	16.78	26	13.58
Ampara	15	4	1.62	4	1.62	3	1.21
Galle	10	15	20.29	15	20.29	10	11.85
Matara	10	29	29.06	29	29.06	19	15.00
Hambantota	20	29	13.96	29	13.96	21	9.06
Kegalle	35	224	96.51	177	90.46	137	55.59
Gampaha	10	24	18.77	21	14.95	12	8.26
Kurunegala	15	25	13.30	24	13.79	19	9.39
Kandy	5	21	9.40	16	5.86	12	5.01
Matale	25	23	20.24	23	20.24	9	8.70
Anuradhapura	5	46	32.70	45	29.25	12	6.20
Kalutara	15	64	31.04	55	27.92	39	16.18
<b>Total</b>	<b>400</b>	<b>1009</b>	<b>581.27</b>	<b>897</b>	<b>538.91</b>	<b>685</b>	<b>363.69</b>

Table No. V

According to the above information, the Rubber Development Department had set a target of 400 ha in the year 2021 for rubber new planting and the total area under rubber new planting in the smallholding sector during the year had been 365.69 ha including the extent of 363.69 ha under rubber new planting by smallholding sector and in addition to that, the model rubber cultivation in 02 ha carried out by the government nurseries. Moreover, the plantation companies sector had carried out rubber new planting in 02 ha of land. Accordingly, 91% of physical progress has been achieved through rubber new planting during the year 2021 and the Department has incurred an amount of Rs. 21.49 million for this. The smallholding sector has carried out rubber new planting in 15 districts during this year.

### Extent under Rubber New Planting in 2021 (ha) - Smallholdings

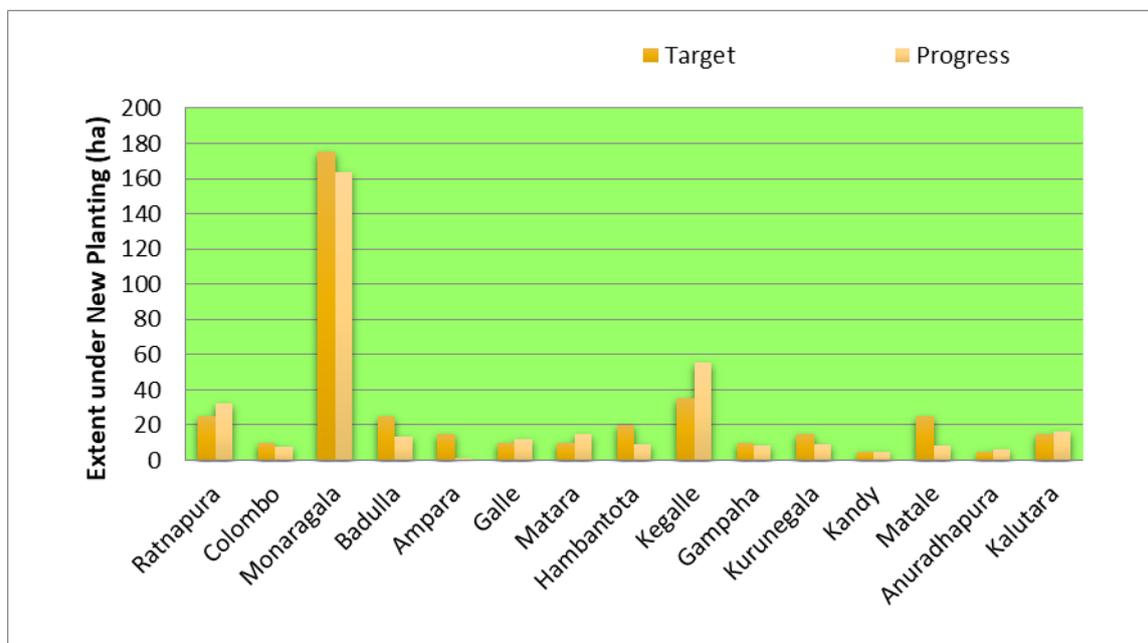


Diagram No. II

According to the above Diagram, the districts of Monaragala, Kegalle and Ratnapura have carried out new rubber planting in higher extent in the year 2021, and Monaragala district has taken the lead in rubber new planting, surpassing the other districts. Through this, it is obvious that there is a high tendency for the planters in Monaragala district to select the rubber cultivation as a plantation crop. Moreover, Kegalle, Galle, Matara, Anuradhapura, Kalutara, Kandy and Ratnapura districts have newly planted rubber by surpassing their annual target.

The districts, which have made a high contribution to the annual extent of lands under rubber new planting under the departmental subsidies from 2015 up to now are as follows.

Year	District	Extent under Rubber New Planting in the District (ha)	Total Extent under Rubber New Planting in Sri Lanka
2015	Ampara	400	825
2016	Ampara	268	615
2017	Monaragala	417	1,035
2018	Monaragala	565	1,029
2019	Monaragala	662	1,103
2020	Monaragala	397	751
2021	Monaragala	539	1,188

Table No. VI

According to the above information, it has been a very specific situation that Monaragala district has made a high contribution to rubber new planting since 2017. It is of utmost significance that the planters of Monaragala district, which is identified as the district with the lowest per capita income in Sri Lanka according to the annual report of the Central Bank of Sri Lanka, had attracted towards the rubber plantation.

There is a trend in expanding lands under rubber new planting associated with new rubber plantations in the non-traditional districts. Accordingly, the rubber smallholders are carrying out new rubber plantations under the special supervision of the Rubber Development Department in Vavuniya, Anuradhapura and Matale districts in the dry zone. A successful new rubber plantation is being maintained in 01 acre of land in Ipalogama area in Eppawala of Anuradhapura and harvesting of rubber latex has already been started. Moreover, 9.5 acres of land in Vavuniya district has been newly planted. Although the new rubber plantation maintained in about 3 acres of land in Talawa area in Anuradhapura is immature, it is currently showing successful plant growth and would be ready to harvest rubber latex soon.

Thirty-four (34) planters have started a rubber plantation in 20 acres of land in Moragahaulpatha area of Wilgamuwa in Matale under rubber new planting. The plantation is being successfully carried out in that area, which is an area in the dry zone.



A Rubber Plantation ready for harvesting in Talawa area of Anuradhapura



A Rubber Plantation in Wilgamuwa area of Matale



Rubber Plantation under Tapping in Ipalogama of Anuradhapura

### **2.2.2 Rubber New Planting - Smallholder Tea and Rubber Revitalization (STaRR) Project**

The Smallholder Tea and Rubber Revitalization Project was started in the year 2016 under the financial contribution of the International Fund for Agricultural Development (IFAD) and the Government of Sri Lanka with the aim of improving the living standards of the rural poor by increasing their income. It is implemented to expand tea cultivation in the districts of Matara, Galle, Ratnapura, Nuwara Eliya, Kandy and Badulla and rubber cultivation in the two districts of Monaragala and Ampara. This is a long-term investment opportunity for the plantation sector.

This project has contributed for the advancement of the rubber sector through the provision of subsidies to the planters in traditionally non-rubber growing areas such as Monaragala and Ampara districts for rubber new planting, provision of financial assistance to develop the infrastructure of Padiyathalawa Rubber plant nursery, which is a government nursery, and provision of financial assistance to develop the infrastructure facilities in tea and rubber smallholdings. The Rubber Research Institute provides the necessary scientific and technical support for the project and the Rubber Development Department intervenes in this project, which runs from 2016 to 2022, to direct the coordination activities between the project management and the beneficiaries and to provide other technical and service assistance.

According to the reports of the Smallholder Tea and Rubber Revitalization Project, the manner of carrying out new rubber planting annually in Ampara and Monaragala districts from 2016 to 2021 is mentioned below. This project was started in the year 2016 and since that year, the rubber cultivation was supervised by the Monaragala Regional Office of the Rubber Development Department and the relevant expenses were borne by the project.

Year	Extent under Cultivation (ha)		Amount Incurred (Rs. Million)		Number of Farmers Cultivated the Land	
	Ampara	Monaragala	Ampara	Monaragala	Ampara	Monaragala
2016	55	197	-	16.00	71	327
2017	7	315	-	11.60	11	561
2018	224	407	7.92	64.91	380	725
2019	317	573	62.80	96.33	465	1,023
2020	196	333	118.06	268.67	344	652
2021	447	375	139.81	126.07	756	649
Target of the Year 2022	-	-	*26.11	*18.37	-	-

\*Remaining payments for activities carried out in 2021 and payment related to in filling of rubber

Table No. VII

The total land extent under rubber new planting in Sri Lanka with the contribution of all the sectors from 2012 to 2021 is mentioned in the table below.

### Extent under Rubber New Planting 2012 – 2021(ha)

Year	Smallholdings	Plantation Companies	Total
2012	2,297	1,086	3,383
2013	2,979	912	3,891
2014	1,428	133	1,561
2015	769	56	825
2016	592	23	615
2017	700	335	1,035
2018	981	48	1,029
2019	1,103	-	1,103
2020	726	25	751
2021	1,186	02	1,188

Table No. VIII

### 2.3 Payment of Subsidies for the Rubber Cultivation - 2021

The details of the amounts paid as subsidies for rubber re-planting, new planting, digging holes for planting carried out by the Department in 2021 and the total subsidies paid by the Department for cultivations carried out prior to 2021 are mentioned in the table below.

Programme	Amount of Subsidy paid for Rubber Cultivation (Rs. Million)		
	For Cultivation in the Year 2021	For Cultivation in the Previous Years	Total
Rubber Replanting Subsidies (Smallholdings)	36.98	153.92	<b>190.9</b>
Rubber New Planting Subsidies (Smallholdings)	21.49	61.36	<b>82.85</b>
Rubber Replanting Subsidies (Plantation Companies)	55.23	233.91	<b>289.14</b>
Digging holes for Cultivation	6.09	0.16	<b>6.25</b>
<b>Total</b>	<b>119.79</b>	<b>449.35</b>	<b>569.14</b>

Table No. IX

## 2.4 Production of Rubber Plants

### 2.4.1 Government Nurseries

A quality rubber plant always yields a good harvest, which derives great benefits to the economy of the planters as well as to the plantation economy as a whole. Accordingly, the Rubber Development Department has carried out all the necessary work consistently to provide quality rubber plants to the rubber planters. Accordingly, the Rubber Development Department has set up 08 rubber plant nurseries to produce up-to-date and quality rubber plants in coordination with the Rubber Research Institute as per the new findings of their research.

Information in relation to the production and distribution of rubber plants in 2021 through the government nurseries located at Gurugoda, Egaloya, Welikadamulla, Mirigama, Kumbukkana, Padiyathalawa, Karapincha and Middeniya is mentioned below.

#### Rubber Plant Production and Distribution in Government Nurseries – 2021

Name of the Nursery	Target of Producing Plants	Production of Plants	Distribution of Plants
Karapincha Plant Nursery - Ratnapura	50,000	154,388	57,805
Kumbukkana Plant Nursery - Monaragala	350,000	357,146	290,114
Padiyathalawa Plant Nursery - Monaragala	100,000	72,555	58,545
Middeniya Plant Nursery - Galle	50,000	53,218	42,183
Welikadamulla Plant Nursery - Kegalle	250,000	211,013	197,981
Mirigama Plant Nursery - Kegalle	100,000	89,082	83,838
Egaloya Plant Nursery-Kalutara	200,000	122,179	125,738
Gurugoda Plant Nursery - Kalutara	200,000	217,651	216,413
<b>Total</b>	<b>1,300,000</b>	<b>1,277,232</b>	<b>1,072,617</b>

Table No. X

Accordingly, the Department has been able to successfully produce 1,277,232 rubber plants out of the production target of 1,300,000 plants in the year 2021 and the Department

has achieved a physical progress of 98%. Moreover, 1,072,617 plants, out of 1,277,232 plants produced, have been distributed for new planting and replanting.

In the year 2021, Kumbukkana Plant Nursery operating under Monaragala Regional Office has produced the highest number of plants and Welikadamulla and Gurugoda Nurseries have also produced higher numbers of plants. The three nurseries have been able to contribute 62% to the total production of rubber plants by adding 785,810 plants to the annual total production of rubber plants. An amount of Rs. 150 million has been spent, out of Rs. 157.67 million allocated to achieve the target of producing plants in the government nurseries and a financial progress of 95% has been achieved. The following table shows the annual production of plants in government nurseries during past few years.

Year	Production of Plants
2015	1,386,593
2016	1,204,748
2017	946,805
2018	1,327,180
2019	1,454,004
2020	1,026,899
2021	1,277,232

Table No. XI

Reporting an improvement in the production of plants in the year 2021 as compared to the year 2020 is has been remarkable.



Nursery Seedlings - Egal Oya Nursery



Applying Fertilizers to Bud Grafted Rubber Plants - Gurugoda Nursery



Successfully Bud Grafted Rubber Plants - Middeniya Nursery



Bud Grafted Plants prepared in net house - Padiyathalawa Nursery



Irrigation of Nursery Plants by sprinkle System - Padiyathalawa Nursery

#### **2.4.2 Private Plant Nurseries**

Government nurseries do not provide the entire annual plant requirement for replanting and new planting in Sri Lanka. Private nurseries as well as plantation companies make a significant contribution to meet the requirement of plants. The production of plants in the private sector district wise in the years 2020 and 2021 is mentioned below.

## Production of Plants - 2020/2021 (Private Plant Nurseries)

District	Production of Plants	
	2020	2021
Ratnapura	139,950	201,000
<b>Colombo</b>	-	106,500
Monaragala	27,277	29,278
Galle	13,500	13,717
Kegalle	174,640	596,842
<b>Gampaha</b>	-	55,500
<b>Kalutara</b>	7,788	114,688
<b>Total</b>	<b>363,155</b>	<b>1,117,525</b>

Table No. XII

The production of plants in private nurseries in the year 2021 has been 1,117,525 and last year, it was 363,155. Therefore, it is a remarkable development that private nursery owners have been able to produce 754,370 more plants in the year 2021 as compared to the year 2020. This is mostly due to the increase in the demand for plants due to the increased involvement of farmers in rubber plantation based on the increase in the price of rubber in the year 2021.

Kegalle district has produced the highest number of seedlings in the private sector. That production has been 53% of the total production of plants in the private nurseries. Ratnapura, Colombo and Kalutara districts have also produced higher number of plants.

### 2.5 Programme of Fixing Rain Guards

Almost all the traditional rubber growing districts are in the wet zone. As a result, the cultivation is vulnerable to monsoons and convectional rains throughout the year. Although the wet climate is favourable for the growth of rubber plants, it is a hindrance to harvest a successful latex yield from a mature rubber plant. Tapping has to be stopped with the onset of the rainy season and it is a challenge faced by rubber planters. Rubber smallholders as well as plantation companies have focused their attention to fix rain guards that has been introduced by the Rubber Research Institute with the objective of facing this challenge. It is possible to harvest rubber latex during normal rains without obstacles by adopting that method. This will increase the income of the planters as well

as the income of the majority of labourers, who are engaged in activities like tapping and collecting latex for daily wages.

The Rubber Development Department has implemented a subsidy system to popularize the method of applying rain guards among the rubber planters. Accordingly, the smallholders, who have successfully used rain guards is paid Rs. 70/- each per one rubber tree while plantation companies, who have successfully used rain guards is paid Rs. 35/- each per one rubber tree.



A Rubber Plantation with Rain Guards

Information on the fixing of rain guards in relation to the rubber smallholding sector in the year 2021 is mentioned in the table below.

District	Land Extent with Rain Guards - (ha)	No. of Trees with Rain Guards	No. of Farmers Fixed Rain Guards	Amount Paid as Subsidies (Rs. Million)
Ratnapura	358.04	141,922	257	4.83
Colombo	114.13	44,244	60	0.70
Badulla	4.24	1,340	2	0.09
Galle	11.47	4,592	17	0.32
Matara	44.82	17,936	74	1.26
Hambantota	0.20	80	1	0.01
Kegalle	363.76	112,138	210	6.31
Gampaha	41.52	14,752	36	0.40
Kurunegala	71.76	23,459	34	1.64
Kandy	7.16	2,358	11	0.17
Matale	7.85	2,970	2	0.21
Kalutara	211.54	83,767	144	5.86
<b>Total</b>	<b>1,236.49</b>	<b>449,558</b>	<b>848</b>	<b>21.78</b>

Table No. XIII

Rain guards were fixed to 449,558 rubber trees in an area of 1,236.49 ha in the year 2021 under the rubber smallholding sector. The Government has provided Rs. 21.78 million as subsidies to 848 rubber smallholders, who had fixed rain guards.

### Land Extent under Rain Guards District wise - 2021 (Smallholdings)

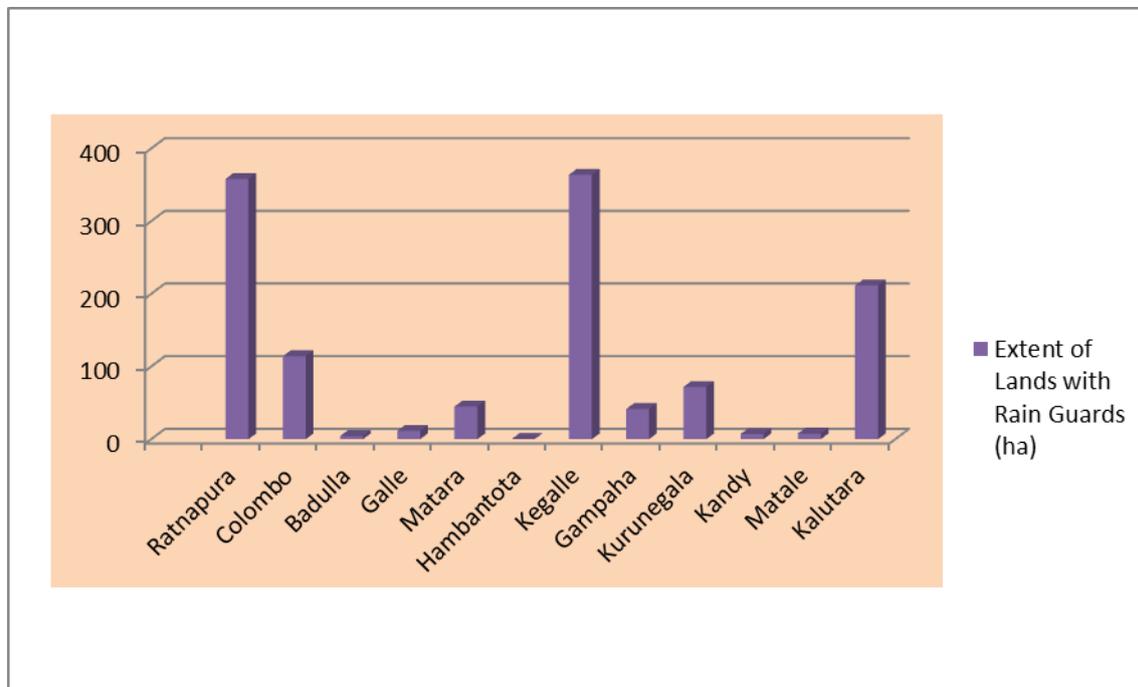


Diagram No. III

The highest amount of rain guards has been fixed in Kegalle and Ratnapura districts, out of the districts where rain guards have been fixed in rubber smallholding sector. In those two districts, rain guards have been fixed for rubber trees in 721.8 ha of land, and it is 58% of the total extent under rain guards.

Information on fixing rain guards for Rubber cultivation in the year 2021 by the plantation companies is stated in the table below.

Regional Office	Extent under Rain Guards (ha)	No. of Trees, for which Rain Guards were Fixed	Amount paid as Subsidies (Rs. Million)
Ratnapura	1,398.37	444,814	15.83
Galle	199.49	79,855	2.79
Kegalle	1,050.00	464,820	15.69
Kalutara	1,913.57	369,000	12.92
<b>Total</b>	<b>4,561.43</b>	<b>1,358,489</b>	<b>47.23</b>

Table No. XIV

According to the table, rain guards have been fixed in an extent of 4,561.43 ha by the plantation companies in the year 2021 and the amount incurred for that purpose has been Rs.47.23 million.

It has been reported that rain guards have been fixed to a highest number of trees in the supervisory area of Kegalle Regional Office, out of the other regional offices under the rain guard fixing programme of the plantation companies sector and the extent under rain guards in that area was 1,050 ha. The overall progress in fixing rain guards annually since 2015 is mentioned as follows.

#### **Fixing of Rain Guards 2015 - 2021**

Year	Extent under Rubber Smallholdings (ha)	Extent under Plantation Companies (ha)
<b>2015</b>	478.58	3,778.29
<b>2016</b>	182.65	2,452.52
<b>2017</b>	258.88	1,072.79
<b>2018</b>	323.71	1,071.32
<b>2019</b>	434.43	2,454.94
<b>2020</b>	941.70	5,945.77
<b>2021</b>	<b>1,236.49</b>	<b>4,561.43</b>

Table No. XV

The extent of lands under rain guards in the smallholding sector showed a systematic growth since 2016, and it reached over 1000 ha for the first time this year. Although the area of land covered by rain guards of the plantation companies sector has undergone changes from time to time since 2015, the area of land covered by rain guards was 2455 ha in 2019 and it was around 5947 ha (approximately 6000 ha) in 2020, a value over the double of that extent. Moreover, the area covered by rain guards has been 4561 ha in the year 2021.

## **2.6 Intercropping**

Harvesting of the rubber plant starts after a period of 6-7 years and therefore, the income earned by the planters from the rubber harvest is also delayed until then. Since the rubber tree has to be maintained during that period, the rubber planters also have to incur an expense for that. As an economic relief to this situation, intercropping system has been introduced. Accordingly, pineapple, banana, passion fruit, papaya, cocoa, chillies, ginger, arecanut, cinnamon, onions, green gram, cowpea, undu, sesame, finger millet, cardamom, nutmeg, pepper, vegetable and maize are cultivated in this system. As the importation of turmeric was banned on the basis of the import restriction policy of the Government in

2020-2021, turmeric was also cultivated as an intercrop associated with rubber plantations, and due to the high demand for turmeric, it was possible to get a better income from it. Intercropping system strengthens the economy of the rubber planters and many advantages, such as, suppression of weeds in the land surrounding the rubber plantation, soil does not become marginal when there is diversity in crops, natural and physical resources including land and water as well as human resources are used more productively and efficiently, increased and constant attention and supervision of the cultivation and possibility of identifying pest damages quickly can be achieved through intercropping as well. A subsidy amounting to Rs. 4,000/- is paid by the Rubber Development Department per one acre of rubber plantation with intercrops successfully cultivated as recommended by the Rubber Research Institute.



A Pineapple Intercropping in a Rubber Plantation



A Banana Intercropping in a Rubber Plantation

A Maize intercropping in a Rubber Plantation

Information on intercropping in the year 2021 is mentioned in the table below.

District	Target (ha)	Crop	Extent under Cultivation (ha)	No. of Farmers Cultivated the Area
Ratnapura	45	Pineapple	11.62	9
		Banana	6.36	10
		Vegetable	0.20	1
		Cereals and others	1.62	2
Total			19.8	22
Colombo	20	Pineapple	26.35	26
		Vegetable	0.30	1
Total			26.65	27
Monaragala	100	Pineapple	0.20	1
		Banana	18.94	36
		maize	12.27	20
		Others	32.31	53
Total			63.72	110
Badulla	15	Others	3.30	5
Total			3.30	5
Galle	5	Pineapple	0.41	1
		Banana	0.41	1
		Season crops	0.41	1
Total			1.23	3
Matara	5	Pineapple	0.78	4
		Banana	3.26	11
Total			4.04	15
Hambantota	10	Banana	0.81	2
		Season crops	6.00	15
Total			6.81	17
Kegalle	100	Pineapple	30.39	114
		Banana	40.17	
		Turmeric, chillies, arecanut	2.01	
		Onion, Vegetable	1.10	
Total			73.67	114
Gampaha	10	Pineapple	22.97	28
Total			22.97	28
Kurunegala	10	Banana	10.53	10
Total			10.53	10
Kandy	5	Banana	6.62	13
Total			6.62	13

<b>Matale</b>	<b>25</b>	<b>Undu, Sesame, Finger Millet</b>	<b>4.54</b>	<b>16</b>
<b>Total</b>			<b>4.54</b>	<b>16</b>
<b>Anuradhapura</b>	<b>5</b>	<b>Undu, Sesame, Finger Millet</b>	<b>6.47</b>	<b>10</b>
<b>Total</b>			<b>6.47</b>	<b>10</b>
<b>Kalutara</b>	<b>45</b>	<b>Pineapple</b>	<b>10.59</b>	<b>9</b>
		<b>Vegetable</b>	<b>1.52</b>	<b>13</b>
		<b>Banana</b>	<b>9.33</b>	<b>4</b>
		<b>Pineapple</b>	<b>2.62</b>	<b>4</b>
		<b>Ginger</b>	<b>0.54</b>	<b>1</b>
<b>Total</b>			<b>24.60</b>	<b>31</b>
<b>Grand Total</b>	<b>400</b>		<b>274.95</b>	<b>421</b>

Table No. XVI

Even though the intercropping target was 400 ha under the intercropping programme of the Department in the year 2021, the total area under intercropping in the year 2021 was around 275 ha. Accordingly, the Department has achieved a physical progress of 69% through the intercropping during this year. Moreover, 73.67 ha, the largest area under intercropping was in Kegalle district, and the extent under cultivation in Monaragala district was 63.72 ha.

The highest number of farmers, who have practiced intercropping with a higher tendency towards intercropping was reported in the Kegalle and Monaragala districts. Those values have been 114 and 110 respectively. It is a remarkable situation that 53% of the total farmers, who cultivated intercrops, were represented in those two districts. It is further indicated by the aforementioned table that the highest number of crops (7 varieties) were grown in the Kegalle district.

The area under cultivation with each intercrop is stated in the graph below.

### Intercropping- 2021

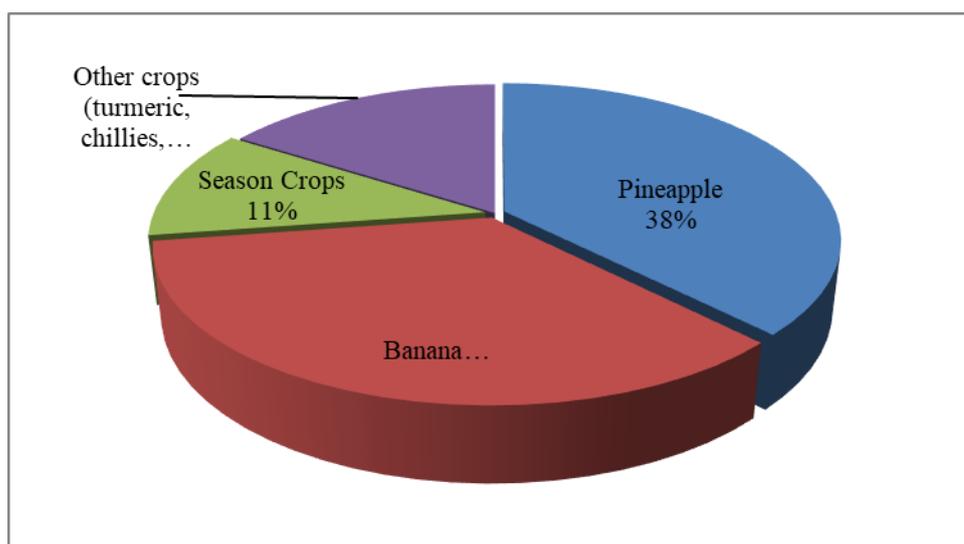


Diagram No. IV

Pineapple has been cultivated in 38% out of 275 ha, the entire land extent under intercropping. Moreover, banana has been cultivated in 35% of the land. Pineapple has been cultivated in 7 districts and banana has been cultivated in 8 districts this year. Planters were mostly involved in growing banana and pineapple as crop maintenance is easy, minimum wastage in harvests and a uniform demand is prevailing throughout the year in the domestic and foreign markets. Pineapple has been cultivated in 38% of the land while banana has been cultivated in 35% of the land. Moreover, other crops have been cultivated in 27% of the land.

## 2.7 Conducting Training Programmes related to Rubber Plantation

### 2.7.1 Tappers Training (Ordinary)

It is essential that tappers have obtained a proper experience in harvesting rubber latex correctly. Gaining more yield from the rubber plant, getting latex yield for almost 3 decades and being able to ensure that the plant is not vulnerable to fungal and bacterial infections are the advantages that can be obtained by the ability and knowledge on correct tapping. The Rubber Development Department provides training to tappers and volunteers annually to achieve these advantages.



Ordinary training for Tappers is carried out under the direct supervision of the regional offices. This programme provides necessary training to rubber smallholders in the regional rubber development officers' level to enable them to formally harvest rubber latex of their own plantations and to those, who wish to engage in tapping as a profession.

Accordingly, a practical training is also conducted to make every trainee aware of the fields such as the economic, environmental and social importance of the Rubber Industry, selection of trees, identification of the tissues of the rubber tree, introduction of tapping techniques, knowledge in processing of rubber as well as sharpening of the tapping knife, free tapping, placing taping marks, tapping trees by following the tapping marks and fixing of rain guards without obstructing the tapping.

Information related to the Ordinary Training Programme on Tapping in the year 2021 is mentioned in the Table below.

<b>Tappers' Training (Ordinary)</b>				
<b>Regional Office</b>	<b>Target (Persons)</b>	<b>No. of Programmes Conducted</b>	<b>No. of Persons Trained</b>	<b>Amount Incurred (Rs. Million)</b>
Ratnapura	260	5	113	169,088.00
Monaragala	230	22	110	193,076.00
Kegalle	380	17	269	444,000.00
Kalutara	230	2	43	66,275.00
<b>Total</b>	<b>1100</b>	<b>46</b>	<b>535</b>	<b>872,439.00</b>

Table No. XVII

Although it was targeted to provide the ordinary training on tapping for 1,100 persons during the year 2021, only 535 persons were trained and thereby, it was possible to achieve

49% of the physical progress. It has been a tough challenge for the staff of the Department to achieve the desired goals due to the imposing of the quarantine curfew and the suspension of normal public gathering activities owing to the periodic escalation of the Covid-19 pandemic situation. These reasons have directly contributed to the retardation of the progress.

### 2.7.2 Training Programme on Bud Grafting

A high quality successfully bud grafted rubber plant paves the way for the planter to secure a good source of income. The assistance of a bud grafter with a formal and systematic knowledge is essential for the production of a quality rubber plant. Accordingly, this training programme has been scheduled for private nurseries engaged in bud grafting, employees of government nurseries as well as apprentices who are interested in grafting. Information on the training programme on bud grafting conducted by the Department during the year 2021 is mentioned in the table below.

Regional Office	Training of Grafters			
	Target (Persons)	No. of Programmes Conducted	No. of Persons Trained	Amount Spent (Rs. Million)
<b>Ratnapura</b>	30	1	30	42,740.00
<b>Monaragala</b>	60	2	60	98,620.00
<b>Galle</b>	30	1	22	37,445.00
<b>Kalutara</b>	20	1	20	27,690.00
<b>Total</b>	<b>140</b>	<b>5</b>	<b>132</b>	<b>206,495.00</b>

Table No. XVIII

The targeted number of persons to be trained in the year 2021 was 140 and the Department has been able to train 132 persons according to the target. The Department has been able to achieve a financial progress of 95% by incurring a sum of Rs. 0.21 million, out of Rs. 0.22 million allocated for this Programme.

### 2.7.3 Training programme for Fixing Rain Guards

It is a normal situation for rubber plantation carried out in wet zone lands to experience rains for most of the year. Harvesting of latex is disrupted periodically throughout the year due to rain. The most successful choice at present, among the solutions introduced by the Rubber Research Institute, is the method of fixing rain guards. Accordingly, allocation is made by the annual budget to fix rain guards and the Department intervenes to introduce the proper method of fixing rain guards by conducting the training programme on fixing rain guards. The objective of this programme is to introduce to the

planters and the workers the proper method of fixing rain guards effectively in a manner that it avoids damage to the rubber tree or to the latex yield.

Accordingly, information about the trainees, who received training related to the fixing of rain guards in the year 2021 is mentioned below.

Regional Office	Training for Fixing Rain Guards			
	Target (Persons)	No. of Programmes Conducted	No. of Persons Trained	Amount Spent (Rs.)
<b>Ratnapura</b>	120	5	122	101,979.60
<b>Galle</b>	50	4	52	13,217.20
<b>Kegalle</b>	280	7	195	159,420.00
<b>Kalutara</b>	120	6	160	97,852.78
<b>Total</b>	<b>570</b>	<b>22</b>	<b>529</b>	<b>372,469.58</b>

Table No. XIX

In the year 2021, 529 persons have been trained by 22 training programmes for fixing rain guards. The total cost incurred for that was Rs. 0.37 million.

The Kalutara regional office has made the highest progress out of the regional offices by providing training to 160 people, under the training programme for fixing rain guards implemented for the advancement of the rubber sector, surpassing the annual target.

#### 2.7.4 Training Programme on Soil Conservation

Soil barrenness, erosion and reduced productivity often occur in rubber plantations. Actually, such problems occur in the field as a result of not properly managing the soil and lands under rubber plantation. Considering this situation, the Department is implementing training programmes through the regional offices to introduce appropriate soil conservation methods. Information on the soil conservation programmes carried out in the year 2021 is mentioned in the table below.

Regional Office	Training on Soil Conservation			
	Target (Persons)	No. of Programmes Conducted	No. of Persons Trained	Amount Spent (Rs.)
<b>Ratnapura</b>	65	3	71	31,708.00
Monaragala	40	1	5	4,292.00
<b>Kegalle</b>	110	1	11	_*
<b>Kalutara</b>	60	1	37	12,977.52
<b>Total</b>	<b>275</b>	<b>6</b>	<b>124</b>	<b>48,977.52</b>

Table No. XX

\*The cost was borne by the owner of the respective estate, where the training was conducted.

The Department has trained 124 people out of the target of 275 people set for the soil conservation training in 2021. A financial cost of Rs. 48,977.52 has been incurred for that. Seventy-one (71) persons have been trained under the soil conservation training by the Ratnapura regional office. In addition to the above training programmes, the Training Programmes, such as,

- ❖ Training on Household Rubber Goods Production
- ❖ Training on Immature and Mature Crop Maintenance
- ❖ Construction of Smoke Houses
- ❖ Two-day Workshop on Tapping
- ❖ One day Awareness Workshop on Rubber Cultivation
- ❖ Development of Training in Beekeeping
- ❖ Establishment of Model Farm Units
- ❖ Training on the Manufacture of Rubber Sheets
- ❖ One day Workshop on Rubber Sheet Production

have also been conducted.

## **2.8. Projects Implemented under the Budget Proposals for the year 2021**

Fourteen (14) sub-projects, under the two major projects presented and approved under the allocated provision through the annual budget speech, were implemented by the Rubber Development Department in the year 2021.

### **➤ Converting Rubber Smallholdings into Profitable Commercial Units through Diversification of Income Sources of those lands and by encouraging them (40 million)**

This programme has been implemented to increase the rubber production in Sri Lanka up to 100 million kg and to uplift the rubber smallholders through the conversion of the rubber smallholdings into profitable commercial units. This project was completed with the Government contribution and the contribution of benefits to convert the rubber lands of the rubber smallholders into profitable commercial units by providing another source of income within the rubber cultivation area, as it is not possible to earn proper income during the immature stage of the rubber cultivation and the income is not stable due to the reasons, such as the decrease in prices and

high cost of production. The progress achieved in the sub-activities under this project is as follows.

Programme/Project	Target (Units)	Finalized (Units)	Approved Allocations (Rs.)	Amount Spent (Rs.)
Establishment of model rubber plantations	75	64	28,050,000.00	26,960,381.20
Cultivating arecanut along the border fence of rubber plantation	150	150	180,000.00	180,000.00
Anthurium Cultivation with Rubber Cultivation	16	14	800,000.00	700,000.00
Rubber related poultry management	35	34	1,750,000.00	1,697,000.00
Beekeeping with Rubber Cultivation (05)	50	45	1,100,000.00	963,066.66
Beekeeping with Rubber Cultivation (10)	69	64	2,760,000.00	1,939,200.00
Tea plantation with rubber plantation	10	3	1,050,000.00	380,100.00
Pineapple intercropping with rubber	12	12	2,250,000.00	2,250,000.00
Mushroom Cultivation Associated with Rubber Cultivation	24	15	1,560,000.00	975,000.00
Administrative and operating expenses			500,000.00	-
<b>Total</b>			<b>40,000,000.00</b>	<b>36,044,747.86</b>

Table No. XXI



Anthurium Cultivation Associated with Rubber Cultivation



Poultry Management Associated with Rubber Cultivation



Arecanut Cultivation Associated with Rubber Plantation



Beekeeping Associated with Rubber Plantation

➤ **Providing Subsidies to Small and Medium scale Enterprises to set up Rubber-Related Manufacturing Industries (20 million)**

This project was implemented with the aim of establishing rubber-related small and medium-scale enterprises based on the objectives of increasing local rubber consumption, increasing the demand for local rubber, making materials necessary for rubber cultivation abundantly available, increasing the production of rubber-related goods and reducing the cost of rubber imports etc. and uplifting the entrepreneurs involved in the industry at present. A sum of Rs. 20 million has been allocated for this under the budget proposals for the year 2021. The following rubber related industries have been successfully completed as activities related to that.



Rubber drying in a Group Processing Centre



Diamond roll machine installed in a Group Processing Centre

<b>Programme/Project</b>	<b>Target (Units)</b>	<b>Number of Units Completed</b>	<b>Approved Allocation for the year 2021 (Rs.)</b>	<b>Amount Spent (Rs.)</b>
<b>Construction of 200 kg group processing centres.</b>	11	8	11,000,000.00	7,530,000.00
<b>Construction of 50 kg group processing centres.</b>	17	18	7,650,000.00	7,080,000.00
<b>Production of latex collection cup holders for harvesting mature rubber cultivation.</b>	1	1	200,000.00	150,000.00
<b>Production of foam sheets and latex filters required for the production of high-quality rubber sheets.</b>	2	2	100,000.00	100,000.00
<b>Development of gum mixture (sealant) industries for fixing rain guards.</b>	2	2	800,000.00	800,000.00
<b>Administrative and Operating Expenses</b>			250,000.00	-
<b>Total</b>			20,000,000.00	15,660,000.00

Table No. XXII

## **2.9 Construction of one-day smoke houses and provision of grinding rolls**

The Department implemented this project in the year 2021 with the objective of producing high quality rubber sheets and supplying it to the market and getting a proper price for the farmer. Previously, rubber sheet processing was carried out by the farmers traditionally at their homes and it took several days. Moreover, high quality product could not be manufactured under that method. Accordingly, it is essential to build safe and appropriate place outside the house to build one day drying chambers or smokehouses using new scientific and technical methodologies to prepare and dry rubber sheets. This makes it possible to dry rubber sheets that had been dried for several days in the past, in one day and to prepare high quality clean rubber sheets. The Department pays a subsidy of Rs. 150,000 to the planters in three instalments to construct one-day smoke houses to the proper standard

and the construction work is carried out under the full supervision of the Building Maintenance Officer and the Rubber Development Officer of the Department.

Information on the one-day smoke houses constructed in that way in the year 2021 is mentioned below.

Target (Number of Smoke house)	Physical Progress		Expenditure (Rs. Million)
	Number Started	Number Completed	
<b>200</b>	174	159	23.23

Table No. XXIII

It was targeted to build 200 one-day drying chambers in the year 2021 and although the construction of 174 chambers was started, out of the targeted number of chambers, only 159 chambers were completed by the end of the year.



One-day smoke house completed under the subsidies of the Department



Smoke oven used for smoking rubber sheets



The interior drying section of a smokehouse

In parallel to the one-day smoke house construction programme, it is essential to supply diamond roll and smooth roll machines to the manufacturers to produce quality rubber sheets. A sum of Rs. 40,000 is given to one manufacturer as subsidies for obtaining these machines. Accordingly, 115 sets of machines have been provided to the manufacturers by incurring an amount of Rs.4.82 million for the year 2021.

Programme	Target (number of machine sets)	Number of Machine Sets Provided	Amount Spent (Rs. Mn.)
<b>Providing diamond roll and smooth roll machines</b>	<b>200</b>	<b>115</b>	<b>4.82</b>

Table No. XXIV

## 2.10 Information related to the Natural Rubber Industry - 2021

### 2.10.1 Land under Rubber Cultivation

The estimated total extent of land under rubber cultivation in Sri Lanka has been calculated as per the extent of lands cultivated newly and the extent of land discard in the year and the basis of the data collected from the Census of rubber lands conducted by covering the whole island in the year 2010.

**Extent of Land under Rubber (2010 - 2021)**

Year	Estimated Land Area (ha)		
	Rubber Smallholding Sector	Regional Plantation Companies / State Estates	Total
2010 (Extent of Land reported from the Census of Rubber Lands)	79,395	46,250	125,645
2011	80,018	48,516	128,534
2012	82,170	48,610	130,780
2013	86,529	47,821	134,350
2014	87,735	47,975	135,710
2015	89,429	46,991	136,420
2016	87,862	48,278	136,140
2017	88,412	48,213	136,625
2018	89,243	47,863	137,106
2019	90,195	47,413	137,608
2020	89,592	48,242	137,834
<b>2021</b>	<b>90,498</b>	<b>48,124</b>	<b>138,622</b>

Table No. XXV

Although there had been a decrease in the extent of rubber smallholdings in the year 2020 as compared to 2019, the extent of rubber smallholdings has increased again in 2021. Increase in the extent under new rubber cultivation through the formalization of the planting subsidies, expansion of new rubber plantation in non-traditional areas through new programmes such as the STaRR project and increased interest among planters owing to the

better prices for rubber prevailed in the market, etc. has resulted in the increase of the extent under rubber cultivation.

### 2.10.2 Production of Rubber

#### Natural Rubber Production (Metric Tons) 2012 - 2020

Year	Production of Natural Rubber (Metric Tons)
2012	152,050
2013	130,421
2014	98,573
2015	88,567
2016	79,100
2017	83,070
2018	82,560
2019	74,753
2020	78,205
2021	76,884

Table No. XXVI

Rubber production in the year 2021 was 76,884 metric tons. That figure has been a decrease by 1321 metric tons as compared to the year 2020. Certain reduction in production has been reported in the months of September and October due to the travel restrictions and intermittent quarantine curfews imposed intermittently in the year 2021 and production was decreased due to heavy rains with the activation of Northeast Monsoon have been the reasons for the decrease.

It is observed that annual rubber production has declined rapidly since 2012 and it has been fluctuating between 84,000 - 74,000 metric tons since 2016.

### World Rubber Production – 2021 (\*Thousand Metric Tons)

Country	Production of Rubber 2020	Production of Rubber 2021
Thailand	4,787	4,836
Indonesia	3,037	3,045
Vietnam	1,226	1,260
China	693	851
India	685	757
Malaysia	515	470
Cambodia	349	368
Myanmar	267	290
Bangladesh	22	22
Papua New Guinea	6	6
Philippines	106	172
Sri Lanka	78	77
Other countries	1,796	1,953
World production	13,567	14,107

*Source- Data of the Association of Natural Rubber Producing Countries (ANRPC)*

Table No. XXVII

The world rubber production in 2021 has increased by 542 Thousand Metric Tons as compared to the year 2020. Thailand, a Southeast Asian country, has produced the highest quantity of rubber in the year 2021 as well as in the year 2020.

### 2.10.3 Cost of Production of Rubber

#### Cost of Production for Rubber 2007-2021 (Rupees / 1kg)

Year	Plantation Companies	Rubber Smallholdings
2007	102.31	112.69
2008	119.89	114.00
2009	135.83	118.56
2010	158.94	119.83
2011	188.23	129.56
2012	207.00	136.00
2013	245.00	150.00
2014	280.00	160.00
2015	285.00	170.00
2016	286.41	180.00
2017	290.00	195.00
2018	300.00	205.00
2019	301.50	210.00
2020	349.55	213.50
2021	364.91	221.00

Table No. XXVIII

When the cost of production for rubber is taken in to consideration, the average production cost of the rubber smallholding sector for the production of one kilogram of dry rubber in the year 2021 was Rs. 221.00 and that value in the year 2020 had been Rs. 213.50. Moreover, the production cost has increased by Rs. 7.50 in the year 2021. The average production cost of the plantation companies sector for the production of one kilogram of dry rubber in the year 2021 was Rs. 364.91 and that value in the year 2020 had been Rs. 349.55.

### 2.10.4 Local Rubber Consumption – 2021

At the time of starting the rubber cultivation in this country, the total annual rubber production was directly delivered to the export market as raw materials. However, most of the rubber is currently being exported as finished products instead of exporting rubber as raw materials. This has led to the increase in the rubber related export income. Accordingly, rubber is consumed more for the manufacture of local rubber related finished products in Sri Lanka.

### Local Rubber Consumption – (2015 – 2021)

Year	(Metric Tons)
2015	127,564
2016	141,940
2017	128,142
2018	135,238
2019	112,556
2020	112,080
2021	133,849

Table No. XXIX

According to the above table, 133,849 metric tons of natural rubber has been consumed in the country in the year 2021 as well. Since the total annual rubber production in the year 2021 was 76,884 metric tons, imported rubber has been used to meet the remaining consumption requirement.

#### 2.10.5 Exportation of Natural Rubber

There has been a slight decrease in rubber exports from Sri Lanka in the year 2021 as compared to the year 2020.

#### Quantities of Natural Rubber Exported in 2020 and 2021

Month	Quantity Exported (Metric Tons)	
	2020	2021
January	1,361	1,722
February	1,634	1,139
March	725	2,306
April	705	1,208
May	948	754
June	1,533	904
July	1,773	1,073
August	846	1,405
September	1,130	1,892
October	1,271	1,117
November	1,671	1,033
December	2,169	937
<b>Total</b>	<b>15,766</b>	<b>15,490</b>

Table No. XXX

## 2.10.6 Total Rubber Exports in Sri Lanka

The year 2021 can be introduced as a very significant year when scrutinizing the statistics of rubber exports from Sri Lanka. The rubber sector has been able to add foreign exchange worth 01 Billion dollars to the local economy in that year by earning the highest revenue amounting to Rs. 217,316 in the history of exportation.

### Total Rubber Exports and Export Income Earned – 2021

Category	Quantity Exported	Export Value (Rs. Million)
Natural Rubber (kg)	15,490,180	8,376.68
Synthetic Rubber (kg)	8,085	0.67
Semi-Finished Rubber (kg)	6,519,825	621.20
Finished Goods (kg)	62,604,804	89,994.06
Finished Goods (Units)	48,715,574	118,359.06
Total Rubber Export Volume (kg)	84,622,894	98,992.62
Total Rubber Export Volume (Units)	48,715,574	118,359.06
<b>Total</b>		<b>217,351.67</b>

Table No. XXXI

### Major Countries Purchased Rubber from Sri Lanka 2021

Country	Quantity Purchased (Metric Tons)	%
Pakistan	4,363	28%
Malaysia	2,121	13%
Japan	1,657	11%
Germany	1237	8%
China	980	6%
Italy	760	5%
United States of America	573	4%
Vietnam	489	3%
Netherlands	426	3%
Brazil	431	3%
Other Countries	2,453	16%
<b>Total</b>	<b>15,490</b>	<b>100%</b>

Table No. XXXII

### 2.10.7 Importation of Natural Rubber

Even though the Government of Sri Lanka has increased the import duty to restrict the importation of rubber with the aim of protecting the local rubber farmer, importation of rubber is permitted under certain conditions subsequent to considering the needs of the local production. Accordingly, information in relation to the amount of rubber imported in the year 2021 is mentioned in the table below.

**Imported Quantities of Natural Rubber – 2020 and 2021**

Month	Quantity Imported (Metric Tons)	
	2020	2021
<b>January</b>	5,831	3,716.6
<b>February</b>	6,618	7,661.4
<b>March</b>	7,109	5,896.3
<b>April</b>	1,878	5,917.3
<b>May</b>	3,203	2,967.3
<b>June</b>	2,640	5,068.2
<b>July</b>	3,999	4,488.2
<b>August</b>	4,583	7,036.4
<b>September</b>	4,176	4,393.2
<b>October</b>	3,714	6,949.2
<b>November</b>	2,049	8,143.3
<b>December</b>	2,828	9,830.8
<b>Total</b>	<b>48,628</b>	<b>72,068.20</b>

Table No. XXXIII

During the year 2021, 72,068.20 metric tons of rubber have been imported and the highest monthly rubber imports have been done in the months of December and November. Moreover, a quantity of 23,440 metric tons more have been imported in 2021 than 48,628 metric tons, the quantity of rubber imported in the year 2020 and the increase was 48%. This was mainly due to the increased manufacture of rubber-based medical protective equipment, such as PPE kits and products such as boots, gloves, etc.

### Quantity of Natural Rubber Imported Annually

Year	Natural Rubber (Metric Tons)
2012	15,675.60
2013	11,155.80
2014	29,225.00
2015	54,376.60
2016	72,984.90
2017	61,801.20
2018	65,759.00
2019	50,006.30
2020	48,628.00
2021	72,068.20

Table No. XXXIV

The quantity of rubber imported has been decreasing gradually since 2018. However, it has undergone a rapid increase due to the increased global demand in the year 2021.

### Total Rubber Imports - 2021

Category	Quantity Imported	Expenditure on Imports (Rs. Million)
Natural Rubber (Kg)	72,068,198	27,461.81
Synthetic Rubber (kg)	79,606,901	39,179.14
Semi-Finished Rubber (Kg)	36,922,897	6,655.98
Finished goods (kg)	10,082,641	11,205.51
Finished Goods (Units)	4,029,765	16,542.17
Finished Goods (Litre)	2,520	1.39
Total Rubber Export Volume (kg)	198,680,637	84,502.43
Total Rubber Export Volume (Units)	4,029,765	16,542.17
Total Rubber Export Volume (Litre)	2,520	1.39
<b>Total</b>		<b>101,046.00</b>

Table No. XXXV

There was a 48% increase in the quantity of imports in the year 2021 and there was a significant increase in the cost of imports as well. The value of Rs.52,231 million in the year 2020 has been increased up to Rs. 101,046 million in the year 2021.

### Quantities of Natural Rubber Imported – Country wise

Country	Quantity Imported (Metric Tons)	Percentage
Vietnam	24,673	34.2%
Thailand	24,541	34.1%
Indonesia	16,885	23.4%
<b>India</b>	1,458	2.0%
Ivory Coast	1,257	1.7%
Singapore	1,223	1.7%
Malaysia	1,010	1.4%
Myanmar	720	1.0%
<b>Guyana</b>	181	0.3%
Cambodia	80	0.1%
Other Countries	40	0.1%
<b>Total</b>	<b>72,068</b>	<b>100%</b>

Table No. XXXVI

### 2.10.8 Natural Rubber Prices

#### Annual Average Price according to the Category of Rubber at the Colombo Rubber Auction (Rupees / 1 kg)

Year	Annual Average Price (Rs.)		
	Sheet Rubber No. 1	Scrap Crepe No. 1.XBR	Latex Crepe No. 1x
2019	288.48	245.05	302.26
2020	350.04	255.31	357.89
2021	460.51	409.76	636.87

Table No. XXXVII

**Average Prices of Rubber at the Colombo Rubber Auction – Monthly – 2021**

	Sheet Rubber (R.S.S)					Latex Crepe					Scrap Crepe					
	1	2	3	4	5	1X	1	2	3	4	1XB	2XB	3XB	No.4	F.B.	SKIM
<b>January</b>	458.50	444.00	434.00	446.50	390.00	496.48	495.50	484.25	473.50	424.25	371.00	350.00	350.00	345.00	330.00	310.40
<b>February</b>	444.33	426.00	416.00	404.33	392.50	602.25	597.25	575.13	555.75	468.75	370.00	366.67	359.38	355.00	359.00	279.31
<b>March</b>	426.50	420.00	409.00	395.00	Not presented	Not presented	Not presented	508.00	498.33	418.00	381.67	357.33	343.67	336.50	Not presented	268.50
<b>April</b>	428.00	420.00	410.00	399.00	384.00	545.00	542.67	525.75	508.33	435.50	396.67	351.00	352.50	348.10	340.00	275.25
<b>May</b>	450.25	445.00	432.50	415.00	398.00	630.00	624.00	635.00	575.00	505.00	396.00	410.00	405.00	386.50	380.00	340.00
<b>June</b>	467.00	Not Presented	450.00	Not presented	Not presented	629.50	624.75	603.00	562.25	448.50	438.50	430.50	440.00	430.00	Not presented	396.00
<b>July</b>	454.50	450.00	Not presented	Not presented	Not presented	640.00	636.50	609.80	565.60	418.75	412.63	412.00	420.67	412.88	Not presented	402.80
<b>August</b>	456.50	443.50	435.00	415.00	418.00	665.00	662.00	622.50	560.00	416.00	412.50	413.00	416.50	413.75	Not presented	411.50
<b>September</b>	462.50	455.00	442.67	431.00	430.33	683.50	681.53	646.25	560.40	439.60	431.60	432.50	430.35	427.50	419.00	422.50
<b>October</b>	488.00	476.00	463.00	454.00	450.00	697.50	694.25	656.25	573.75	460.00	449.00	445.00	449.75	442.33	434.00	430.40
<b>November</b>	515.00	Not presented	Not presented	Not presented	Not presented	721.67	714.67	655.25	582.00	482.00	446.25	442.67	441.65	437.00	435.00	420.17
<b>December</b>	475.00	464.00	463.00	460.00	455.00	694.63	687.50	605.67	522.33	432.67	411.33	410.67	410.67	406.00	395.00	402.00
<b>Average</b>	<b>460.51</b>	<b>444.35</b>	<b>435.52</b>	<b>424.43</b>	<b>414.73</b>	<b>636.87</b>	<b>632.78</b>	<b>593.90</b>	<b>544.77</b>	<b>445.75</b>	<b>409.76</b>	<b>401.78</b>	<b>401.73</b>	<b>395.05</b>	<b>386.50</b>	<b>363.24</b>

Table No. XXXVIII

Average Prices at the Colombo Rubber Auction 2010 - 2021																
Year	Sheet Rubber (R.S.S)					Latex Crepe					Scrap Crepe					
	1	2	3	4	5	1X	1	2	3	4	IXBR	2XBR	3XBR	No.4	F.B.	SKI M
2010	402.71	394.52	390.63	379.47	373.01	437.57	453.19	439.49	420.15	380.60	363.51	356.15	348.98	342.77	332.86	315.42
2011	513.05	504.56	492.45	486.12	470.92	575.65	566.93	542.02	502.89	471.71	461.83	452.71	442.25	441.54	428.49	413.67
2012	416.61	409.56	398.21	386.27	382.58	410.84	405.01	395.72	389.01	384.78	377.09	365.85	357.79	350.26	335.11	344.71
2013	376.78	369.00	360.70	337.30	341.79	397.33	389.89	372.01	353.67	320.67	309.04	296.78	281.84	271.85	262.07	253.64
2014	287.84	281.25	270.37	265.81	265.44	311.19	303.34	272.91	244.79	222.68	214.42	207.36	203.35	196.17	185.49	190.84
2015	252.16	248.02	247.60	233.93	236.52	276.65	270.01	249.81	231.00	195.94	181.63	170.66	164.98	157.30	143.08	114.62
2016	238.97	229.28	231.36	223.33	226.31	262.38	258.66	238.37	220.35	188.19	179.56	175.74	173.29	168.08	156.14	143.88
2017	337.27	330.48	324.50	309.57	295.79	351.64	348.01	336.32	322.53	280.39	269.51	262.71	256.41	250.20	230.62	221.44
2018	281.64	269.03	263.11	251.26	249.63	310.99	303.52	270.01	258.89	216.62	210.60	207.69	208.21	204.23	192.42	198.64
2019	288.48	282.83	272.43	269.69	253.46	302.26	297.65	282.80	274.16	253.27	245.05	239.71	236.14	231.72	220.48	220.13
2020	350.04	319.42	318.86	288.92	258.73	357.89	355.61	340.38	326.16	275.13	255.31	241.96	236.43	233.91	224.99	221.48
2021	460.51	444.35	435.52	424.43	414.73	636.87	632.78	593.90	544.77	445.75	409.76	401.78	401.73	395.05	386.50	363.24

Table No. XXXIX

**2.10.8.1 Monthly Average Price, at which Rubber is purchased by Rubber Traders from Farmers**

<b>Monthly Average Price, at which Rubber is Purchased by Rubber Traders from Farmers (Farm Gate Price) 2021</b>						
<b>Month</b>	<b>Sheet Rubber (R.S.S.)</b>					<b>Rubber Latex</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>January</b>	397.42	390.94	387.33	381.68	380.48	329.32
<b>February</b>	412.51	401.86	397.55	387.19	383.88	354.42
<b>March</b>	420.28	409.71	408.07	398.02	396.57	359.61
<b>April</b>	419.97	414.25	409.65	398.90	396.82	394.80
<b>May</b>	420.96	414.62	411.84	399.19	396.71	380.86
<b>June</b>	439.29	432.50	451.07	410.43	405.19	377.50
<b>July</b>	425.42	423.85	411.14	398.77	392.08	426.81
<b>August</b>	438.32	415.52	423.47	397.87	393.23	401.80
<b>September</b>	454.50	411.25	403.75	403.75	395.00	419.17
<b>October</b>	447.06	432.81	416.36	411.96	407.41	424.81
<b>November</b>	464.59	453.41	448.67	440.32	434.75	437.01
<b>December</b>	490.93	471.51	464.33	459.63	450.41	425.01
<b>Average Value</b>	<b>435.94</b>	<b>422.69</b>	<b>419.44</b>	<b>407.31</b>	<b>402.71</b>	<b>394.26</b>

Table No. XL

## International Rubber Auction Prices (2015 – 2021)

Year	Sri Lanka Rupees			
	Colombo in Sri Lanka (RSS 3)	Bangkok in Thailand (RSS 3)	Kottayam in India (RSS 4)	Sicom in Singapore (RSS 3)
2015	247.60	213.97	259.61	216.43
2016	231.36	250.45	271.85	211.77
2017	324.50	311.69	322.75	307.70
2018	263.11	257.00	301.80	256.01
2019	272.43	296.90	343.08	297.05
2020	318.86	327.01	339.82	322.17
<b>2021</b>	<b>435.52</b>	<b>389.13</b>	<b>443.64</b>	<b>416.54</b>

Table No. XLI

### 2.11 Information related to Licensed Rubber Dealers

One of the functions of the Department is to issue and renew licenses. It is mandatory for the traders to obtain a license to buy rubber and it is also mandatory for the licensed traders to renew their licenses annually. The table below indicates how licenses were given to rubber traders district wise in the year 2021.

District	No. of Licences Renewed	No. of New Licences Issued	Total No. of Licences
Ratnapura	125	5	130
Colombo	39	0	39
Monaragala	22	13	35
Ampara	0	1	1
Galle	25	3	28
Matara	30	0	30
Kegalle	113	15	128
Gampaha	14	0	14
Kurunegala	2	1	3
Kandy	7	0	7
Kalutara	122	11	133
<b>Total</b>	<b>499</b>	<b>49</b>	<b>548</b>

Table No. XLII

In the year 2021, 499 licenses were renewed by the rubber traders and 49 new licenses were issued by the Department.

## 2.12 Consolidated Fund

Expenditure Item	Provision		Net Expenditure
		Allocated (Rs.)	as at 31.12.2021 (Rs.)
<b><u>Recurrent Expenditure</u></b>			
Wages and salaries	1001	193,000,000.00	175,813,557.61
Overtime and holiday pay	1002	6,670,000.00	6,376,743.84
Other allowances	1003	73,800,000.00	64,376,747.08
Travel Expenses - Local	1101	11,000,000.00	10,830,541.52
Travel Expenses - Overseas	1102	4,000,000.00	-
Stationery and Office Requirements	1201	6,320,000.00	6,239,285.13
Fuel	1202	8,400,000.00	8,094,487.62
Food, drinks and Uniforms	1203	760,000.00	743,074.82
Other Supplies	1205	500,000.00	470,370.80
Maintenance of Vehicles	1301	6,000,000.00	5,923,829.49
Maintenance of Machines and Machinery	1302	500,000.00	440,806.85
Maintenance of Building and Constructions	1303	830,000.00	793,980.98
Postal and Communications	1402	5,800,000.00	5,603,222.06
Electricity and Water	1403	2,000,000.00	1,749,654.48
Rentals and Local Governmental Taxes	1404	46,700,000.00	39,721,506.87
Lease Payment for Operating Lease Vehicles	1408	12,300,000.00	9,780,000.00
Others (janitorial / Security Services)	1409	10,047,860.00	9,869,887.69
Development Subsidies	1504	952,140.00	952,140.00
Contributions and Subscriptions	1505	10,800,000.00	-
Interest for Property Loans of Public Officers	1506	1,720,000.00	1,667,010.27
<b>Total (Recurrent Expenditure)</b>		<b>402,100,000.00</b>	<b>349,446,847.11</b>
<b><u>Capital Expenditure</u></b>			
Buildings and constructions	2001	5,500,000.00	5,412,196.76
Machines and machinery	2002	1,500,000.00	845,113.25
Maintenance and Improvements – Vehicles	2003	4,000,000.00	3,819,614.64
Furniture and Office Equipment	2102	2,000,000.00	1,915,775.04
Machines and machinery	2103	500,000.00	486,985.61
Buildings and constructions	2104	-	-
Software Development	2106	2,000,000.00	-
Staff Training	2401	1,500,000.00	1,038,192.32
Development Assistance	2202	900,000,000.00	896,807,913.95
Research and Development	2507	10,000,000.00	5,835,192.73
<b>Total (Capital Expenditure)</b>		<b>927,000,000.00</b>	<b>916,160,984.30</b>
<b>Grand Total</b>		<b>1,329,100,000.00</b>	<b>1,265,607,831.41</b>

Table No. XLIII

## 2.13 Levying of the Cess

2.

Cess is levied from manufacturers of rubber-based finished goods in Sri Lanka for natural rubber purchased by them locally for the manufacture of those goods.

According to the CESS Regulations No. 01 of 2007, Cess of Rs. 4/- each must be paid for 1 kg of raw rubber purchased. The CESS must be paid by a cheque drawn in favour of “Director General, Rubber Development Department”.

### Details of Institutions Registered for Cess - 2021

Total Number of registered institutions for the year 2021	-	149
Number of Institutions Paying Cess	-	59
Number of institutions that have not paid Cess	-	90

### Amount of Cess Levied on Domestic Consumption - Monthly – 2021

Month	Amount of Cess levied on Domestic consumption (Rs. Million)
January	19.47
February	34.04
March	29.36
April	15.01
May	-
June	27.08
July	16.56
August	12.95
September	32.24
October	16.87
November	23.10
December	16.57
<b>Total</b>	<b>243.25</b>

Table No. XLIV

Details of cess levied on import and export of rubber as per Cess Regulations are given in the table below.

### Amount of Cess Levied on Exports and Imports Monthly – 2021

Month	Amount of Cess Levied on Imports (Rs. Million)	Amount of Cess Levied on Exports (Rs. Million)
<b>January</b>	289.02	6.36
<b>February</b>	411.83	4.23
<b>March</b>	506.01	9.31
<b>April</b>	434.80	4.76
<b>May</b>	379.22	3.15
<b>June</b>	537.99	4.54
<b>July</b>	319.34	4.59
<b>August</b>	337.50	6.15
<b>September</b>	340.86	7.57
<b>October</b>	249.72	4.89
<b>November</b>	305.03	4.34
<b>December</b>	373.30	4.00
<b>Total</b>	<b>4,484.62</b>	<b>63.89</b>

Table No. XLV

### Details of the Total Cess Levied on domestic consumption from 2015 to 2021

Year	Levy of CESS (Rs.)
2015	169,315,461.01
2016	169,826,685.48
2017	216,985,124.32
2018	211,268,567.06
2019	226,827,187.71
2020	206,301,176.37
2021	243,246,404.03

Table No. XLVI

### 3. Overall Financial Performance for the year ended 31 December 2021

#### 3.1 Statement of Financial Performance

ACA-F

#### Statement of Overall Financial Performance for the Period ended 31 December 2021

	Budget 2021	Note	Actual 2021	Actual Readjusted 2020 Rs.	
-	<b>Income Receipts</b>		-	-	
-	Income tax	1	-	-	ACA -1
-	Taxes on local goods and services	2	-	-	
-	Taxes on International Trade	3	-	-	
-	Non-tax revenue and Others	4	-	-	
-	<b>Total Revenue Receipts (a)</b>		-	-	
-	<b>Non-revenue receipts</b>		-	-	
-	Treasury Imprest		870,420,000	861,071,000	ACA -3
-	Deposits		120,498,664	30,534,784.00	ACA -4
-	Advance Accounts		20,956,392	16,826,392.00	ACA -5
-	Other General Ledger Accounts Receivable		-	-	
-	<b>Total Non-Revenue Receipts (b)</b>		<b>1,011,875,056</b>	<b>908,432,176</b>	
-	Total Revenue Receipts and Non-Revenue Receipts c = (a) + (b)		<b>1,011,875,056</b>	<b>908,432,176</b>	
	Remittances to Treasury (d)				
	Net revenue receipts and non-revenue receipts e=(c) – (d)		1,011,875,056	908,432,176	
	<b>Less - Expenses</b>				
	<b>Recurrent Expenditure</b>				
275,000,000	Wages, Salaries and Other Employee Benefits	5	246,567,049	257,486,445	ACA 2(ii)
113,800,000	Other Goods and Services	6	100,242,823	94,897,792	

13,300,000	Subsidies, grants and transfers	7	2,619,150	3,044,453	
	Interest payments	8	-	-	
	Other Recurrent Expenditure	9	-	-	
402,100,000	Total Recurrent Expenditure (f)		<b>349,429,022</b>	<b>355,428,690</b>	
	<b>Capital Expenditure</b>				
	Rehabilitation of Capital Assets and				
11,000,000	Improvements	10	10,076,925	11,075,028	
4,500,000	Acquisition of Capital Assets	11	2,402,761	2,785,051	
900,000,000	Capital Transfers	12	896,807,914	823,010,127	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	
1,500,000	Capacity Development	14	1,056,017	1,222,705	
10,000,000	Other Capital Expenditure	15	5,835,193	9,410,707	
927,000,000	<b>Total Capital Expenditure (g)</b>		<b>916,178,810</b>	<b>847,503,618</b>	
	Deposit Payments		121,470,510	32,424,911	ACA -4
	Advance Payments		23,155,940	19,982,880	ACA -5
	Payments to other general ledger accounts		-	-	
	<b>General Ledger Expenditure (h)</b>		144,626,450	52,407,791	
	Total expenditure i = (f+g+h)		1,410,234,282	1,255,340,099	
-	Balance as at 31 December j= (e-i)		(398,359,226)	(346,907,923)	
	Balance according to Imprest Reconciliation Statement		(398,359,226)	(346,907,923)	ACA -6
	Imprest Balance as at 31 December				ACA -3
			-	-	

Table No. XLVII

### 3.2 Performance of Utilizing Allocated Provision

Category of Provision	Allocated Provision		Actual Expenditure	Allocation Utilized as a % of the Final Allocation Incurred
	Initial Provision	Final Provision		
Recurrent	402,100,000.00	402,100,000.00	349,429,022.11	86.90%
Capital	927,000,000.00	927,000,000.00	916,178,809.30	98.83%

Table No. XLVIII

### 3.3 Performance on Donations and Other Receipts

not applicable.

### 3.4. Performance of Reporting Non-Financial Assets

Rs.

Asset Code	Code Description	Balance as at 31.12.2021 as per the Goods Survey Report	Balance as at 31.12.2021 as per the Statement of Financial Position	To be Accounted in the Future	Reporting the Progress as %
9151	Buildings and Structures	181,929,111.60	181,929,111.60		
9152	Machinery	227,976,578.29	227,976,578.29		
9153	Lands	408,370,800.00	408,370,800.00		
9154	Intangible assets	789,006.00	789,006.00		
9155	Biological assets				
9160	Work in progress				
9180	Leased assets				

Table No. XLIX

## **3.5 Report of the Auditor General**

PAL/E/RDD/02/21/05

17 June 2021

Accounting Officer

Rubber Development Department

### **Summary Report of the Auditor General on the Financial Statements of the Rubber Development Department for the year ended 31 December 2021 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018**

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#### **1. Financial Statements**

##### **1.1 Unqualified Opinion**

The audit of the financial statement of the Rubber Development Department for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and statement of financial performance and cash flow statements for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018. This report contains my views and observations on these financial statements submitted to the Rubber Development Department in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The report of the Auditor General to be submitted in terms of Section 10 of the National Audit Act No. 19 of 2018, read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, shall be tabled in Parliament in due course.

In my opinion, the financial statements of the Rubber Development Department give a true and fair view of the financial position as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

## **1.2 Basis for Opinion**

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **1.3 Responsibilities of the Accounting Officer in relation to the Financial Statements**

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and in terms of Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Accounting Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. As per Sub-section 16 (1) of the National Audit Act, No. 19 of 2018, the Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Department.

In terms of Sub-section 38(1) (c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carried out.

## **1.4 Auditor's Responsibility for the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's summary report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the structure of financial statements including disclosures and content-based transactions and event the structure that the financial statements are appropriate and reasonable.
- Transactions and events underlying the structure and content of the financial statements are appropriately and fairly when submitting financial statements as a whole.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

#### **1.5. Report on Other Legal Requirements**

As required by Sub-section 6(1) (d) and Section 38 of the National Audit Act, No.19 of 2018, I state the followings:

- (a) that the financial statements are consistent with the preceding year,

- (b) that the following recommendations made by me on the financial statements of the preceding year had not been implemented.

<b>Reference to Paragraph</b>	<b>Audit Observation</b>	<b>Recommendation</b>
3.5	The total value of losses owing to accidents related to 08 vehicles owned by the Department was Rs. 2,466,640 as at 31 December of the year under review and action had not yet been taken to recover these losses.	Action should be taken to recover the losses to vehicles.

## **1.6 Comments on Financial Statements**

### **1.6.1 Cash Flow Statement**

#### **1.6.1.1 Cash flow Generated from Operational Activities**

Although the receipts and payments should be included in the cash flow statement through cross entries in the public officers' advance account according to paragraph 7.6 of the State Accounts Guidelines Circular No. 2021/03 dated 26 November 2021, receipts amounting to Rs.3,519,253 had not been included through cross entries and payments amounting to Rs.3,519,253 had not been included through cross entries.

## **2. Financial Review**

### **2.1 Incurring Liabilities and Commitments**

Even though the amount of liabilities and expenses should never exceed the amount allocated for the year in terms of FR 94 (1), the balance of allocation under the subject of 293-2-1-2202 development assistance for the year ended 31 December 2021 had been Rs.3,192,086 and the value of liabilities had been Rs.45,622,099. Therefore, the value of liabilities that had exceeded provision had been Rs.42,430,013.

### **2.2 Expenditure Management**

- (a) A total of Rs. 13,320,000, out of the total allocation of Rs. 23,100,000 made for 02 recurrent objects in the year under review, had not been utilized.

Accordingly, it was observed that the saving of those objects had been in a significant range of 20 percent to 100 percent of the net allocation by the end of the year.

- (b) A total of Rs. 7,263,677, out of the total allocation of Rs. 15,000,000 made for 04 recurrent objects in the year under review, had not been utilized. Accordingly, it was observed that the saving of those objects had been in a significant range of 30 percent to 100 percent of the net allocation by the end of the year.

### **2.3 Losses and Damages**

Action had not been taken to recover or write off the losses and damages totalling to Rs.3,159,640, in relation to 09 incidents, for which 07 to 03 years had passed since the occurrence of those losses and damages as at 31 December of the year under review.

## **3. Human Resource Management**

### **3.1 Approved Cadre and Actual Staff**

The details of the approved cadre, actual number of employees and vacancies as at 31 December of the year under review are given below.

<b>Employee Level</b>	<b>Approved Cadre</b>	<b>Actual Staff</b>	<b>Vacancies</b>
Senior Level	37	23	14
Tertiary level	24	11	13
Secondary level	339	283	56
Primary level	<u>84</u>	<u>65</u>	<u>19</u>
	<u>484</u>	<u>382</u>	<u>102</u>

The following observations are made.

- (a) Officers had not been attached from the year 2020 for 02 Posts of Director and 04 posts of Assistant Director in Sri Lanka Administrative Service and 03

positions in the Sri Lanka Accountants' Service under the 14 senior level vacancies.

- (b) A written test had been conducted to recruit 19 Rubber Development Officers in the year 2019 and at the time of providing appointments in January 2021, 13 applicants had not accepted the appointments. In August 2021, the Ministry of Plantations had again granted the approval to recruit 55 Rubber Development Officers and the Department had published a newspaper advertisement for the recruitment in September 2021. Even though 281 applicants had appeared for a written test in December, anyone of them has not yet been recruited.
  
- (c) Registration of rubber lands and their owners through the Divisional Offices, issuance of licences and provision of planting materials, fertilizers and subsidies, administration of the subsidy scheme for rubber new planting and replanting and distribution of subsidies through the District Offices and providing guidance in the production of high-quality rubber plants are the duties discharged by the Rubber Development Officers of the Department. However, 55 posts, out of 187 posts approved to discharge those duties properly, had remained vacant.

R.M. Ratnayake  
Deputy Auditor General  
For Auditor General

### 3.6 Statement of Financial Position as at 31 December 2021

	Note	2021 Rs.	Actual 2020 Rs.
<b>Non-Financial Assets</b>			
Property, Plant and Equipment	ACA -6	819,065,496	816,422,674
<b>Financial Assets</b>			
Advance Account	ACA- 5/5(A)	52,129,215	49,929,667
Cash and Cash Equivalents	ACA -3	-	-
<b>Total Assets</b>		<b><u>871,194,711</u></b>	<b><u>866,352,341</u></b>
<b>Net Assets / Equity</b>			
Net assets to the Treasury		46,633,324	43,461,930
Pool of Property, Plant and Equipment		819,065,496	816,422,674
Pool of Rents and Work Advance	ACA-5(B)		
<b>Current Liabilities</b>			
Deposit Accounts	ACA -4	5,495,891	6,467,737
Imprest Balance	ACA -3	-	-
<b>Total Liabilities</b>		<b><u>871,194,711</u></b>	<b><u>866,352,341</u></b>

Accounts details presented in Forms ACA F to ACA 7 from page numbers 01 to 23 and particulars in accounting notes included in pages 24 to 29 are also integral parts of this final account. These financial statements are prepared in accordance with the Generally Accepted Accounting Principles and the most appropriate accounting policies have been used as revealed by the notes to the financial statements. We certify that the figures mentioned in the aforementioned final account and the relevant accounting notes and other accounting information have been reconciled with the Treasury Accounts books and they reconcile with those figures.

We hereby certify that an effective internal control system for financial control exists in the reporting entity and that reviews are conducted from time to time to monitor the effectiveness of the internal control system for financial control and accordingly, to make changes as necessary to implement those systems effectively.

.....	.....	.....
Chief Accounting Officer	Accounting Officer	Chief Financial Officer / Chief Accountant / Director (Finance) / Commissioner (Finance)
Name:	Name:	Name:
Position:	Position:	Position:
Date: 24.02.2022	Date:24.02.2022	Date: 24.02.2022

### 3.7 Cash Flow Statement

ACA-C

#### Cash Flow Statement for the Year Ended 31 December 2021

	Actual	
	2021 Rs.	2020 Rs.
<b>Cash Flows Generated from Operational Activities</b>		
Total Tax Receipts	-	-
Fees, Surcharges, Fines and Licenses	-	-
Profits	-	-
Non-Revenue Receipts		
Revenue collected for the Other Income Heads	399,227,461	346,962,149
Imprest Received	870,420,000	861,071,000
Recovery of Advances	17,403,083	13,184,197
Receipt of Deposits	120,498,664	30,534,784
<b>Cash flows from operating activities (a)</b>	<b>1,407,549,208</b>	<b>1,251,752,130</b>
<b>Less: Spending of Cash</b>		
Personal Emoluments and Operating Expenses	346,779,160	352,384,237
Subsidies and Transfer Expenses	2,619,150	3,044,453
Expenditure incurred on other Expenditure Heads	972,642	2,765,690
Imprest Settled to Treasury	-	-
Payment of Advances	19,632,687	14,937,617
Payment of Deposits	121,470,510	32,424,911
<b>Cash flows incurred for Operational Activities (b)</b>	<b>491,474,149</b>	<b>405,556,908</b>
<b>Cash flows generated from Operational Activities (c) = (a) - (b)</b>	<b>916,075,059</b>	<b>846,195,222</b>
<b>Cash flows generated from Investment Activities</b>		
Interest	-	-
Dividends	-	-
Provision for Waivers and sale of physical assets	-	-

Recoveries from On Lending	-	-
Cash Flows generated from Investment Activities (d)	-	-
<b>Less: Spending of Cash</b>		
Construction or purchase of physical assets and acquisition of other investment	916,075,059	846,195,222
Total Cash Flows incurred for Investment Activities (e)	916,075,059	846,195,222
Net Cash Flows Generated from Investment Activities (f) = (d) - (e)		
Net Cash Flow Generated from Operations and Investment Activities (g) = (c) + (f)	<b>916,075,059</b>	<b>846,195,222</b>
<b>Cash flows generated from Financial Activities</b>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Receipt of Grants	-	-
Cash flows generated from Financial Activities (h)	-	-
<b>Less: Spending of Cash</b>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash flow incurred for Financing Activities (i)	-	-
Cash flow generated from Financial Activities (j) = (h) - (i)	-	-
Net Changes in Cash (k) = (g) –(j)	-	-
Opening Cash Balance as at 01 January	-	-
Closing Cash Balance as at 31 December	-	-

Table No. L

## 4. Performance Indicators

### 4.1. Performance Indicators of the Department (Based on Action Plan)

Specific Indicators	Target	Progress	Actual Output as a Percentage of Expected Output (%)
1. Land Extent under Replanting – Rubber Smallholdings (Ha)	500	560	112%
2. Land Extent under Replanting – Plantation Companies (Ha)	1000	906	90.6%
3. Land Extent under New Cultivation (Ha)	400	365.69	91.4%
4. Production of Rubber Plants – in Departmental Nurseries (Plants)	1 300 000	1,277,232	98.2%
5. Extent under Rain Guards – Smallholdings (Ha)	500	1,236.49	247.3%
6. Extent under Rain Guards - Plantation Companies (Ha)	3000	4561.43	152%
7. Intercropping (Ha)	400	274.95	68.7%
8. Number of Persons obtained the Training on Tapping (Ordinary) – (Persons)	1200	535	44.5%
9. Number of Persons Obtained the Training on Bud Grafting (Persons)	240	132	55%

Table No. LI

## 5. Performance of Achieving the Sustainable Development Goals

### 5.1 Relevant Sustainable Development Goals Identified

Goal / Objective	Target	Progress	Indicators of Achievements	Progress in Achievements So far
Establishment of Equal Rights to access to financial services, including economic resources, basic services, land ownership and control and other forms of ownership for real estates, natural resources, appropriate new technology and microfinance by 2030, for all men and women, especially including those who are poor and vulnerable.	1. New Cultivation - for smallholdings 400 ha	365.69	Hectares	91.4%
	2. Replanting - for smallholdings 500 ha	560	Hectares	112%
Implementation of sustainable agricultural practices, which can assist in confirming the existence of sustainable food production systems by 2030 and help sustain ecosystems, strengthen capabilities to adapt to weather changes, withstand adverse weather conditions, droughts, floods and other disasters, and improve land and soil quality.	1. Fixing of Rain Guards Smallholdings - 500 ha	1,236.49	Hectares	247.3 %
	2. Installation of Rain Guards Plantation Companies - 3,000 ha	4561.43	Hectares	152%
	3. Cultivation of Intercrops 400 ha	274.95	Hectares	68.7%
Establishment of Rights to equal access and equal enjoyment of benefits derived from maintaining the genetic diversity of seeds, plants grown and farms and domestic animals by 2021 and maintaining well-managed and diversified seed and plant banks at the national, regional and international levels and use of	Production of grafted rubber seedlings in government nurseries - Production of 1300,000 seedlings.	1,277,232	Hectares	98.2%

genetic resources and traditional knowledge in the manner agreed internationally.				
Increasing investment in rural infrastructure, agricultural research and extension services, technological development and plant and livestock genetic banking through enhanced international cooperation to increase agricultural production capacity, especially in developing countries, especially including the least developed countries.	Provision of Ordinary Training for Tappers – Recipients 1,200	535	Individuals	44.5%
	Training of Bud Grafters - Recipients 240	132	Individuals	55%
Significantly increasing the access to Information and Communication Technology by 2021 and strive to provide affordable and accessible Internet access to least developed countries.	Repairing of defective computers and devices Implementation of file management software. Preparation of terms for service contracts of RIMS software and inviting its technical and financial proposals and finalization of technical evaluations.			
Provision of effective and sustainable employment opportunities for all women and men, including people with disabilities and youth by 2030.  Minimizing the weather change and adapting accordingly, mitigating the impacts and increasing the education, awareness and human and institutional capabilities on early warning.	Provision of Ordinary Training for Tappers – Recipients 1,200	535	Individuals	44.5%
	Provision of training on fixing rain guards - 600	529	Individuals	88.1%
	Provision of Training on Soil Conservation - 300	124	Individuals	41.3%

Table No. LII

## **5.2. Achievements and challenges in the accomplishment of the Sustainable Development Goals**

The Rubber Development Department has contributed in achieving sustainable development goals in the year 2021 by cultivating 1,832 ha through rubber new planting and replanting. Moreover, the Smallholder Tea and Rubber Revitalization Project has contributed in cultivating 822 ha and the plantation companies have contributed in planting 2 ha of rubber new planting. Contributing to increase the percentage of atmospheric oxygen through the increase in forest cover by this was an achievement accomplished under the Sustainable Development Goals. Although there was a massive setback in Sri Lanka due to the outbreak of Covid-19 pandemic, higher level of progress has been achieved in the areas, such as replanting of rubber and fixing rain guards even by surpassing the expected targets. Harvesting rubber latex by fixing rain guards using new technology can be considered as an achievement even though it is not possible to harvest rubber latex during rainy seasons.

## 6. Human Resources Profile

### 6.1 Cadre Management

	Approved Cadre	Present Cadre	Vacancies
Senior	37	25	12
Tertiary	21	08	13
Secondary	339	278	61
Primary	84	65	19
Contract/Casual	-	-	-

Table No. LIII

### 6.2 Development of Human resources

Name of the Programme	Number of Employees Trained	Duration of the Programme	Overall Investment (Rupees)		Nature of the Programme (Local / Foreign)	Outcome / Knowledge Obtained /
			Local	Foreign		
Course for Obtaining Postgraduate Degree	07	01 Year	351,500.00	-	Local	Efficient and effective officers through acquiring higher knowledge
To develop subject knowledge and attitudes and to work happily.	12	01 Day	16,680.00	-	Local	Working together in the office, developing the attitudes and skills that officers should have in their working life, working happily while protecting physical and mental health under the challenge of Covid-19,
Working happily under prevailing challenges.	46	01 Day	65,270.00	-	Local	
Programme on productivity	28	02 Days	74,268.28	-	Local	

Office Procedures / Interpersonal Relationships	64	01 Day	64,223.00	-	Local	performing assigned duties efficiently and effectively, performing duties in the office in a formal manner and co-operating with each other in the performance of duties.
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Table No. LIV

### 6.3 Number of temporally Employees in the Government Nurseries – As at 31.12.2021

Name of the Nursery	Number of Employees (Contract Basis)
Welikadamulla Nursery	50
Mirigama Nursery	37
Egal Oya Nursery	40
Gurugoda Nursery	39
Karapincha Nursery	23
Kumbukkana Nursery	81
Padiyathalawa Nursery	34
Middeniya Nursery	18
<b>Total</b>	<b>322</b>

Table No. LV

### 6.4 Contribution of the Training Programmes for the Performance of the Institution

The performance of the organization can be enhanced as the employees work efficiently and effectively subsequent to developing their subject related knowledge and attitudes after participating in training programmes. Therefore, training programmes contribute to achieve increased performance.

<b>Name of the Programme</b>	<b>Number of Employees Participated</b>	<b>Expenditure (Rs.)</b>
<b>Applying office procedures in carrying out office work.</b>	1	5,000.00
<b>Administration of Public Finance</b>	5	25,000.00
<b>State disciplinary procedure</b>	3	15,000.00
<b>General office administration</b>	3	15,000.00
<b>Maintenance and conduct of personal files</b>	20	11,600.00
<b>Survey of goods</b>	5	17,500.00
<b>Certificate Course in Government Procurement Management</b>	3	30,000.00
<b>Create Professional Document using MS word</b>	3	6,000.00
<b>Effective use of internet &amp; Email</b>	4	8,000.00
<b>Essential IT Skills</b>	3	10,500.00
<b>Essential in Project Management</b>	3	15,000.00
<b>Maintenance of government vehicles</b>	2	10,000.00
<b>MS Excel for Government Officers</b>	3	10,500.00
<b>General Administration &amp; E – Code</b>	2	10,000.00
<b>Stores and Inventory Management</b>	3	15,000.00
<b>Online Workshop on Research Methodology</b>	1	5,000.00
<b>Preparation of Spread sheet – MS Excel</b>	2	4,000.00
<b>Personal File Management</b>	3	5,000.00
<b>Beekeeping Training Programme - Galle</b>	20	143,000.00

<b>Survey of Goods - Head Office</b>	26	27,000.00
<b>Survey of Goods - Kalutara</b>	24	13,500.00
<b>Survey of Goods - Galle</b>	20	18,000.00
<b>Development of Efficiency in Public Institutions</b>	2	2,000.00
<b>Office Management &amp; Administration (Kegalle &amp; Ratnapura)</b>	2	20,000.00

Table No. LVI

### 6.5 Progress in Construction in the year 2021

<b>Work Item</b>	<b>Estimated Amount (Rs. Million)</b>	<b>Physical Progress %</b>	<b>Expenditure (Rs. Million)</b>
Repairing of the roof of the Monaragala Regional Office	0.500	100%	0.344
Repairing of Karapincha Nursery Office	0.100	100%	0.095
Repairing of the roof of the Official Quarters of Karapincha Nursery	1.000	100%	1.075
Repairing of the roof of the Official Quarters of Karapincha Nursery– Additional Estimate	0.075		
Construction of side wall adjacent to Tholangamuwa official quarters	0.190	100%	0.184
Renovation of Rubber Development Officer’s Quarters No-02 in Dehiowita	1.100	100%	0.897
Renovation of the Official Quarters of Dehiowita	0.200	100%	0.176
Renovation of Office of the Rubber Development Officer in Agalawatte	1.100	100%	1.028

Repairing of office roof of Gurugoda Nursery	0.960	100%	0.887
Renovation of Office of the Rubber Development Officer in Elpitiya	0.800	100%	0.726
Construction of Elephant Fence at Kumbukkana Government Rubber Plant Nursery	1.000	70%	0.246
Construction of Compost Fertilizer Processing Unit at Kumbukkana Government Rubber Plant Nursery	0.390	100%	0.381
Sprinkler Water System of Karapincha Nursery	1.970	100%	1.417
Improving the Water Pipe System of Mirigama Plant Nursery	0.300	100%	0.150
Improving the water pipe system of Welikadamulla Plant Nursery	0.300	100%	0.421
Preparation of the pump room in Egaloya Nursery	0.200	100%	0.188
Construction of net house in Middeniya Nursery	0.400	100%	0.399
Construction of the fence at the proposed nursery at Devalakanda.	0.930	-	0.000
Preparation of grafted bud plant nursery at Athnawala	1.000	-	0.000
Construction of Fence at Athnawala	1.200	50%	0.499

Table No. LVII

## 7. The Compliance Report

Serial No.	Applicable Requirement	Status of Compliance (Complied / Not Complied)	Brief Explanation if not Complied	Precise Decisions and Actions that are Proposed to Prevent Non-Compliance in the Future
<b>1</b>	<b>The following financial statements / accounts have been submitted on the due date</b>			
1.1	Annual Financial Statements	Complied		
1.2	Others	Complied		
<b>2</b>	<b>Maintenance of books and registers (FR 445)</b>			
2.1	Maintenance of the updated fixed asset register as per Public Administration Circular No. 267/2018	Complied		
2.2	Maintenance of the updated personal payroll registers / personal payroll cards	Complied		
2.3	Maintenance of the updated audit query register	Complied		
2.4	Maintenance of the updated register of internal audit reports	Complied		
2.5	Maintenance of the updated cheque and money order register	Complied		
2.6	Maintenance of the updated inventory	Complied		
2.7	Maintenance of the updated Register of Consumable Stores	Complied		
2.8	Maintenance of the updated register of loss and damages	Complied		
2.9	Maintenance of the updated Register of liabilities	Complied		
2.10	Maintenance of the updated Register of Counterfoil Books (GAN 20)	Complied		
<b>3</b>	<b>Delegation of Functions for Financial Control (FR 135)</b>			
3.1	Should have delegated financial powers in the institution	Complied		

3.2	Should have informed within the institution about the delegation of financial powers	Complied		
3.3	Delegation of Authority to enable each transaction is approved through two or more officers.	Complied		
3.4	Acting under the control of the Accountants in using the Government Payroll Software Package as per State Accounts Circular No. 171/2004 dated 11.05.2014	Complied		
<b>4</b>	<b>Preparation of annual plans</b>			
4.1	Preparation of Annual Action Plan	Complied		
4.2	Preparation of Annual Procurement Plan	Complied		
4.3	Having approved the Budget for the year under review in terms of the Finance Act No. 38 of 1971	Complied		
4.4	Preparation of Annual Internal Audit Plan.	Complied		
4.5	Preparing the annual estimate and submitting it to the National Budget Department (NBD) on the due date	Complied		
4.6	Annual Cash Flow Statement should have been submitted to the Department of Treasury Operations on due date.	Complied		
4.7	Should have submitted the Annual Cash Flow Statement to the Department of Treasury Operations on the due date	Complied		
<b>5</b>	<b>Audit Queries</b>			
5.1	Answer all audit queries on the date prescribed by the Auditor General.	Complied		
<b>6</b>	<b>Internal Audit</b>			
6.1	Preparation of the internal audit plan after holding discussions with the Auditor General at the beginning of the year As per FR 134 (2) and DMA/1 2019.	Complied		
6.2	Having replied to every internal audit report within a period of one month.	Complied		
6.3	Submitting copies of all the internal audit reports to the Department of Management Audit in terms of sub-section 40 (4) of the National Audit	Complied		

	Act No. 19 of 2018.			
6.4	Submission of copies of all the internal audit reports to the Auditor General in accordance with FR 134 (3).	Complied		
<b>7</b>	<b>Audit and Management Committees</b>			
7.1	Should have conducted at least 04 Audit and Management Committee meetings during the relevant year as per DMA Circular 1-2019.	Complied		
<b>8</b>	<b>Management of Assets</b>			
8.1	Submitting information on purchase and disposal of assets to the Comptroller General's Office as per Chapter 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	Appropriate liaison officer should be appointed to coordinate the implementation of the provisions of that Circular as per Chapter 13 of the above Circular and the information about that officer should be reported to the Comptroller General's Office.	Complied		
8.3	Should have conducted Verification of Goods in accordance with Public Finance Circular No. 05/2016 and the relevant reports should be submitted to the Auditor General on the due date.	Complied		
8.4	Should have taken proper action in relation to excesses, deficiencies and for the other recommendations revealed in the Annual Verification of Goods within the period specified in the Circular.	Complied		
8.5	Performing the disposal of condemned articles in terms of FR 772.	Complied		
<b>9</b>	<b>Management of Vehicles</b>			
9.1	Preparation of daily running charts and monthly summary reports for pool vehicles and submitting them to the Auditor General on the due date.	Complied		
9.2	Should have disposed of the vehicles within a period less than 06 months after condemning the vehicles	Complied		
9.3	Maintaining updated vehicle log books.	Complied		
9.4	Taking action in terms of FR 103,104,109 and 110 regarding every	Complied		

	vehicle accident.			
9.5	Re-inspection of fuel consumption of vehicles in accordance with the provisions of paragraph 3.1 of the Public Administration Circular No. 2016/30 dated 29.12.2016.	Complied		
9.6	After the lease period, full ownership of the log books of leased vehicles should have been taken over.	Complied		
<b>10</b>	<b>Management of Bank Accounts</b>			
10.1	Should have prepared and certified the bank reconciliation statements on the due date and they should have been submitted to audit	Complied		
10.2	Should have settled the dormant bank accounts brought forward during the year under review or in the previous years.	Complied		
10.3	The balances revealed through Bank Reconciliation Statements and that should have been adjusted should be dealt in accordance with the Financial Regulations and those balances should have been settled within a period of one month.	Complied		
<b>11</b>	<b>Utilization of Provisions</b>			
11.1	Incurring expenditure without exceeding the limits of the provision made	Complied		
11.2	In terms of FR 94 (1), incurring liabilities without exceeding the remaining provision limit at the end of the year after utilization of the provision made.	Complied		
<b>12</b>	<b>Advance to Public Officers Accounts</b>			
12.1	Compliance with the limits	Complied		
12.2	Having done a time analysis in relation to outstanding loan balances	Complied		
12.3	Should have settled the outstanding loan balances prevailed for more than one year	Not Complied	As the outstanding balances are more than 16 years old, they have been referred to the Attorney General for taking necessary action. Fundamental	

			activities have been taken to forward the loan balance of the interdicted officer to the Attorney General. (Because it was difficult to confirm the residence.)	
<b>13</b>	<b>General Deposit Account</b>			
13.1	Lapsed Deposits should have been dealt in terms of FR 571	Complied		
13.2	Maintaining the Control Account for General Deposits in an updated manner	Complied		
<b>14</b>	<b>Imprest Account</b>			
14.1	The balance of the cash book should have been remitted to the Department of Treasury Operations at the end of the year under review.	Complied		
14.2	Ad hoc Sub Imprest issued in terms of FR 371 should have been settled within one month after the completion of the purpose for which it is granted	Complied		
14.3	In terms of FR 371 Ad hoc Sub Imprest should have been issued without exceeding the approved limit.	Complied		
14.4	Balance of the Imprest account should be reconciled monthly with the Treasury Books.	Complied		
<b>15</b>	<b>Revenue account</b>			
15.1	Repayments have been made from the collected income in accordance with the relevant regulations	Complied		
15.2	Revenue collected should have been credited directly to the income without crediting to the deposit account	Complied		
15.3	Returns of Arrears of Revenue should have been submitted to the Auditor General in terms of FR 176	Not Applicable		
<b>16</b>	<b>Management of Human Resources</b>			
16.1	Maintaining the staff within the approved cadre limit.	Complied		
16.2	The duty lists should have been provided in writing to all the members of the staff.	Complied		

16.3	All the reports should have been submitted to the Department of Management Services in terms of MSD Circular No. 04/2017 dated 20.09.2017	Complied		
<b>17</b>	<b>Providing information to the public</b>			
17.1	Appointment of an Information Officer in terms of the Right to Information Act and Regulations and maintaining an updated register of providing information.	Complied		
17.2	Information about the organization is provided through its website and facilities have been provided to publish the commendations /accusations of the Public about the Organization through the website or through alternative channels.	Complied		
17.3	Reports should have been submitted twice a year or once a year in terms of Sections 08 and 10 of the Right to Information Act.	Complied		
<b>18</b>	<b>Execution of the Citizens' Charter</b>			
18.1	Compilation and execution of a Citizen / Client Charter as per the Ministry of Public Administration and Management Circular No. s 05/2018 and 05/2018 (1).	Complied		
18.2	As per paragraph 2.3 of the said Circular, the institutions have set up a system to monitor and evaluate the compilation and execution of the Citizen / Client Charter.	Complied		
<b>19</b>	<b>Compilation of Human Resource Plan</b>			
19.1	A human resource plan should have been prepared based on the Annexure 02 of the Public Administration Circular No. 02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity not less than 12 hours per year should have been ensured for each member of the staff in the above Human Resource Plan.	Complied		

19.3	Annual Performance Agreements should have been signed for the entire staff based on the format given in Annexure 01 of the above Circular.	Complied		
19.4	Appointment of a Senior Officer by entrusting the responsibility of preparing Human Resource Development Plan, Development of Capacity Development Programmes and Implementation of Skills Development Programmes in accordance with paragraph 6.5 of the above Circular.	Complied		
<b>20</b>	<b>Providing Replies to Audit Paragraphs</b>			
20.1	Should have rectified the deficiencies pointed out in the audit queries issued by the Auditor General for the previous years.	Complied		

Table No. LVIII