



Annual Performance Report - 2022

Expenditure Head - 118

Ministry of Agriculture

No.80/5, “Govijana Mandiraya”, Rajamalwatta Lane, Battaramulla

Annual Performance Report - 2022

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Ministry of Agriculture

(Present Ministers)

- 1. Honorable Minister of Agriculture – Mr. Mahinda Amaraweera***
- 2. Honorable State Ministers***
 - State Minister of Agriculture – Mr. Mohan Priyadarshan de Silva***
 - State Minister of Livestock Development – Mr. D.B. Herath***
 - State Minister of Rural Economy – Mr. K. Kader Masthan***

Ministry Secretary - Mr. Gunadasa Samarasinghe

Divisions under the Ministry of Agriculture

- Agriculture Division - (Expenditure Head 118)**
- Livestock Division - (Expenditure Head 427)**
- Fertilizer Division - (Expenditure Head 426)**
- Rural Economic Crops Cultivation and Promotion Division - (Expenditure Head 407)**

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Abbreviations

MOA	Ministry of Agriculture
PPE	Policy and Project Evaluation Unit - Ministry of Agriculture
DOA	Department of Agriculture
HORDI	Horticulture Research and Development Institute
NRMC	Center for Natural Resource Management
FCRDI	Field Crops Research and Development Institute
ETC	Extension and Training Institute
NPQS	National Phytosanitary Quarantine Service
RRDI	Paddy Research and Development Institute
NAICC	National Agriculture Information and Communication Centre
DOAD	Department of Agricultural Development
PDOA	Provincial Department of Agriculture
DS	District Secretary
AI	Agriculture Instructor
ARPAS	Agricultural Research Production Assistant
AAIB	Agriculture and Agrarian Insurance Board
PMB	Paddy Marketing Board
CARP	Council for Sri Lanka Agricultural Research Policy
NIPHM	National Institute of Post-Harvest Management
CFC	Ceylon Fertilizer Company Ltd
CCF	Colombo Commercial Fertilizer Company Ltd
LPL	Lanka Phosphate Company Ltd
HARTI	Hector Kobbekaduwa Agricultural Research and Training Institute
NFS	National Fertilizer Secretariat
ASMP	Agricultural Modernization Project
CSIAP	Climate Smart Irrigation Project
SADP	Small-scale Agribusiness Development Project
FTF	Farmers' Trust Fund
CERC	Creation of Stores Facilities under Emergency Situation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
AARDO	Asian African Rural Development Organization
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
WFP	World Food Programme
KOPIA	Korean Projects for International Agriculture
AFASI	Asian Food and Agriculture Society Initiative
WB	The World Bank
GAP	Good Agricultural Practices
UNDP	United Nations Development Programme
NARP/NUS	National Agricultural Research Policy with Universities

Ministry of Agriculture

- **Introduction**

The State Ministry of Organic Fertilizer Production Promotion and Supply Regulation and Paddy and Grain, Organic Food, Vegetables, Fruit, Chilli, Onion and Potato Cultivation, Promotion, Seed Production High Technology Agriculture, State Ministry of Livestock, Farm Promotion and Dairy and Egg related Industries and the State Ministry of Backward Rural Areas Development and Promotion of Domestic Animal Husbandry & Minor Economic Crop Cultivation existed under the Ministry of Agriculture and the institutions owned by these State Ministries have been brought under the Ministry of Agriculture through the notification of Extra Ordinary Gazette No. 2281/41 dated 27 May 2022.

The performance report of the Ministry of Agriculture for the year 2022 includes the annual performances under the divisions of Agriculture, Fertilizer, Livestock Development and Rural Economic Crop Cultivation and Promotion.

i.) Agriculture Division

The progress reported by the Department of Agriculture, Agricultural and Agrarian Insurance Board, Ceylon Phosphate Company Ltd, Paddy Marketing Board, Hector Kobbekaduwa Agricultural Research and Training Institute, Sri Lanka Council for Agricultural Research Policy, Farmers' Trust Fund is included under the Agriculture Division.

ii.) Livestock Development Division

Department of Animal Production and Health, National Livestock Development Board, Milco (Private) Ltd, Mahaweli Livestock Enterprise Ltd are the institutions which come under the purview of the Livestock Development Division of the Ministry of Agriculture and the progress reported by those institutions in the year 2022 is included in this progress report.

iii.) Fertilizer Division

Progress reported by the Department of Agrarian Development, National Fertilizer Secretariat, Ceylon Fertilizer Company Ltd, Colombo Commercial Fertilizer Company Ltd, Sri Lanka National Poverty Eradication Action Board (National Food Promotion Board) and National Institute of Post-Harvest Management is included under the Fertilizer Division of the Ministry of Agriculture.

iv.) Rural Economic Crops Cultivation and Promotion Division

National Agricultural Diversification and Settlement Authority is incorporated under the Rural Economic Crops Cultivation and Promotion Division of the Ministry of Agriculture. Further, the progress reported by that institution in the year 2022 is included in this progress report.

- **Ministry's Vision**

Building an efficient, productive and strong agricultural sector for food security and national prosperity.

- **Mission**

Achieving an entrepreneurial agriculture that produces a worldwide competitive product with a generally acceptable and commercial orientation through the sustainable management of natural resources.

- **Objectives**

- i.) Ensuring security through proper ideal management of locally produced food and supplementary food reserves.
- ii.) Reducing the use of chemical fertilizers and pesticides in food production and providing non-toxic, eco-friendly and hygienic agricultural products to the people through waste management and reshuffling the use of chemical fertilizers.
- iii.) Upgrading, introduction of modern technology, well-organized water management, crop divergence, soil conservation methods to increase productivity of crops and reduce production costs.
- iv.) Directing producers to produce high-quality agricultural products for domestic and foreign markets through production of high-quality self-seeds, popularization of value-added production methods among farmers, Good Agricultural Practices (GAP) and introduction of Good Production Practices
- v.) Making a contribution to increase paddy production by restoration of all broken tank embankments and canals and the fallow paddy lands into cultivation and harvest.

- **Duties and Functions**

- i.) Planning, implementation, follow-up and evaluation of policies, programs and projects related to the subjects of departments and statutory bodies and government corporations based on the national policies implemented by the government.
- ii.) Giving public services under the purview of the Ministry in an efficient and public-friendly manner.
- iii.) Revamping all methods and procedures using modern management methods and technology to ensure that the ministry accomplishes its role by removing waste and corruption.
- iv.) Food production to ensure food safety.
- v.) Utilization of modern technology to maintain stock and smooth operation of supply chains.
- vi.) Making necessary steps to rise agricultural production based on crop diversification.
- vii.) Formulation of necessary strategies to ensure the quality value of local agricultural products to the consumer community.
- viii.) Guiding traditional farmers, youth and students towards the agricultural education opportunities with modern technology.
- ix.) Encouraging to build up a group of young agricultural entrepreneurs.

- x.) Regulation of use of chemical pesticides and other chemical mixtures with specified standard.
- xi.) Expansion of crop insurance and farmer retirement schemes for the men engaging in agriculture.
- xii.) Making arrangements to provide higher prices for farmers' produce by strengthening strategy links between direct producer processing agencies, wholesalers and export companies.
- xiii.) Mitigation of natural disasters by communicating climate changes, daily weather information to farmers.
- xiv.) Implementation of methods to provide quality seeds and plants to the farmers.
- xv.) Management of water supply as per water management and crop requirements of the farmers.
- xvi.) Upgrade of Agricultural Development Zones, Agricultural Villages and Sustainable Horticulture Development Programmes.
- xvii.) Administration and Personnel Management of the Sri Lanka Agricultural Service.
- xviii.) Implementation of programs for setting up and promotion of small scale agricultural enterprises and organizations.
- xix.) Expanding and encouraging programs to gradually move towards the use of organic fertilizers and non-toxic food production.
- xx.) Implementing of government subsidy policy effectively for import and distribution of quality fertilizers
- xxi.) Formulation of methods for timely distribution of chemical fertilizers of required quality and eco-friendly organic fertilizers.
- xxii.) Boosting the production of organic fertilizers in accordance with the international standards using local raw materials.
- xxiii.) Implementing a fair price policy and crop diversification program to the satisfaction of the local farmer and consumer.
- xxiv.) Implementing horticulture programmes.
- xxv.) Making a proper arrangement for storage of excess produce.
- xxvi.) Formulation of a scheme for value addition and export of agricultural products.
- xxvii.) Introducing a local seed policy for production of international quality seeds.
- xxviii.) Encouraging private sector for production of quality seeds and planting materials.
- xxix.) Development of government farms and seed production farms.
- xxx.) Minimizing import of food crops by increasing domestic production.
- xxxi.) Provision of facilities required to increase production in livestock sector.
- xxxii.) Animal welfare and related activities.
- xxxiii.) Expansion of livestock research sector using modern technology.
- xxxiv.) Promotion of systematic breeding methods to rise animal population in the livestock sector and protection and quarantine of those animals from diseases.
- xxxv.) Encouraging the development of small and medium scale farms to outfit different geographical needs.
- xxxvi.) Promotion and exportation of livestock related products.
- xxxvii.) Providing necessary land and investment facilities for construction of medium and large scale animal husbandry farms.

- xxxviii.) Expanding local production and consumption opportunities by promoting small and medium scale producers.
- xxxix.) Keeping administration and personnel management in Sri Lanka Animal Production and Health Service.
- xl.) Carrying out the work relating to all other subjects assigned to the institutions.
- xli.) Supervising all institutions coming under the purview of the Ministry of Agriculture.

- **Departments, Statutory Bodies and Government Corporations coming under the purview of the Ministry of Agriculture (with effect from 22.07.2022)**

- i.) Department of Agriculture
- ii.) Department of Agrarian Services
- iii.) Department of Animal Production and Health
- iv.) Agricultural and Agrarian Insurance Board
- v.) Paddy Marketing Board
- vi.) Hector Kobbekaduwa Agricultural Research and Training Institute
- vii.) Sri Lanka Council for Agricultural Research Policy (SLCARP)
- viii.) National Agricultural Diversification and Settlement Authority (Hadabima Authority)
- ix.) National Institute of Post-Harvest Technology (NIPHM)
- x.) Lanka Phosphate Company Ltd
- xi.) National Fertilizer Secretariat
- xii.) Ceylon Fertilizer Company Ltd
- xiii.) Colombo Commercial Fertilizer Company Ltd
- xiv.) Sri Lanka National Hunger Eradication Action Board (National Food Promotion Board)
- xv.) National Livestock Development Board (NLDB)
- xvi.) Milko Pvt Ltd (Milco)
- xvii.) Mahaweli Livestock Enterprise Company Ltd

- **Laws and Ordinances**

- i.) Agricultural and Agrarian Insurance Act (No. 20 of 1999)
- ii.) Agricultural Development Act (No. 46 of 2000)
- iii.) Village Council Act (No. 28 of 1982)
- iv.) Felling of Trees (Control) Act (No. 9 of 1951)
- v.) Seed Paddy Act (No. 22 of 2003)
- vi.) Soil Conservation Act (No. 24 of 1996)
- vii.) Paddy Marketing Board Act (No. 14 of 1971)
- viii.) Agricultural Research and Training Institutions Act (No. 5 of 1972)
- ix.) Sri Lanka Council for Agricultural Research Policy Act (No. 47 of 1987)
- x.) State Agricultural Corporations Act (No. 11 of 1972)
- xi.) Pesticides Control Act (No. 33 of 1980)
- xii.) Plant Protection Act (No. 35 of 1999)
- xiii.) Fertilizers Regularization Act (No. 68 of 1988)
- xiv.) Sri Lanka National Hunger Eradication Act (No. 18 of 1973)

- xv.) Animal Diseases Control Act (No. 59 of 1992)
- xvi.) Animal Feed Act (No. 15 of 1986)
- xvii.) Animal Protection Act (No. 29 of 1958)
- xviii.) Veterinary Practitioners Act (No. 46 of 1956)
- xix.) All other legislations relating to the subject area not specifically assigned to another Minister

- **Sustainable development objectives and targets to be implemented and achieved by the Ministry**

- i.) Goal 2 - Promoting sustainable agriculture to achieve food security and high nutritional status by eradicating hunger.
- ii.) Goal 12 - Ensuring sustainable consumption and production patterns.

Progress of Major Development Programs - Summary

The summary of the major development programs carried out by the Ministry of Agriculture in the year 2022 and the financial progress

- Ministry of Agriculture Financial Progress - Summary

S/No.	Description	Implementing Agency	Allocated Amount (Rs.Mn.)	Disbursed Amount (Rs.Mn.)	Financial Progress (%)
1.	Overall budget	MOA	123,052.38	95,151.01	77.33
1.1	capital		31,464.16	28,254.44	89.80
1.2	re-current		91,588.21	66,896.57	73.04

01. Agriculture Division (Expenditure Head 118)

- Development Programs

S/No.	Development Program	Implementing Agency	Allocated Amount (Rs.Mn.)	Disbursed Amount (Rs.Mn.)	Financial Progress (%)
1	Agricultural Youth Entrepreneurship Development Program	MOA	45.00	37.01	82.25
2	Introducing modern technology		610.00	483.78	80.63
3	Youth Entrepreneurship Development Program for Agriculture and Animal Production		50.00	-	-
4	JICA Project		5.94	5.94	100
5	Under 118-2-3-81-2202-0/13		0.04	0.04	100
Sub-Total - i			710.98	526.77	74.10
1	Climate Smart Irrigation Project (CSIAP) World Bank Loans	MOA	3,950.00	3,849.68	97.46
2	Small-Scale Agribusiness Participatory Program (SAPP) - IFAD		2,000.00	1,522.99	76.15
3	Agricultural Sector Modernization Project (ASMP) Accessories T2 - World Bank Loans		4,190.00	3,685.12	87.95
4.	Removing Barriers for Small-Scale Agri Business (SARP)		450.00	8.11	1.80
5	Project of Establishment of New Dairy Processing Factory of Badalgama -		215.00	72.81	33.87

S/No.	Development Program	Implementing Agency	Allocated Amount (Rs.Mn.)	Disbursed Amount (Rs.Mn.)	Financial Progress (%)
	under Denmark Aid				
6	Development of Mini Dairy Co-operative Societies (French Aid)		760.00	381.16	50.16
7	Assisting to maintain food security (European Union)		65.00	0.00	0.00
8	Providing equipment for National Plant Quarantine Service (KOICA)		75.00	3.86	5.15
Sub-Total -ii			11,705.00	9,523.82	81.37
1	Introduction of a Contribution Insurance Scheme for Farmers	AAIB	600.00	600	100
2	Agricultural and Agrarian Insurance Board		10.00	-	-
Sub-Total - iii			610.00	600	82.99
1	Hector Kobbekaduwa Agriculture Research and Training Institute	HARTI	20.00	14	70.00
2	Preparation of National Agriculture Policy with Universities	SLCARP	20.00	8.10	40.50
3	Paddy Marketing Board	PMB	3,150.00	2,928.99	92.98
Sub-Total -iv			3,190.00	2,951.09	92.51
Grand Total - (i+ii+iii+iv)			16,215.98	13,601.68	83.88

02. Livestock Division, Ministry of Agriculture (Expenditure Head – 427)

- Financial Progress-Summary

S/No	Description	Amount Allocated – 2022 (Rs.mn)	Total Expenditure-2022 (Rs.mn)	Financial Progress (%)
1.	Total Budget	728.65	523.20	71.8
1.1	Recurrent	417.82	388.33	92.9
1.2	Capital	310.83	134.88	43.4

- Development Program

S/No	Developmet Progrrm/Project	Amount Allocated – 2022 (Rs.mn)	Total Expenditure- 2022 (Rs.mn)	Financil Progress (%)
01.	Facilitation & Promotion of Liquid Milk Consumption	25.00	14.29	57.16
02.	Establishment of Animal Breeder Farms	25.00	4.37	17.48
03.	Small & Medium Scale Dairy Enterprenuer Development & Dairy Cluster Village Development	32.00	29.73	92.91
04.	Medium Term Livestock Development Programme	40.00	13.21	33.03
05.	Development of Small & Medium Scale Poultry Farming System	37.00	12.94	34.97
06.	Swine Industry Development	30.00	4.72	15.73
07.	Promotion of Medium & Small Scale Dairy Farms through Productivity Improvement	98.00	48.73	49.72
08.	Goat Cluster Villages Development	15.00	4.99	33.27
	Total	302.00	132.98	44.03

03. Fertilizer Division (Expenditure Head 426)

- Financial Progress - Summary

S/No.	Description	Allocated Amount for 2022 (Rs.M.)	Disbursed Amount (Rs.M.)	Financial Progress (%)
1.	Overall Budget	99,717.54	75,163.79	75
1.1	Capital	14,445.72	14,289.27	99
1.2	Re-Current	85,271.82	60,874.52	71
Recurrent				
1	Fertilizer Subsidy Program	98,400.00	74,039.41	75.24

- Development Programs

S/No.	Development Program	Allocated Amount for 2022 (Rs.M.)	Disbursed Amount (Rs.M.)	Financial Progress (%)
Capital				
1.	National Fertilizer Management Information System	20.00	7.06	35.30
2.	Improvement of Fertilizer Laboratory of Ceylon Fertilizer Company Ltd	20.00*	-	-
3.	Food Security Program	500.00	414.31	82.86
4.	National Food Promotion Board (National Poverty Eradication Action Board)	5.00	-	No imprest fund was received from the Treasury.
5.	Institute of Post-Harvest Technology	30.00	5.00	16.67
6.	Dedicated Economic Centre	25.00**	-	-
Total		600.00	426.37	71.06

* Invoice for the procurement of equipment for improvement of Fertilizer Laboratory has been submitted, however no payment for it was made until 31.2.2013.

** Ministry of Trade is assigned.

04. Rural Economic Crops Promotion Division (Expenditure Head 407)

- Financial Progress - Summary

S/No.	Development Program	Allocated Amount for 2022 (Rs.M.)	Disbursed Amount (Rs.M.)	Financial Progress (%)
1	Capital	253.36	211.93	83.65
2	Re-current	223.84	199.11	88.95

- Development Programs

S/No.	Development Program	Allocated Amount for 2022 (Rs.M.)	Disbursed Amount (Rs.M.)	Financial Progress (%)
01	Crops Cultivation Project	100.00	91.65	91.65
02	Goat Husbandry Project	40.00	39.05	97.63
Sri Lanka Hadabima Authority		100.00	76.70	76.70
Grand Total		240.000	207.40	86.00

Chapter 01 - Institutional Profile and Executive Summary

i.) Agriculture Division

According to the agenda of 2030 for sustainable development, the agriculture division has managed the development objectives to achieve global development goals (Sustainable Development Goal) and enhance national food production.

Accordingly, among the major development programs of the Ministry of Agriculture in 2022, 45.00 million rupees for youth entrepreneurship program, 610.00 million rupees for modern technology input and 50.00 million rupees for youth entrepreneurship program for production of agriculture and animal breeding have been allocated. Further, the total investment for the projects being carried out under foreign loan is 11,705.00 million rupees.

Furthermore, 20.00 million rupees for social economic research of the agriculture sector carried out by the Agriculture Research and Training Institute, 20.00 million rupees for formulation of national agriculture policy with universities, 3,150.00 million rupees for procurement activities of the Paddy Marketing Board and 610.00 million rupees for social security affairs of the farmer community carried out by the Agriculture and Agrarian Insurance Board have been allocated.

ii) Livestock Division

Livestock Division of the Ministry of Agriculture, the apex public sector division that formulates policies and plans for the well-being of the livestock sector, is implementing various programmes and projects financed by the local and foreign funds in order to promote local dairy industry by strengthening the local dairy producer targeting to achieve self-sufficiency in local dairy milk production, to improve the goat, poultry, swine & other sub sectors for promoting high quality animal products and to inspire engaging in the environmental friendly animal husbandry.

The vision of the Livestock Division is “A self-sufficient nation through sustainable livestock development “ and the mission is “Growth of high quality livestock production as to match the local demand through well management of resources and to generate local entrepreneurs engage in livestock industry and who can face the local as well as international market competition .“ The Department of Animal Production and Health provides technical leadership for an efficient animal health service in order to maintain healthy animal population with high productivity. Ground level livestock development programmes are implemented by the Provincial Departments of Animal Production and Health and by the island wide regional veterinary offices.

The main objectives of this division are to fulfill the milk requirement of the country through local production, to enhance other livestock products including chicken meat and eggs through promotion of local production, to promote eco-friendly animal husbandry, to provide sustainable and equal economic and social benefits to farmers engaged in animal husbandry

through livestock development and to increase the availability of raw materials required for animal feed production locally.

iii.) Fertilizer Division

According to the agenda of 2030 for sustainable development, the Fertilizer Division of the Ministry of Agriculture has managed its sustainable goal in 2022 for achievement of such global development goal (Sustainable Development Goal), encouraging the use of proper quality fertilizers and formulation of a methodology to distribute such fertilizers on time, encouraging the production of eco-friendly plant nutrient and maintaining food security.

During the year 2022, the Fertilizer Division has launched 04 major development programs. These programs include the development of National Fertilizer Management Information Systems, improvement of fertilizer laboratories of Ceylon Fertilizer Company Ltd, food security and amalgamation of Ceylon Fertilizer Company Ltd and Colombo Commercial fertilizer Company Ltd. Apart from these, a fertilizer subsidy program has been implemented under the special program to maintain food security and promote sustainable agriculture and thereby necessary arrangements have been made to provide fertilizer to farmers with free of charge and required fertilizer under the concessionary rate for other crops. Accordingly, the subsidy fertilizer has been distributed to the farmers in 2022. Within the year 2022, in Yala season, 164,335.11 MT of organic solid fertilizer (compost), 6,098,290.43 litres of organic liquid fertilizer, 6,339,084.48 litres of bio-liquid fertilizer and 5,372.93 litres of special liquid fertilizer have been supplied. Further, in the year 2022, 224,419 MT of chemical fertilizer has been imported. Out of such amount of that fertilizer, 160,972 MT of total chemical fertilizer has been distributed.

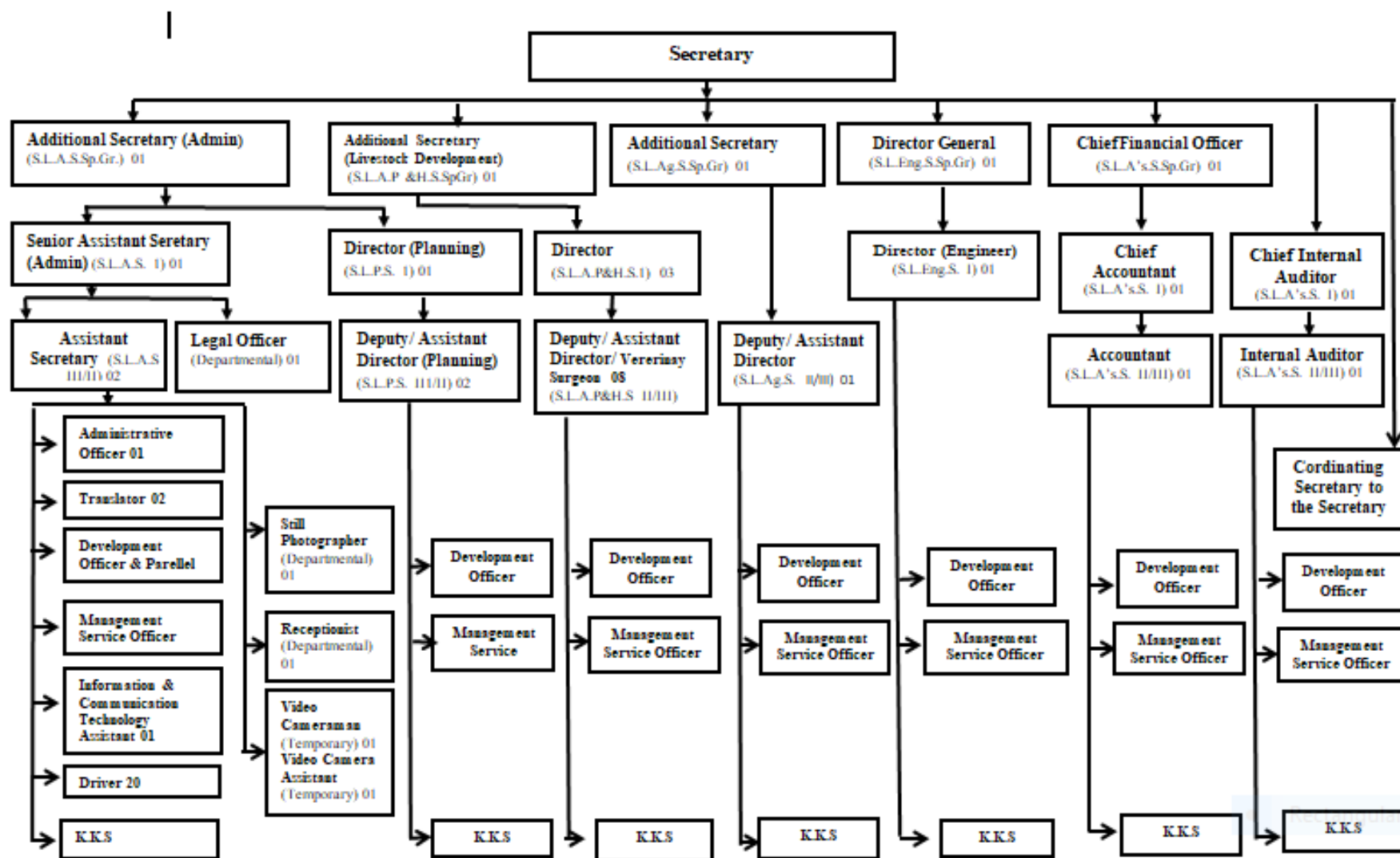
In the year 2022, for the fertilizer sector, an amount of 98,400.00 million rupees has been allocated as re-current expenditure for the fertilizer subsidy program for chemical and organic fertilizers. An amount of capital expenditure of 20.00 million rupees has been allocated for the management information system of the National Fertilizer Secretariat. 20.00 million rupees has been allocated for improving the fertilizer research laboratory of Ceylon Fertilizer Company Ltd, and also 500.00 million rupees for the food security program. Apart from this, an amount of 05.00 million rupees has been allocated as a capital expenditure for the Food Promotion Board, a statutory body affiliated to the State Ministry, and an amount of 30.00 million rupees has been allocated for the Institute of Post-Harvest Technology. Furthermore, an amount of 25.00 million rupees has been allocated for the dedicated economic centres functioned under the previous ministry and thereafter transferred to the Ministry of Trade.

In the year 2022, the Ministry of Agriculture has jointly launched its programs to work towards the progress of the target of food security of all entities coming under the purview of the Fertilizer Division of the Ministry of Agriculture and ensuring provision of proper quality standard fertilizer to the farmers towards the betterment of the agriculture sector.

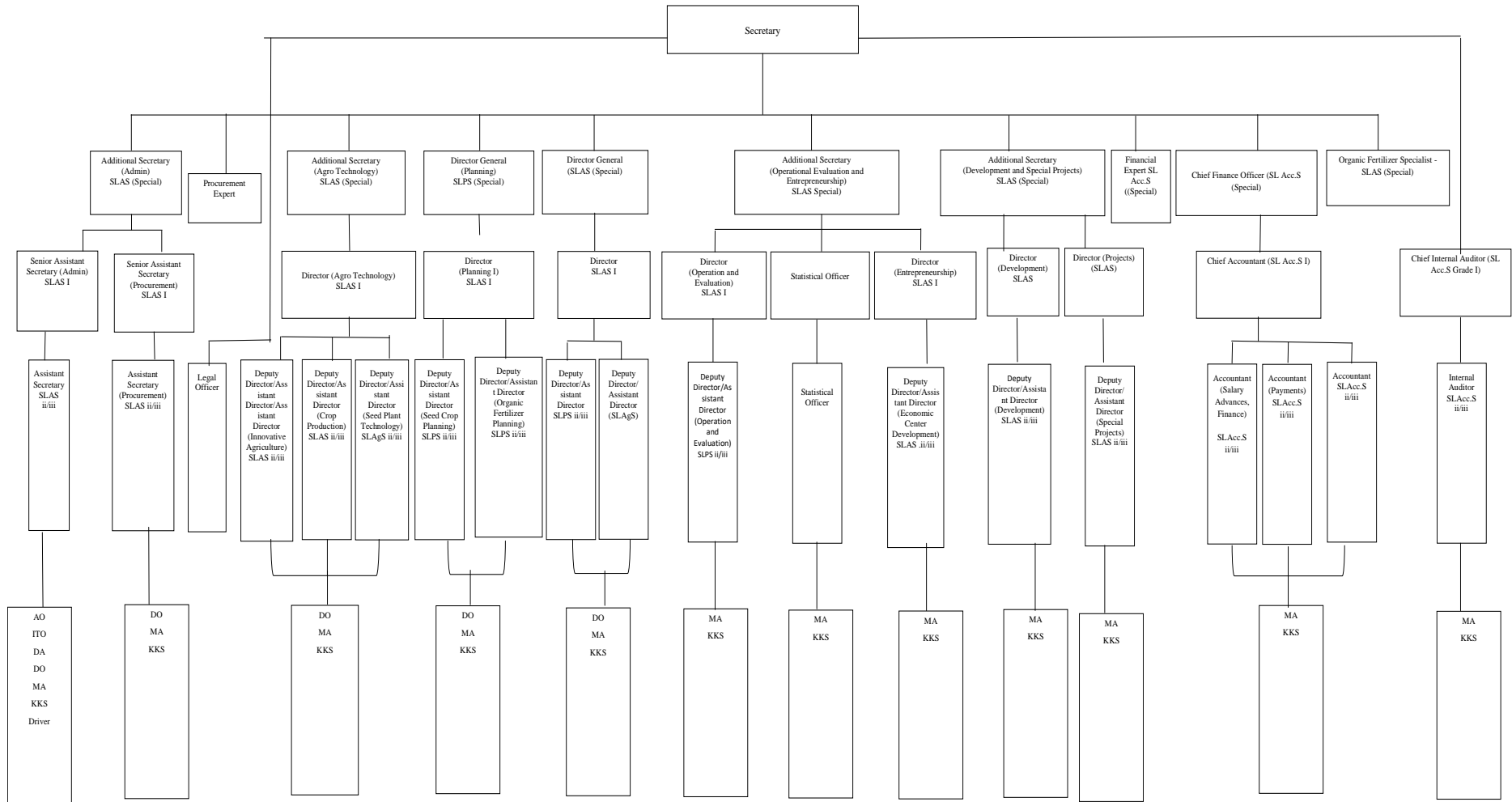
iv.) Rural Economic Division

This Division was established under the line Ministry of Agriculture according to the Extra Ordinary Gazette No. 2196/27 date 06.10.202 with regard to the State Ministry of Backward Rural Regional Development and Domestic based Animal Husbandry and Small-Scale Economic Crop Cultivation Promotion and thereafter it was transferred to the State Ministry of Rural Economic Crop Cultivation and Promotion according to the Extra Ordinary Gazette No. 2277/53 dated 28.04.2022. At present, it is functioning as a Rural Economic Division under the Ministry of Agriculture.

Organization Chart – Livestock Division



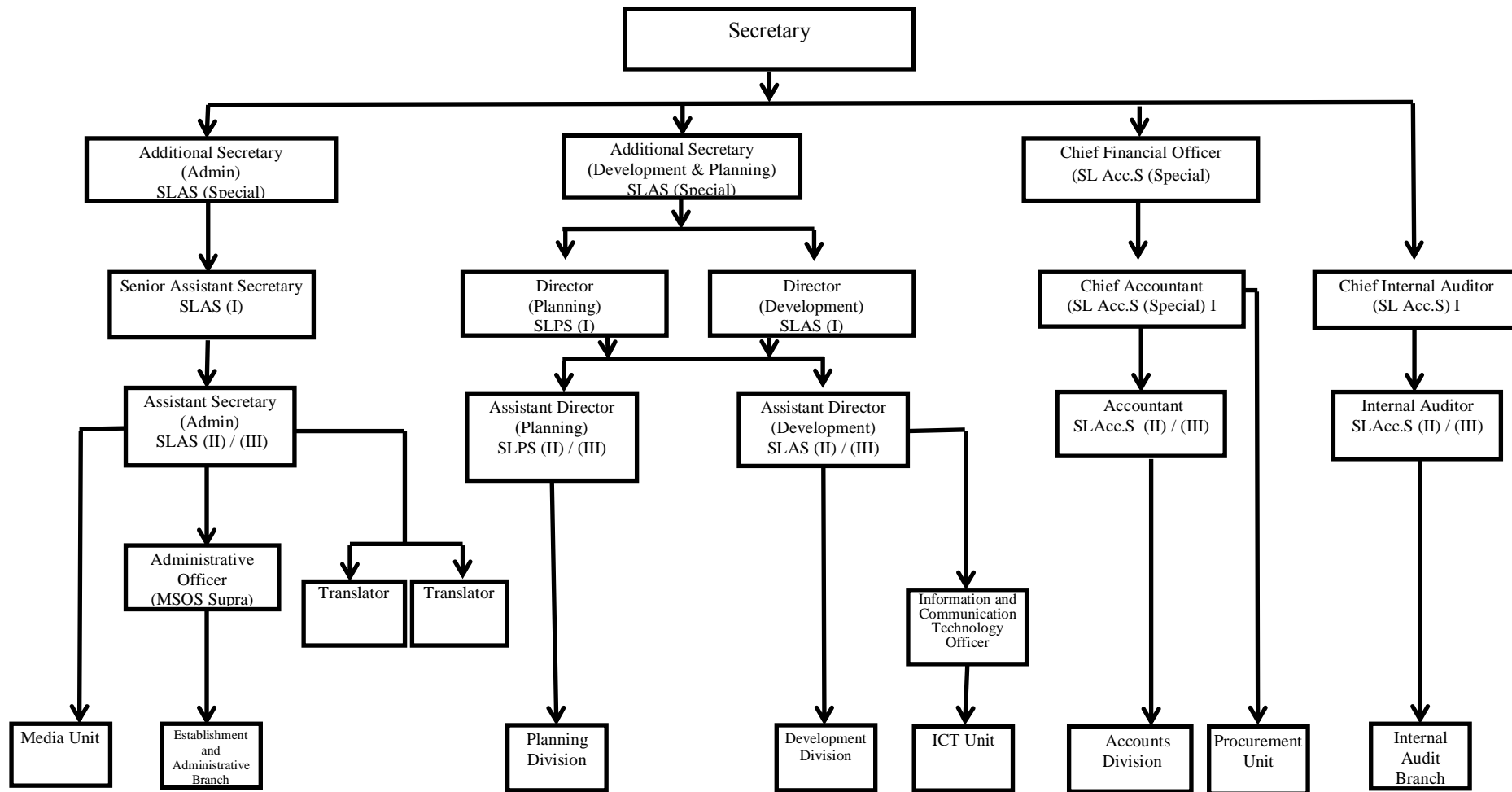
Organization Chart - Fertilizer Division



AO - Administrative Officer SGA - Staff Grade Assistant DO - Development Officer AI - Agriculture Instructor MA - Management Assistant KKS - Karyala Karya Sahayaka

SLAS - Sri Lanka Administrative Service
 SLAgS - Sri Lanka Agriculture Service
 SLPS - Sri Lanka Planning Service
 SLAcc.S - Sri Lanka Accountant Service

Organization Chart: Rural Economic Division



(The approved organization chart as at 2022.12.31)

Chapter 02 - Progress and future vision, special achievements, challenges and future goals

01. Agriculture Division

Progress of Development Programs implemented by the Agriculture Division in the year 2022

1. Agricultural Youth Entrepreneurship Development Programme

1.1. Introduction

The attention has been paid under the Entrepreneurship Development Programme on introducing the opportunity for commercial agribusiness to the unemployed youth community having different educational levels who are isolated in the society by moving away from traditional agriculture, and further increasing the contribution of the agricultural sector to the GDP by involving young entrepreneurs at the regional level in agricultural development programs.

1.2. Financial and physical progress of the programs implemented under the Agricultural Youth Entrepreneurship Development Program

An amount of 45.00 million rupees has been allocated for this program under the expenditure heading 118-02-03-062-2509, of which Rs. 37.01 has been spent. Financial progress is 82.25%.

1.3. Programs implemented under the Agricultural Youth Entrepreneurship Development Programme

1.3.1. Formulation of "National Agricultural Policy"

Vision of Prosperity in line with the objectives of the State Policy Statement, the National Agriculture Policy has been formulated to increase the contribution of the agricultural sector to create a productive economy instead of a sustenance economy. Furthermore, a special attention has been paid on attracting the youth community to various sectors of agriculture in order to build agricultural entrepreneurs who are locally self-sufficient and export-oriented, with a focus on securing food systems sustainably, popularizing green agriculture, reducing the use of chemical fertilizers, and protecting crops and harvests.

- **Physical Progress (as at 31.12.2022)**

The "National Agricultural Policy" prepared to achieve 13 major goals under 10 major themes has been submitted for the approval of the Cabinet of Ministers by 31.12.2022.

1.3.2. Livelihood Development Programs at provincial and district level

For this program 28.60 million rupees has been allocated in 2022, out of which 2.90 million rupees is liability for the year 2021. Under that, the following programs have been implemented.

i.) Youth Entrepreneur Development Program - 2022

- Introduction and objectives

This project is expected to raise young agro-entrepreneurs scattered all over the island and thus ensure food security and the aim of this is to produce young agro-entrepreneurs targeting the youth community at the district level and to raise their living standard.

- Financial Progress

For this project 22.14 million rupees was allocated and the entire amount has been spent.

- Physical Progress

S/No.	Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
1.	Youth Agri-Entrepreneurship Development Project (Kalutara District) through promotion of value-added agricultural products and safe-house crop cultivation	Providing training programs and equipment tools to selected beneficiaries	1 training program has been conducted for 11 beneficiaries. 6 safe-houses and 5 value added production units have been provided.
2.	Encouragement of rural economy through rehabilitation of minor irrigation system and introduction of “Sojan Cultivation System” for abandoned paddy fields (Kalutara District)	Conducting 2 training programs and field trips for 28 beneficiaries	2 training programs and 2 field trips were arranged for 28 beneficiaries.
3.	Engaging the youth community in Amban banana cultivation in Kirinda Puhulwella Division under good agricultural practices (Matara District)	Conducting 4 training programs for 80 farmers.	After planting 50 Ambun banana plants, for 20 beneficiaries, Rs.7,500 has been given to each person.
4.	Enhancing youth entrepreneurship development and quality of life through the establishment of Bingu villages (Badulla District)	Conducting of 20 training programs and distribution of 20 bee boxes	This has been done in Bandarawela, Welimada, Ella, Haldummulla Divisional Secretariat Divisions.
5.	Introduction of e-agriculture technology to improve digital literacy of agricultural professionals and farmers (Colombo District)	Conducting awareness and training programs	Awareness and training programs have been conducted.

S/No.	Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
6.	Facilitating the promotion of small scale youth agro-entrepreneurship to local and export markets (Kalutara District).	Conducting 2 training programs for 30 beneficiaries and distributing 10 safe-houses and 20 value addition units	The selection of beneficiaries has been finished. Beneficiary awareness program has been conducted along with field inspections. The financial contribution of the project to the selected beneficiaries will be provided after submission of approved relevant financial documents and recommendations of the officers concerned. 50% of the expenditure on purchase of machinery, equipment and materials will be reimbursed under the terms and conditions of the Project Committee.
7.	Extension of indigenous tuber crop cultivation in marginal and underutilized lands for food security (Kalutara District)	Conducting awareness programs for 180 officers and providing subsidy for planting materials to farmers for 280 acres	An Awareness Program (TOT) has been conducted for the Development Officers working under the Ministry of Agriculture. 280 beneficiaries have received financial assistance. 13 field days have been conducted in 13 divisional secretariats divisions. A district level field day has been conducted.
8.	Encouraging young entrepreneurs to popularize banana cultivation under organic farming practices (Matara District)	Distributing 1000 banana plants to 20 beneficiaries	After planting 50 Ambun banana plants, for 20 beneficiaries, Rs.7500 has been given to each person.
9.	Agriculture crop expansion program in fallow paddy fields under 'Sojan' method with young entrepreneurs (Colombo District)	Conducting awareness programs	2 Awareness programs have been conducted and planting materials and fertilizers have been supplied for 2 acres.
10.	Introduction of Garden Chilli (<i>Capsicum Chinese</i>) Cultivation	Conducting 1 training program for 48 farmers and distributing 4800 Nai Chilli plants	50 farmers were selected. Training program was conducted in November 2022 and 5000 packets of seeds (Scotch Bonnet) and 5000 poly bags were distributed.
11.	A project to introduce an additional income to the youth community of Akurassa division through the existing fruit	Conducting a training program for 30 farmers and distributing 30 pruning kits	25 farmers contributed. The training program was held in November 2022. 25 pruning saws, secateurs, safety belts, helmets and fitting knives were

S/No.	Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
	cultivation.		given away. 11 ropes of 42 meters length were provided.
12.	Promotion of Pears Cultivation	Conducting training programs and distributing seeds of pears	This was done in Uvaparanagama, Welimada, Haputale Divisional Secretariat Divisions. Farmer training is conducted with the assistance of the Department of Agriculture. Tenders are being invited for purchase of materials. The Treasury has been informed about obtaining imprest funds.
13.	Enhancing youth entrepreneurship development and quality of life through the establishment of Bigu villages (Badulla District)	Conducting 10 training programs and distributing 500 bee boxes, protective suits and equipment under 50% contribution	This was done in Bandarawela, Welimada, Ella, Haldummulla Divisional Secretariat Divisions.
14.	Mushroom Project (Ratnapura District)	Providing 13 mushroom safe-houses	12 mushroom safe-house were provided.
15.	Vegetable Cultivation Project (Kegalla District)	Purchasing and distributing 100 net rolls, spades, hooks, rubber tubes, plastic baskets. Conducting a training program and a of technical training program and supplying 200 kg of compost manure	10 beneficiaries have been identified at divisional level. Soil tilling has been started to begin the project. Tender have been invited for the purchase of 100 net rolls, spades, hooks, rubber tubes, plastic baskets.
16.	Improving online training facilities in Main Auditorium of Service Training Institute of Gannoruwa	Renovation of auditorium	The relevant renovations in Gannoruwa Auditorium were carried out.
17.	Providing entrepreneurship development training to members of youth farming societies (Ministry of Agriculture)	Providing polythene, nursery trays and planting bags Distributing 50 boxes of bees. Providing 50 bee boxes and seed kits to develop school youth farmer clubs	1000 kg of polythene, 1000 nursery trays and 3000 of planting bags were provided. 50 boxes of bees were distributed. 50 bee boxes and seed kits were provided to develop 25 school youth farmer clubs.

ii.) Development Officer Training Program -2022

- Objectives

Conducting training programs to improve the agricultural knowledge of the development officers working under the Ministry of Agriculture and who are attached to the District Secretariats.

- Financial Progress

An amount of 0.94 million rupees was allocated for this project. The entire amount has been spent.

- Physical Progress

Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress	Remark
Conducting training programs for development officers	Conducting training programs for 1000 development officers	Development of knowledge and skills of the development officers. Number of Development Officers to whom training program provided - 57 The area where the development program was carried out - within the districts of Colombo, Gampaha, Kalutara, Matale, Galle, Matara, Jaffna, Mannar, Vavuniya, Batticaloa, Ampara, Anuradhapura, Badulla, Monaragala, Ratnapura, Kegalle.	Due to the endemic situation prevailed throughout the island, it was difficult to conduct training programs for all the expected officers in all the districts.

iii.) Submission of Annual Crop Production Plan

- Introduction

The annual crop production plan is prepared based on agricultural data under the leadership of Provincial Agriculture Directors and District Agriculture Directors at Agricultural Service Centre level covering all districts. This report provides crop production information covering all the districts for the year i.e.; The target cultivation area of crops, expected yield, seed requirement, fertilizer requirement and goals of other functions are prepared at agricultural service commanding area level and given as targets to the relevant agricultural authorities and stakeholders.

- Objective

Obtaining data on the range of crop area expected to be cultivated at the district level in relation to the 2023 Yala and 2023 Maha seasons.

- Financial and Physical Progress

An amount of 0.30 million rupees was allocated for this project. The entire amount has been spent. Also, printing and distribution of 250 copies of annual crop plan has been completed under this.

iv.) Allocation of funds for the establishment of Hela Bojunhala on the premises of Matale Alu Vihara Rajamaha Viharaya

- Introduction and Objective

Under this project, an allocation of 0.35 million rupees was given for the purchase of 10 plastic tables and 50 chairs which were to be obtained for the opening of Hela Bojunhala to the public, which was completed under the supervision of the Matale District Secretary's Office, in connection with the Matale Aluvihara Rajamaha Vihara Puja Bhumiya. Furthermore, this provides a great opportunity for the devotees visiting the Aluvihara temple as well as the local residents to purchase healthy food and drinking items. Also, this project has created an opportunity to make a high contribution to the livelihood development of the selected farmer groups.

- Financial and Physical Progress

An amount of 0.35 million rupees was allocated for this project. The entire amount has been spent. Under this, 10 tables and 50 chairs needed for starting Hela Bojunhala have been purchased.

v.) District Agriculture Committees

- Introduction and Objective

This meeting is held monthly under the chairmanship of the District Secretary with the participation of the officers working in the agriculture sector of the respective district to discuss the roles, projects and problems at district level.

- Financial and Physical Progress

A provision of 2.00 million rupees was released for the Agriculture Committee meeting held monthly in the respective District Secretariats at district level and the entire amount has been spent. This meeting has been coordinated to be held in all the districts of the island.

1.3.3. Project to empower inventors to become successful entrepreneurs with support from various stakeholders

- Introduction

This project can be called a milestone in looking at agriculture in a new way. Introducing innovations through the use of alternatives to find solutions to the agricultural problems arising from it, evaluating and commercializing those designs.

- Objective

Creating a practical approach which creates a win-win situation for the inventor by providing a local market for the inventor and providing new solutions to the problems in the agricultural sector.

- Financial Progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Project to empower inventors to become successful entrepreneurs with support from various stakeholders	4.01	3.10

- Progress of the Development Programs

Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
1. Settlement of arrears for previous year (2021)	-	100% Debts for the year 2021 has been fully settled.
2. Calling for applications and carrying out preliminary round analysis	Calling for applications to carry out initial round of analysis and evaluation of about 150 of the applications sent	100% Advertisements were published in Silumina, Sunday Observer and Thinakaran newspapers with relevant criteria. Closing date for sending applications has been extended to 31.03.2022. 144 applications were received.
3. Evaluation of the products mentioned in the selected applications by a committee of experts in the relevant field	Selection of around 125 innovators	90% <ul style="list-style-type: none"> Evaluation was carried out on 121 applications that had completed the qualifications out of the 144 applications received. Out of which 109 innovations were classified and evaluated by experts in the field under the areas of potential for commercialization and further development. Directing further development work based on development plans prepared for many designs.
4. Deploying innovative organizational development activities based on committee recommendations	Selection of 45 successful innovations for further development	7% The evaluation committee selected 09 innovations for development activities and in relation to 04 innovations, the innovators did not refer for further development activities and in relation to 02 innovations, development activities are still being carried out. Assigning to the Engineering Division of the Department of Agriculture and the Farm Mechanics Research Centre to carry out development work related to 03 innovations.
5. Referring to the institutes for carrying out the testing of the product on the recommendations of the committee	Referral for innovation testing activities recommended by evaluation committees	Research activities related to innovations in connection to electric energizer and food production such as Green Tea with water, Green Tea wine, Green Tea powder with Bee honey, Nil katarolu drink, rice flour cake and rice flour biscuit industrial technology .

Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
6. Referral of selected innovations to private or foreign aid projects	Referral of 20 of the selected successful innovations to private or foreign aid projects	55% Out of the selected innovations, 11 commercialized innovations will be referred to the Small Scale Agribusiness Participation Program and the Agricultural Sector Innovation Project.
7. Conducting training workshops and awareness programs	Conducting 10 training workshops and awareness programs	70% <ul style="list-style-type: none"> • A meeting related to the preparation of criteria for innovation evaluation was held on 12.02.2022. • For innovators, Makandura Sustainable Agriculture Research and Development Centre will provide training on organic fertilizer production and the machines used for it, Farm Mechanics Research Centre will provide a training workshop to introduce agricultural engineering and demonstrate the practical use of agricultural machinery, and Department of Agriculture will provide dehydrators and food on technology, National Engineering Research and Development Centre will conduct a training workshop related to the production of agricultural machinery with greater efficiency by reducing costs and Arthur C Clarke Institute will conduct an electronic training workshop. • Conducting an awareness program on online for innovators by the Commission of Innovators. • Total number of training workshops and awareness programs is 07.
8. Printing of certificates for innovators and evaluation committee members and conducting progress review meeting	-	100% 165 certificates were printed. Progress review meeting and product exhibition was held on 19.12.2022 at Ministry of Agriculture.
9. Conducting field demonstrations and field trips	Carrying out field examination over inventions of all selected applicants	03 field trips were conducted. Field tests were carried out to test the operational function of innovations like Moratuwa University Light Hand-Tractor, Bathalegoda Rice Research and Development Institute Multipurpose Agriculture Drone and Galle area Marshland Light Sprinkler.
The area where the development program was carried out (District/Village Officer Domain)	Throughout the island	
Number of	109	

Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
beneficiaries		
Number of field observations of training workshops conducted	Training workshops - 07 Field tests - 03	
Photographs with field observations	Photo No. 02 & 03 - Page No. 74	

1.3.4. Monitoring and Evaluation of Agriculture Projects

- Objective

Monitoring and evaluation of development programs and projects implemented by the Ministry of Agriculture.

- Functions

Reporting progress to the relevant divisions by carrying out site observations on innovations of 50 innovators of empowerment projects enabling them to become as successful entrepreneurs with the participation of different stakeholders and the supervision of the foreign aided projects by deploying the employees of the Ministry of Agriculture and the Development Officers attached to District Secretariat's Offices and Divisional Secretariat's Offices.

- Financial Progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Monitoring and evaluation of agricultural projects	2.45	1.31

- Progress of the development programs

Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
Field monitoring and evaluation of agricultural development projects by field officers in the district	Calling for report by deployment of Agriculture Development Officers in field observations	Progress 70%
Field supervision by the Ministry officials	11 field visits at 11 districts	Progress 73% Field visits 08
All expenses related to Sustainable Agriculture Committee	Committee meetings 09	Progress 22% 02 committee meetings have been held.
Area where the development program was carried out (District/ Grama Niladhari Division)	Anuradhapura, Batticaloa, Trincomalee, Kalutara, Puttalam, Manuwara, Kurunegala, Jaffna	
Number of field observations of training workshops conducted	Field demonstration - 08	

Activities included in the Action Plan	Target to be achieved	Achieved Physical Progress
Field observation photos	Photo No. 04, 05, 06 - page 75	

1.3.5. National Agricultural Research Policy Plan with Universities (NARP/NUS)

For this project, in 2022 , 9.30 million rupees has been allocated and the progress of the project will be reviewed by the Sri Lanka Council for Agricultural Research Policy (SLCARP), so details of the project have been given under that institution.

2. Introduction of modern technology

2.1. Introduction

The expenditure for this program under expenditure head 118-02-03-068-2509 is 610.00 million rupees has been allocated, out of which 483.78 million rupees has been spent. Financial progress is 79.31%.

2.2. Programs and financial progress of the programs implemented under the Development Program to introduce modern technology

2.2.1. Establishment of soil testing facilities at Agricultural Service Centre level

- Objective

The aim of this project is to test the soil at yaya level and provide fertilizers based on the amount of soil nutrients, and thereby managing the misuse of fertilizers and streamlining the use of fertilizers and reducing unnecessary importation of fertilizers.

- Tasks and Physical Progress

S/No.	Task	Physical Progress
1.	Purchasing and distributing 50 soil test kits for distribution to Colombo and Gampaha Districts	50 soil test kits have been purchased.
2.	Soil Health Card Distribution Programme	19750 of Soil Health Cards were distributed to Anuradhapura District.
3.	Supervision and operation of the use of soil test kits	Operations and supervision programs were conducted for Anuradhapura Kandy and Ampara districts.
4.	Testing of soil samples at district level	456 soil test kits have been provided to districts other than Colombo and Gampaha districts and 14,950 soil samples have been tested by 31.12.2022.
5.	Purchasing filling liquid for refilling 562 of mobile soil test kits	Filling liquids have been purchased to refill 562 mobile soil test kits.
6.	Development of a mobile application for online retrieval of soil test data	It is scheduled to be implemented in the year 2023.

- **Financial Progress**

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Capital	49.00	0*
Re-current	0.65	0.32
Total	<u>49.65</u>	<u>0.32</u>

*** Note**

At the beginning of the year 2022, for the project 50.00 million rupees was allocated. However, it was not possible to implement the program in the first, second and third quarters due to the problematic conditions. Nevertheless, in the fourth quarter, the implementation of the project was started again on the funds allocated with the interim appropriation accounts budget and the procurement tasks were completed and soil test kits purchasing orders for 50 soil test kits and 362 filling liquids, and 200 filling liquids were placed on 20th October 2022 respectively to the Institute of Procure and the Analytical Instrument Institute.

But since all the purchases were based on import, the import was delayed due to the failure of the related private institutions to get the required amount of dollars (USD) for the import.

The stocks of goods for which the purchasing orders placed to the Analytical Instrument Institute has been handed over to the Ministry in the third week of December 2022 and the bills have been submitted in the last week of December. However, it has been unable to make the payment due to non-availability of imprest funds.

As the consignment was received from Procure Holding Company in the third week of January 2023, the payments should also be made as liabilities in that year. On the basis of the above conditions, the physical progress of the project has been achieved. However, the financial progress has not been achieved due to failure to make the payment.

Photos on how the operations of soil test program are carried out

Photo No. 07 - Page No. 75

2.2.2. Other projects that have been implemented by the Ministry under the expenditure head 118-02-03-068-2509

S/No.	Project's Name		Allocated Amount (Rs.M.)	Expenditure (Rs.M.)	Physical Progress
1.	Installation of modern technology and development of selected farm infrastructure - 2022		182.28	163.03	93% 07 activities have been completed.
2.	Introduction of suitable agricultural machinery for crop establishment and grazing management etc.		4.07	4.02	95% 03 activities have been completed.
3.	Agriculture Information Management System (AIMS)		0.11	0.11	It has been completed with 100%.
4.	Development of Model Agricultural Production Villages		1.74	1.74	It has been completed with 100%.
5.	Development of crop varieties and input management technologies to promote eco-friendly green agricultural systems		62.62	55.20	Crop promotion and nuclear seed production has been completed with 90%.
	5.1	<i>Introduction of modern agricultural technology</i>	<i>1.96</i>	<i>1.59</i>	<i>Crop improvement of vegetables & nuclear seed, breeder seed and parental lines and hybrid seed production of vegetables and germplasm conservation has been completed with 97%</i>
	5.2	<i>Breeding of crop varieties and indigenous seed production</i>	<i>7.85</i>	<i>6.10</i>	<i>95% 05 activities have been completed.</i>
	5.3	<i>Breeding of improved traits in maize, pulses, oilseeds, chillies and onions</i>	<i>15.93</i>	<i>13.79</i>	<i>90% 04 activities have been completed.</i>
	5.4	<i>Plant population growth evaluation fruit crops and selection</i>	<i>8.2</i>	<i>7.66</i>	<i>95% 04 activities have been completed.</i>
	5.5	<i>Enhancing the production high quality basic seeds</i>	<i>0.81</i>	<i>0.81</i>	<i>It has been completed with 100%.</i>
	5.6	<i>Improvement of crop varieties and seed production</i>	<i>5.5</i>	<i>3.56</i>	<i>64% 04 activities have been completed.</i>
	5.7	<i>Generation of eco- friendly sustainable plant protection and nutrient management technologies for food crops through reducing use of agrochemicals</i>	<i>14.4</i>	<i>14.20</i>	<i>82% 03 activities have been completed.</i>

S/No.	Project's Name		Allocated Amount (Rs.M.)	Expenditure (Rs.M.)	Physical Progress
	5.8	<i>Improvement of the quality of organic fertilizers and promotion of green agriculture</i>	7.97	7.49	<i>It has been completed with 100%.</i>
6.	Project related to Good Agricultural Practices Certification - 2022		15.47	12.90	85% 08 activities have been completed.
7.	Eco- friendly fertilizer management for efficient use of input and sustainable crop production		27.17	27.00	85% 03 activities have been completed.
9.	“Saubhagya” National Horticulture Programme		107.31	107.31	Department of Agriculture, to train 10,149 nursery workers, provides garden seed kits and nursery plants to 1,030,000 garden beneficiaries, and prints 4,400,000 leaflets, 2,200,000 seed bags and 160,000 posters and provides garden seed kits to the remaining 1,170,000 beneficiaries under the second phase.
10.	Facilitation of phytosanitary measures for the protection of Sri Lanka's international trade and agriculture		22.82	16.10	60% 08 activities have been completed.
11.	Promotion of eco-friendly agriculture		29.16	20.10	<p>1. Promotion of production and use of organic fertilizers 52 tanks have been provided for 2430 small scale compost production units a Gadavil fertilizer production unit.</p> <p>2. Production of Eco-Friendly Pesticides and Liquid Fertilizers 327 demonstrations have been established.</p> <p>3. Promotion of production of bio-fertilizers and green manures Providing wild sunflower and mungbean seeds required for fertilizer production for 20 hectares, establishing 1570 Azolla demonstrations and 518</p>

S/No.	Project's Name	Allocated Amount (Rs.M.)	Expenditure (Rs.M.)	Physical Progress	
				demonstrations for Gliricidia cultivation. 4. Multiplication of traditional varieties Heck. Multiplication of 30 traditional vine tuber varieties has been done in an area of 2 hectares. 5. Promotional activities 6000 pamphlets on organic paddy farming were printed and 3810 farmers were trained.	
12.	Mid-Season Green-Gram Cultivation	21.83	21.83	It has been completed with 100%.	
13.	Establishing a social network-based agricultural extension system to enhance extension coverage and quality	0.29	0.29	It has been completed with 100%.	
14.	Commencement of sales operations at the constructed GAP Mini Super Market (Sabaragamuwa Province)	10.00	10.00	It has been completed with 100%.	
15.	Youth Entrepreneurship Development Programme	Promotion of mechanization for maize and cowpea cultivation	22.60	22.60	75% 02 activities have been completed.
		Carrying out internal construction works of the new Hela Bojun sales centre near Udamalwa, Anuradhapura - Phase II	10.70	10.70	86% 02 activities have been completed.
		Fruit Crop Value Chain Development - Phase I -2022	2.32	2.32	Information collection of fruit supply chain partners has been completed with 90%.
		Program for Popularization of Indigenous Hybrid Maize Varieties	23.17	23.17	80% 02 activities have been completed.
		Establishment of dense high yielding maize demonstration	7.21	7.21	80% 04 activities have been completed.
		Extension Program of Agricultural Crops in Fallow Paddy under Sojan Scheme (Phase - II)	5.00	5.00	It has been completed with 100%.

S/No.	Project's Name	Allocated Amount (Rs.M.)	Expenditure (Rs.M.)	Physical Progress
	Development of Small-Scale Agribusinesses by encouraging entrepreneurship to create young New entrepreneurs in agriculture - Phase - II	0.46	0.46	It has been completed with 100%.

Special projects implemented by the Agriculture Division

1. Supply of fuel to farmers

The fuel requirement for harvesting paddy and maize cultivations in the 2022 Yala season and preparing land in the 2022/23 Maha season has been obtained from district level and forwarded to the Ministry of Power and Energy in order to provide the necessary fuel for the farmers.

The People's Republic of China provided 9000 MT of diesel fuel under the emergency grants. Out of this amount, 6800 MT of diesel was allocated for the paddy harvesting in 2022 Yala season, and it is planned to distribute the grant of diesel to the farmers on the recommendations of the Department of Agrarian Development in free of charge.

Progress of the projects implemented under the foreign loan aid in the year 2022

1. Agricultural Sector Modernization Project (ASMP)

1.1. Introduction

The project was approved by the World Bank on 29th June 2016, and will be financed by the International Development Association (IDA).

1.2. Vision

Building up a vibrant, dynamic and productive agriculture sector for food security and national prosperity through modernization

1.3. Mission

Achieving globally competitive production, processing and marketing enterprises through socially acceptable, innovative, market-oriented and state-of-the-art agriculture through sustainable management of natural resources in the project areas.

1.4. Objectives

- Production of competitive and marketable goods using modern techniques (improving productivity).
- Improving their capabilities to better respond to market opportunities (product and market diversification).
- Moving towards commercialization of agriculture (agriculture as a business).

1.5. Project Details

Expenditure for Ministry of Agriculture	USD 64.23 million, 9374.37 million rupees (Currency Unit = Sri Lanka Rupee (LKR) 1 USD = 145.95 rupees)								
Practical Area (Basic)	Agriculture								
Responsible Body	Ministry of Agriculture								
Target Areas	Provincial Councils North - Jaffna, Mullaitive Eastern - Batticaloa North Central Province - Anuradhapura, Polonnaruwa Central Province - Matale Uva Province - Monaragala								
Beneficiaries	Farmer's Production Organizations, Small farm households and other farm households, Ministry of Agriculture (MOA), 05 relevant Provincial Ministries of Agriculture. Indirect: Commercial Banks								
Components	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Expenditure (USD Millions)</th> </tr> </thead> <tbody> <tr> <td>Component's name</td> <td></td> </tr> <tr> <td>2. Productivity improvement and diversity demonstration</td> <td style="text-align: right;">57.73</td> </tr> <tr> <td>3. Project management operation and evaluation</td> <td style="text-align: right;">6.50</td> </tr> </tbody> </table>		Expenditure (USD Millions)	Component's name		2. Productivity improvement and diversity demonstration	57.73	3. Project management operation and evaluation	6.50
	Expenditure (USD Millions)								
Component's name									
2. Productivity improvement and diversity demonstration	57.73								
3. Project management operation and evaluation	6.50								

Component 2 includes the following sub components

a). 2.1: Farmer training and capacity building - (USD Million 3.20)

b). 2.2: Innovative Agro-Tech Parks - (USD Million 38.39)

c).2.3: Production and marketing infrastructure - (USD Million 15.14)

d).2.4: Analytical and policy advisory support - (USD Million 1.00)

1.6 Activities

Component	Activity
2. Productivity improvement and diversity demonstration	2.1. Farmer training and capacity building
	2.2. Innovative Agri-Tech Parks
	2.3. Production and marketing infrastructure
	2.4. Analytical and policy advisory support
3. Project management operation and evaluation	

1.7 Financial Progress

Description	Allocation (Rs.M.)	Expenditure (Rs.M.)
Capital	4,190.00	3,746.20

The total allocation of the project is 4190.00 million rupees and the total expenditure as at 31.12.2022 is 3,696.2 million rupees.

	World Banka (Rs.M.)	European Union (Rs.M.)	Government of Sri Lanka (Rs.M.)
Provision	2,350.00	1,800.00	40.00
Expenditure	2,253.19	1,443.01	

With this financial progress, the project has established 16 crop clusters in Jaffna, Mullaitivu, Monaragala, Batticaloa, Anuradhapura, Polonnaruwa and Matale districts and any other 15 crop clusters will be established in Vavuniya, Kilinochchi, Ampara, Badulla and Kandy districts. Covering these clusters, 8 Farmers' Organizations are converting into Farmers' Companies and undergoing the necessary arrangements to register as a Public Unlisted Company (PUC) under the Company Registration Act. 27 infrastructural activities have been rehabilitated for farmers of the above cluster products to carry out their cultivation and marketing as irrigation structures, farm and market infrastructure and produce handling facilities are required to be constructed and renovated. 10 policy level research topics have been identified by classifying the problems and obstacles in the field level activities and the terms of reference for the award of the contract have been identified for their further study.

Sub-components 2.1 Farmer training and capacity building		
Activities included in the Action Plan	Target	Physical Achievements
Curriculum revision developed for pilot projects by International Service Provider (ISP).	Revising the pilot project curriculum developed by ISP	It has been completed.
Promotion of ICT Platform - Farm Business School (FBS) training	Recruiting a service provider to build an ICT platform in order to	It has been completed. Arrangements have been made to use separately for

Sub-components 2.1 Farmer training and capacity building		
Activities included in the Action Plan	Target	Physical Achievements
	provide training to individual farmers.	training and capacity building of farmers.
FBS training in new and scale-up projects	Completion of FBS training in new and scale-up projects	It has been completed.
Farmer exposure tour	Farmer exposure tour	Local tours have been completed.
Farmer Producer Organization (FPO) training in new and scaling up projects	FPO Training for Sustainable Farmer Organizations	The service provider has been hired on contract basis and initial work is in progress.
Formation and registration of FPOs for pilot projects	20 FPOs from pilot projects	Consultants have been recruited on contract basis and preliminary work is in progress.

Sub-component 2.2 Innovative Agricultural Tech Parks		
Activities included in the Action Plan	Target	Physical Achievements
Submission and acceptance of 09 Cluster Development Plans (CDP) by ISP	Cluster Development Plans (CDP) 09	16 Cluster Development Plans (CDP) have been approved.
Establishment of 16 crop clusters in 7 project districts by ISP	Crop establishment at 16 ISP clusters	Planting of crops in 16 clusters operated by International Service Provider (ISP) has started and procurement of inputs is almost completed.
Continuous implementation of 13 pilot projects	Trainings and farmer exposure tours	It has been completed as planned.
Continuation and completion of 12 new and expansion projects in 7 project districts	Training and farmer exposure tours. Distribution of inputs	It has been completed as planned.
Implementation of 12 pilot projects in 5 new districts	12 pilot projects	It has been almost completed.
Establishment of 20 crop clusters for new districts	12 pilot projects	(i) Feasibility study has been completed. 3 maize production clusters have been established in Badulla, Vavniya and Ampara districts. (ii) Establishment of chilli production cluster in each district (iii) Cluster development plans are being prepared for other crops.

Subcomponent 2.3 Production and Marketing Infrastructure		
Activities included in the Action Plan	Target	Physical Achievements
Small scale irrigation infrastructure and rehabilitation/up gradation of existing water tanks and irrigation systems, construction of production and market access roads and new field access roads, drying platforms and sheds, crop waste composting facilities, storage facilities and others at village level including storage and product handling facilities	-	Out of the 114 infrastructure activities awarded, 14 activities are ongoing, while the other 100 activities have been completed (2018 to 2021). Out of 27 infrastructure projects awarded, 01 project has been completed. There are delays in construction work due to rising cost.

Subcomponent 2.4 Analytical and Policy Advisory Support		
Activities included in the Action Plan	Target	Physical Achievements
Grants and facilitation of policy research in selected areas	Research 2	9 research grants have been finished. 4 online policy researches have been presented.

1.8. Product clusters and established by International Service Provider (ISP) and their progress

District	Name of cluster	Physical Achievements
Jaffna	Production of potato and red onion	The project was initially started with 100 beneficiaries and 50 acres of their land and expanded to 500 beneficiaries. Under that, 02 red onion cultivation seasons and 01 potato cultivation season were successfully completed and the second potato cultivation season has been handled.
	Cluster of small banana products	Pre-harvest technology package was introduced to 400 farmers. Out of 50 beneficiaries, 06 started a new plantation and 34 started sapling nurseries.
Mullaitive	Intercropping chilli for dried chilli along with cluster of production of pomegranate	50 farmers were selected. 50 irrigation systems were established for these beneficiaries and so far 24 beneficiaries have started their cultivation. The rest of the beneficiaries are preparing for their cultivation.
	Intercropping chilli for dried chilli along with cluster of production of Kolikuttu banana	100 farmers with 50 acres have been selected. Cultivation materials have been provided to 07 beneficiaries and one demonstration plantation has been completed.
	Cluster of papaya production	434 beneficiaries have been selected and seeds have been provided to them. They will start their cultivation in February 2023.

District	Name of cluster	Physical Achievements
Monaragala	Intercropping chilli for dried chilli along with cluster of production of Kevendis banana	Selection of 500 farmers is in progress. Cultivation materials were provided to 92 farmers. Water pumps have been provided for 23 beneficiaries and 38 micro sprinkler systems have been installed. 200 farmers have been given micro irrigation devices (Drip Tapes) for intercropping.
	Intercropping chilli for dried chilli along with cluster of production of mango	200 farmers have been selected. Planting materials have been provided for all of them and 126 water pumps, 40 small water sprinkler systems have been provided. One demonstration plantation has been established and procurement for other equipment is in progress.
	Cluster of production of MD2 pineapple	A pilot plantation of 01 hectare has been planned. For that, 500 pineapple plants have been received at the beginning of January 2022 and they are maintained by CIC. The proposed pineapple cluster will be started in 2023.
Batticaloa	Intercropping chilli for dried chilli along with cluster of production of pomegranate - Kalawanchikkudi	Cultivation has been established by 50 beneficiaries.
	Intercropping chilli for dried chilli along with cluster of production of pomegranate - Senkaladi	Cultivation has been established by 50 beneficiaries.
	Intercropping chilli for dried chilli along with cluster of production of Kevendis banana	Beneficiary selection is completed. Among them, 120 beneficiaries have completed their land preparation and 58 beneficiaries have planted seedlings. 40 irrigation systems have been established.
Anuradhapura	Cluster of small banana products	72,388 Kg of banana has been exported to Dubai and 128,600 of such banana has been sold to local supermarkets. 38.5 acres of new cultivation has been completed out of 50 acres selected.
	Cluster of Dry Chilly Products	In the year 2021, cultivation was started by 100 farmers and 5000 kg of dried chilly has been sold at Rs.850 per 1 kg. Another 200 farmers have started their cultivation and harvesting is in progress. 150 acres of new crops will be started by 300 farmers in January 2023 and land preparation is in progress.
	Cluster of production of guava	82500 fruit cover bags were distributed among 45 farmers. 1000 garbage bags were collected. A ½ acre of demonstration plot was started and will continue with 50 new farmers. Due to the problem of water drainage, the ISP is making arrangements to create an optimal water drainage system.
Polonnaruwa	Cluster of production of dried	The first planting was started in May 2021 with 87 farmers, and so far 300 farmers have started their

District	Name of cluster	Physical Achievements
	chilly	cultivation.
	Cluster of production of papaya	The development plan is to be provided by the ISP and the cultivation has been planned to start in the year 2023.
	Cluster of production of organic vegetables	The development plan is to be provided by the ISP and the cultivation has been planned to start in the year 2023.
Matale	Intercropping big onion along with cluster of production of mango	53020 mango plants have been given to 178 farmers.
	Cluster of production of guava	A ½ acre demonstration plot has been commissioned. 20600 guava plants have been received and crops have been established by 44 farmers.
	Cluster of production of MD2 pineapple	A pilot plantation of 01 hectare has been planned. For that, 500 pineapple plants have been received at the beginning of January 2022 and they are maintained by CIC. The proposed pineapple cluster will be started in 2023.

- **Small Banana Production Cluster Village (Small Scale Projects) - Anuradhapura**

Photo No. 08 - Page No. 76

- **Anuradhapura Chilly Production Cluster**

Photo No. 09 - Page No. 76

2. Climate Smart Irrigation Project (CSIAP)

2.1. Introduction

Climate Smart Irrigation Agriculture Project under World Bank aid and Technical Cooperation, with an investment of USD 125.00 million, with the main objective of improving climate change resilience and irrigation agricultural productivity of smallholder farming communities in selected climate-vulnerable zones of Sri Lanka is planned and implemented from April 2019 by the Ministry of Agriculture. This objective will be achieved by improving agricultural productivity and market access for the target smallholder farming community using climate-resilient agricultural methods and technology. Sri Lanka's Northern Province (Kilinochchi and Mullaitivu), Eastern Province (Batticaloa), Ampara and Trincomalee, North Central Province (Anuradhapura and Polonnaruwa), North Western Province (Kurunegala and Puttalam), Southern Province (Hambanthota) and Uva Province (Monaragala). The project will ensure the range of about 375,000 hectares of cultivated land, directly benefiting over 470,000 small farmers and 57,838 farming families in areas vulnerable to the effects of climate change in 11 administrative districts covering 6 provinces. Based on the most reliable data system-based approach from collaborative studies conducted by the World Food Program (WFP), the International Water Management Institute (IWMI) and the Department of Agrarian Development (DAD), these districts have been selected based on the areas subject to extreme variations in climate change.

- **Vision** Improving water productivity by adopting climate-smart irrigation agricultural practices and ensuring reliable irrigation water supply through efficient water productivity
- **Mission** Reducing the impact of high climate variability on agricultural production in the areas where adversely affected by climate change, ensuring irrigation water supply for agricultural production by rehabilitating the irrigation system and adopting climate-smart agricultural practices.
- **Objective** Improving agricultural productivity and climate resilience of smallholder farmers in selected climate change affected regions
- **Component** The project tasks are implemented under 04 main components.
Component - 1 : Agricultural production and marketing
Component - 2 : Water for agriculture
Component - 3 : Project management
Component - 4 : Reserves for emergency response

2.2. Financial Progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Progress (%)	Other
Capital expenditure	3,950 .00 (2500+1450)	3,852.00	97.46	The action plan for 2022 was 2500 million rupees. An additional provision of 1450 million rupees was received in late December 2022.
Re-current expenditure			-	

2.3. Physical progress (under key components as per action plan)

Component	Objectives	Activities	Progress in 2022
1. Agricultural production and marketing	Improving agricultural productivity and diversification through adopting climate-smart agricultural practices and improving farm water management	<p><u>Use of Climate Smart Irrigation Agriculture Technologies</u></p> <ul style="list-style-type: none"> - Conducting training on Climate Smart Irrigation Agriculture Methods and Agriculture Technology for Agriculture Instructors - Conducting training on Climate Smart Irrigation Agriculture Methods and Agriculture Technology for project beneficiaries - Experiential tours for beneficiaries - Establishing model villages and 	<ul style="list-style-type: none"> - During the year, 03 programs have been conducted and thereby instructors have been trained and so far 2614 instructors have been trained. - 17,451 beneficiary farmers have been given training through 492 programs on Smart Irrigation Agriculture and Technology. - 22 out of the 33 experience visits conducted so far have been conducted in the year 2022, through which 863 beneficiary farmers have been given experience in Smart Irrigation Agriculture and Technology. - As a remedy for future food crises and to ensure food security and nutritional needs, 58,378 households participated

Component	Objectives	Activities	Progress in 2022
		<p>demonstrations</p> <ul style="list-style-type: none"> - Implementation of cluster village development programme - Yala Season Program using climate smart irrigation agriculture methods - Mid-Season Program through climate smart irrigation agriculture practices - Implementation of Horticulture Development - Maha Season Program under climate smart irrigation agriculture - Establishment of Anuradhapura Tirappane Farm Training School - Compost production program 	<p>in the horticultural development rapid program targeting 66,015 households with agricultural inputs and cultivated 3,652 hectares of vegetables and fruits. 839 have been harvested.</p> <ul style="list-style-type: none"> - 166,569 kg of seeds were provided to 8084 farmers for the 2021/22 Maha Season and 5928 MT of harvests have been obtained from 3723 hectares additional crops. 721.79 MT of Paddy from 262.8 hectares, 173.68 MT of green gram from 381.54 and 4096 MT of maize from 2515 hectares have been received in the Maha Season. - Anuradhapura - Tirappane Farm Training School was opened on 04th December 2022 and arrangements have been made to start training relating to climate smart irrigation agriculture with effect from 13th January 2023. - 18,854 farmers/farming families produced 12184 metric tons of solid fertilizer and 7661 farmers produced 24,697 liters of liquid fertilizer and used the solid fertilizer and liquid fertilizer for 3698 hectares and 2114 hectares respectively. - Within the year, training has been provided by establishing 139 production societies and 7 production entities. 575 production societies and 25 production entities have already been established. - 30 production societies have been linked to 09 major trading entities such as Keel's, Cargills, Golden Food, Maliban, Prima etc. under the link with the market. - 5 training programs related to post-harvest management and marketing have been conducted.

Component	Objectives	Activities	Progress in 2022
		<p data-bbox="628 501 847 562"><u>1.2: Agricultural Marketing</u></p> <ul style="list-style-type: none"> <li data-bbox="628 573 916 770">- Establishment of production societies and production associations and development of their capacities <li data-bbox="628 815 884 904">- Coordinating production unions with the market <li data-bbox="628 949 908 1084">- Conducting training on post-harvest techniques and marketing <li data-bbox="628 1128 884 1263">- Modernization/ Renovation of Agrarian Services Centers <li data-bbox="628 1308 884 1442">- Technical improvement of Agrarian Services Centers <li data-bbox="628 1487 884 1644">- Providing agricultural equipment for Agrarian Services Centers <li data-bbox="628 1688 884 1778">- Providing soil test kits for Agrarian Services Centers <li data-bbox="628 1823 916 1912">- Training for Agriculture Services Center Officers <li data-bbox="628 1957 884 2024">- Reconstruction of agro roads 	<ul style="list-style-type: none"> <li data-bbox="948 266 1342 400">- 40 out of 47 Agrarian Service Centers have been renovated so far and work at 05 centers is in progress. <li data-bbox="948 434 1362 770">- The sub-project proposal for the technical improvement of Agrarian Service Centers was completed and approval received, and since the Department of Agriculture is developing a separate software, a request has been made to obtain the technical tools related to that improvement. <p data-bbox="948 804 1362 938">Agricultural equipment have been provided for 47 Agrarian Services Centers, and soil test kits for agriculture instructors .</p> <ul style="list-style-type: none"> <li data-bbox="948 972 1355 1218">- 09 agro roads (6.39 km) have been reconstructed. 300 roads have been identified, contracts have been awarded for 55 roads, 24 are ready to be awarded contracts and estimates have been prepared for 89. <li data-bbox="948 1240 1362 1442">- The renovation work of 377 agro-wells has been completed. Another 124 are in progress. The relevant farmer organizations have been mobilized for the construction of agro-wells. <li data-bbox="948 1476 1362 1644">- Construction of 11 small scale granary stores has been completed and contracts awarded for construction of medium scale granary stores in Mullaitivu. <li data-bbox="948 1677 1355 1879">- Construction of 275 security-fence units (1292 km) has been identified. It protects 4202 hectares of paddy fields, and the number of farmers is 16724. (8929 males and 7795 females).

Component	Objectives	Activities	Progress in 2022
		<ul style="list-style-type: none"> - Reconstruction of agro- wells - Construction of small scale granary stores and medium scale granary stores - Construction of fence to protect from wild animal 	
<p style="text-align: center;">2. Water for Agriculture</p>	<ul style="list-style-type: none"> - Assisting to plan water and other infrastructure for climate smart agricultural activities. - Assisting to build planned infrastructure. - Assisting the people of the province to jointly maintain and operate the built infrastructure with the central and provincial governments. 	<p>2.1 Irrigation System Reform:</p> <ul style="list-style-type: none"> - Water potential studies for 932 tanks - Hot zone agricultural development planning through participatory rural approaches - Engineering surveys for tanks - Irrigation System Renovation <p>2.2 Irrigation System Operation and Maintenance:</p> <ul style="list-style-type: none"> - Establishment of Social Audit Committees and development of their capacity - Ellanga management in all hot zones - Formation of committees and training - Capacity development of farmer organizations - Implementation of sub-projects through Ellanga Management Committees to protect vegetation in 	<ul style="list-style-type: none"> - 786 water related neutral studies of individual tank, 14 water potential studies and water studies of 154 catchments and 14 river basins have been carried out so far - Preparation and completion of hot zone agricultural development plans covering all 47 Agrarian Services Centers - Completion of engineering surveys for 803 tanks - Physical renovation of 42 irrigation systems has been completed and 38 out of 224 under renovation are in final stage. - In the year 2022, 132 social audit committees have been formed and training has been provided and the total number of committees is 268. - 04 Ellanga Management Committees have been formed. - Farmer organization capacity development programs was started with the tank renovation process. - A tree planting project is underway to secure vegetation in watershed areas and prevent soil erosion. So far, more than 800 trees have been planted in the project areas.

Component	Objectives	Activities	Progress in 2022
		catchment areas and prevent soil erosion and siltation in lakes - Preparation of screening assessment reports for project activities that also address environmental, social and gender issues	- The Technical Officers have carried out the screening assessment for the project activities which are based on lakes, agro- roads, agro- wells and cultivations and cover environmental, social and gender aspects, and so far 69 reports have been prepared and submitted.
3. project management	Ensuring quality of overall project management by efficiently coordinating project activities at national and provincial levels	<ul style="list-style-type: none"> - Conducting information, education, communication programs continuously - Conducting project induction programs, subject-specific training programs (climate-smart agriculture, regulation and evaluation, social and environmental, hydrological, procurement, geographic information systems) - Preparation of annual action plans (with estimates) and progress reporting at national, provincial and district levels - Conducting a baseline survey for the project - Preparation of beneficiary database - Development of a management data system - Studies to assess project outcome indicator values - Conducting the mid-term review 	<ul style="list-style-type: none"> - So far 735 programs have been completed and 26731 beneficiaries have participated. - National and provincial level project introduction programs, social security, environmental, etc. subject-related training programs, 99 gender-related training programs and 76 training programs for social audit committees have been conducted. - In the middle of 2022, a 02-day workshop was conducted to align the programs for the remaining project period, and at the end of the year, a workshop was also conducted to prepare the annual implementation plan for the year 2023 and the plan was submitted to the Ministry for approval. Monthly and quarterly progress reports have been submitted as scheduled. - Initial survey has and report submitted. - Data has been collected from 65,000 project beneficiaries. - The management data system has been prepared and the data system implementation training has been conducted for project officers in the southern province and arrangements have been made for the rest of the provinces to be conducted in the first week of 2023. Data entry is scheduled to commence upon

Component	Objectives	Activities	Progress in 2022
			completion of training. - A mid-term review has been conducted and reported by an advisory team for assessment. - The World Bank has conducted the mid-term review and submitted the report.

Photo No. 10,11,12 & 13 - Page No.77

3. Small Scale Agribusiness Partnership Programme (SAPP)

3.1. Introduction

The Small Scale Agribusiness Participation Program (SAPP) is jointly funded by the International Fund for Agricultural Development (IFAD) and the Government of Sri Lanka (GOSL). The program provides grants and loans at concessional interest rates to stakeholders (private companies, farmers' organizations and small-scale agricultural beneficiaries) to strengthen the value chain in selected agricultural sectors through the 4P approach (public, private, producer and partnership). This SAPP is assisting in enhancing their production capacity and establishing commercial partnerships and market linkages for guaranteed markets. SAPP further provides training and technical know-how to small scale farmers to strengthen their farmer organizations and to improve infrastructure structure such as agricultural roads, embankments etc. and to create a favorable policy environment.

3.2. Brief Progress

The main objective of the program is to reach 57,500 small scale agricultural beneficiaries through grants and loans covering the entire island. By 31st December, 2022; 32,774 beneficiaries have benefited under the SAPP program (Beneficiaries under 4P, Youth and Income Generation Loans). This is 57% of the total project target.

The program has implemented 36 sub-projects under the 4P model, and currently 27,207 beneficiaries have been benefited out of 37,445 targeted beneficiaries. Sub-projects include major agricultural sectors like milk, tea, spices, grains and pulses, floriculture and vegetables.

Including both loans and grants, the total investment so far made is 6,715 million rupees that is planned under 4P, of which 2,896 million rupees has been capitalized. In addition to this program, the youth entrepreneurship program is being implemented targeting 2500 youths, of which 1600 have been reached, for which 1,120 million rupees has been invested under loans and grants. Under the Income Generation Loans category, SAPP has provided loans worth of 467.1 million rupees to 3,967 beneficiaries. Further, off-farm development work (access roads, irrigation canal rehabilitation) has been started recently under this programme, and 105 million rupees is planned to be spent on 21 projects. 39 million rupees have been spent so far.

76% of the financial target for the year 2022 (2,000 million rupees) has been met by 31st December 2022. As per program plan budget (i.e. 12,056 million rupees), a cumulative financial progress of 45% has been achieved by 31st December 2022.

3.3. Vision

Contribution to poverty reduction and competitiveness of small scale farmers

3.4. Mission

Increasing the income of small scale farmers (57,000 farmers) having link with production and marketing systems commercially aimed and enhancing the food quality sustainably.

3.5. Objectives

- i.) Improving access to markets for small-scale farmers and their organizations in partnership with the private sector.
- ii.) Improving access to rural financial services for small scale farmers in a sustainable and affordable manner.
- iii.) Contribution to create a sustainable and fair policy environment to improve the agribusiness development of small scale farmers.

3.6. Project Description

Date of implementation of project	26 th June 2017	
Expected project duration	06 years	
Date of commencement of operation	26 th June 2017	
Extension of project period	2 years (IFAD approval pending / Cabinet approval has been granted)	
Source of Funding (Foreign Funds)	International Fund for Agricultural Development (IFAD) (54.4 million USD)	
Source of Funding (Republic of Sri Lanka Fund - Counter Part Fund)	Treasury GoSL (19.3 million USD)	Consolidated Fund (for taxes and employee's salaries)
		Revolving fund (for Credit)
Relevant field	Agricultural development	
Responsible body	Project Management Unit - SAPP under MOA	

3.7 Project components

Component	Cost Estimate (Rs.M.)
Component 1 Access to Commercial Partnerships	5,966.00
Component 2 Access to rural finance	5,086.00
Component 3 Approach to program management and policy making	1,004.00

3.8 Progress by component/2022

Component	Allocated Provision (Rs.M.)	Expenditure (Rs.M.)
Component-1	1,006.20	625.67
Component-2	750.40	737.42
Component-3	243.40	159.90
Total	2000.00	1,522.99

4. Small Scale Agribusiness Impact Mitigation Project (SARP)

4.1. Introduction

Climate change is currently a major challenge for Sri Lanka. High tendency is on heavy and short rains, intermittent period with high hotness and long-dry period.

Environmental and agricultural degradation caused by unsustainable land use practices is further aggravated by extreme rainfall, floods and droughts caused by the effects of climate change. The situation affects small-scale farmers who grow under rural micro-irrigation systems and rely heavily on rain-fed farming systems more severely than farmers who grow under major irrigation systems in the dry zone.

Furthermore, as productivity and crop harvests fall as a result of risky events, small-scale farmers face food shortages. It leads to indebtedness. It pushes them deeper into poverty and further reduces their ability to cope with climate risks.

Therefore, the project aims to address the challenges posed by climate change for 40,000 small-scale farming families or 180,000 individuals, while promoting farm commercialization in the six dry zone in districts of Puttalam, Kurunegala, Matale, Anuradhapura, Vavuniya and Mannar.

It has been planned to invest 30,000 million rupees under this project funded by the International Fund for Agricultural Development (IFAD), the Government of Sri Lanka as well as other development agencies. The project period is from 2021 to 2026.

4.2. Vision

Contribution to poverty alleviation and food security of dry land small-scale landowners in Sri Lanka

4.3. Mission

Capacity development of dry land small-scale agricultural landowners, value chain operators and institutions providing services to them, in dry-zone to reduce adverse impact created with climate changes and making facilitation for investment for value chains in order to enhance the capability of project beneficiaries to resilience to climate changes.

4.4. Objectives

Building market participation through value chain development and resilience to adverse impacts created by climate change for 40,000 dry land smallholder families (180,000 people) and raising the income of about 28,000 selected families by 30%.

4.5. Project Description

Item	Project Details
Date of commencement of project	10 th January 2021
Expected period	2021-2026
Date of Commencement of	The project was officially started on 30 th September 2022.

Item	Project Details	
Operations		
Project extension	Not applicable	
Sources of financial supply	Source	USD Million
	International Fund for Agricultural Development (IFAD)	42.7
	Government of Sri Lanka	12.7
	Beneficiaries	13.2
	Private sector	1.7
	UNDP, UNOPS, WFP	11.7
	Total	82.0
Relevant field	Agriculture sector	
Responsible body	Project Management Division, Ministry of Agriculture	

4.6. Project components

Component	Cost Estimate (Rs.M.)
The project will achieve its development objective through implementation of 02 technical components and a management component. The total project cost including contingent costs is Rs.29,923.07 million.	
Component 1 Building capacity for climate resilience and inclusive value chains and climate sensitive investments	3,846.74
Component 2 Investing in infrastructure development and value chain facilitation to increase climate resilience	21,274.39
Component 3 Project management and coordination	1,612.21

4.7. Progress by component/2021

Component	Allocated Provision (Rs.M.)	Expenditure (Rs.M.)
Component-1	Provisions are not reported.	Expenses are not reported *.
Component-2		
Component-3	34.45	8.11**
Total	34.45	8.11
Notes -		
* As the project officially commenced on 30 th September, 2022, expenditure under component-1 and 2 is not reported.		
** The expenditure of 8.11 million rupees is recorded for salaries, operations, purchase of office equipment and procurement.		

5. Modernization of Plant National Plant Quarantine Service (KOICA)

5.1. Introduction

6.00 million rupees USD has been received from Korean government as an aid to improve the status of certifying quality of plant production, import and export for National Plant Quarantine Service Headquarters at Bandaranayke International Airport and Plant Quarantine Center at Colombo Port (Seaport Quarantine Station) for their improvement. This project is

scheduled to be implemented within a project period of 13 years from 2009 to 2022. The main objective of this is to increase the plant quarantine capacity.

The main objectives of this project are to provide instructions and regulation to implement as per the standard operational procedure of plant quarantine, capacity development for experts and officers of National Plant Quarantine Service Center, construction of necessary buildings of Plant Quarantine Center at Colombo Port, provision of laboratory equipment, and support for GAP (Good Agricultural Practices).

5.2. Financial progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Enhancement of National Phytosanitary Service under KOICA support	The total amount of aid allocated by KOICA for the improvement of the National Plant Quarantine Service is 6.00 million USD, and KOICA's assistance (FF) for the year 2022 is 15.00 million rupees and local funds 15.00 (CF) million rupees for the year 2022. A total amount of 30 million rupees has been allocated from the budget estimate under the expenditure heads 118-2-3-046-2509-17 and 118-2-3-046-2509-13.	The amount spent by the end of December 2022 (CF) is 0.12 million rupees. The value of bills in hand is 3.76 million rupees. The construction of the building is being carried under the supervision of the Korean Government.

5.3. Physical progress

Activities included in the action plan	Target to be achieved	Achieved physical progress
i. VAT for construction	Arranging the necessary legal background for the construction of the building	Payment has been made.
ii. VAT for Procurement of Equipment		Payment has been made.
iii. Payment for UDA Approval		Approval has been obtained.
iv. Miscellaneous		Payments have been made for other work related to the implementation of the project.

6. Plan for repair and procurement of equipment for National Plant Quarantine Service (JICA)

6.1. Introduction

The National Phytosanitary Quarantine Service (NPQS) is the body responsible for ensuring the quality (Phytosanitary) of imported and exported plants and plant products. Accordingly, NPQS performs an essential task that significantly contributes to increase the country's export economy.

As Sri Lanka is a party to the International Plant Protection Convention (IPPC), it is the responsibility of the Government of Sri Lanka to comply with the standards set out by the IPPC. Thus, the Government of Sri Lanka should understand the certification requirements of other countries regarding the Phytosanitary Standards of imported plants and plant products and ensure that such standards are met before exporting goods from Sri Lanka. So, NPQS is a

body responsible for certifying the phytosanitary quality standards of products according to the importation requirements of other countries.

To fulfil these responsibilities, the NPQS was established in 1994 under the support of the Japanese government, and for the development of this service, the JICA again provided 259.60 million rupees which was offered as an assistance.

6.2. Financial progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Purchase of technical equipment for National Phytosanitary Quarantine Service (financial aid has been provided by JICA)	The total amount offered as an assistance for the purchase of technology equipment by JICA is 259.60 million rupees. No provision was allocated from budget estimate for the year 2022. Orders for the procurement of the equipment made in the year 2021. The amount 5.94 million rupees for such procurement was transferred to the relevant expenditure head.	By the end of December 2022, the cumulative amount spent is 225.40 million rupees. By the end of December 2022, the amount spent is 5.94 million rupees.

6.3. Physical Progress

Activities included in the action plan	Target to be achieved	Achieved physical progress
1. Obtain performance bonds and involving in tender agreement with suppliers under national competitive bidding procedure	Purchase of 17 laboratory equipment	Purchasing laboratory equipment ordered for and installation such equipment (equipment - 17)
2. Supply, installation and commissioning of laboratory equipment		

7. Establishment of a Dairy Processing Centre at Badalgama

7.1. Introduction

It has been decided to relocate the Dairy Processing Factory at Narahenpita, Colombo which belongs to the Milco (Private) Limited in the Siringapatha Farm at Badalgama belonging to the National Livestock Development Board. This project is implemented with the assistance of the Government of Denmark and the foundation stone was laid on 18.05.2016 for the construction of the factory under its first phase. Overall physical progress achieved by the end of the period under review is 97% and progress of the activities is as follows.

Activity	Physical Progress (%)	Investment
Construction work of the Dairy Factory building	99	
Administrative and Office Building	99	
Canteen building and establishment of facilities for employees	99	
Construction of Official Quarters for Staff and the Security posts	99	
Installation of Electricity Generating Unit	100	

Activity	Physical Progress (%)	Investment
Mechanical and Electricity related installation activities	96	
Importation of 55 containers of construction material and parts of machinery		Euro 69.41mn
Payment of taxes from Local Fund for imported machinery		Rs. 3.41 mn

Photo No. 14, 15 & 16 - Page No. 77

8. Establishment of small scale milk processing centres

8.1. Introduction

The preliminary objective of this project, which is implemented with the intention of uplifting dairy production in Sri Lanka, is to enhance the nutritional level of the community and to popularize dairy consumption by producing value added dairy products within the production areas. Under this, it is expected to develop 06 selected small scale milk processing centres in selected areas and the expected investment was Euro 13.9 million.

The supply contract agreement of the project was signed on 27.02.2019. Accordingly, 06 small scale milk processing centers with a daily production capacity of 5,000 liters each will be set up for the 06 selected beneficiary milk societies. At present, commissioning of the factories belonging to Wariyapola Small Scale Dairy Development Foundation and Attanagalle Dairy Co-operative Society has been initiated and it has been scheduled to commence the production in these factories in the first quarter of 2023. Activities of this project are to be completed during the year 2023 and the physical progress so far achieved is as follows.

#	Milk processing center	Physical Progress %	Remarks
01	Small Scale Dairy Development Foundation, Wariyapola	98	Commissioning has been commenced.
02	Attanagalla Dairy Cooperative Society	98	
03	District Milk Suppliers' Co-operative Society Limited, Polonnaruwa	97	Machine installation has been completed.
04	Succeed International (Private) Limited, Wennappuwa	95	
05	Nawalapitiya Multi-Purpose Co-operative Society Ltd.	95	
06	Bandaragama Heritage Helagovi Dairy Co-operative Society	50	Machine installation has been commenced.
Total expenditure for importation of machineries for the project			Rs.2,627.85million

Photo No. 17,18, 19, 20, 21 & 22 - Page No. 78

Institutions coming under Agriculture Sector and their progress

1. Department of Agriculture (DOA)

1.1. Vision

Achieving agricultural excellence for national prosperity.

1.2. Mission and Objectives

Achieving the target of appropriate and sustainable agricultural development to ensure food and nutrition security of the nation by generating and disseminating new advanced agricultural technology and providing related services to all stakeholders with greater emphasis on farmers.

The main objectives of this department are improving the production potential of food crops, securing sustainable farming, enhancing labor and land efficiency, empowering all stakeholders in agriculture, developing the potential of human resources in agriculture, ensuring the availability of quality seeds and planting materials for stakeholders, optimal utilization of land and water resources, providing planning, policy decisions and policy guidelines, securing quality standards of seeds and planting materials as well as agricultural products, making arrangement to protect local plant species from harmful foreign species, healthy for increasing foreign exchange through agricultural products. Facilitating the export of plants and plant products, making arrangements to protect the public and the environment from the negative effects of pesticides and ensuring the sustainable use of plant genetic resources.

Further, the main functions of the department are generation of appropriate new varieties and agricultural technologies through research, dissemination of new advanced agricultural technologies among the farming community, production and distribution of high quality seeds and planting material, conservation of plant genetic resources according to Seed Act, Plant Conservation Act, implementing the Pest Control Act and the Soil Conservation Act, conducting National Vocational Training (NVQ) level 5 and 6 diploma courses in agriculture through agricultural education, and conducting training programs necessary for capacity building of farmers and officials, etc.

1.3. Financial Progress

- Funds received by the Department of Agriculture for the year 2022 and expenditure up to 31st December 2022

Project	Re-current		Capital	
	Provision (Rs.M.)	Expenditure (Rs.M.)	Provision (Rs.M.)	Expenditure (Rs.M.)
1. Administration and establishment services	563.30	530.52	61.50	28.68
2. Agricultural Research and Development	1,850.00	1,757.59	300.00	238.02

Project	Re-current		Capital	
	Provision (Rs.M.)	Expenditure (Rs.M.)	Provision (Rs.M.)	Expenditure (Rs.M.)
3. Extension and Training	1,539.50	1,475.33	358.50	197.38
4. Seed Certification and Plant Conservation	1,415.00	1,373.30	900.00	801.11
Total	<u>5,367.80</u>	<u>5,136.75</u>	<u>1,620.00</u>	<u>1,265.18</u>

1.4. Summary of the progress of the Department of Agriculture

i.) Agricultural Research and Development

- In the year 2022, 4 new rice varieties, 9 vegetable varieties, one mushroom variety and one cassava variety have been introduced. of these, 6 vegetable varieties are hybrid varieties.
- A bio control agent was identified to control the damage brown worm plant hopper in paddy.
- A method for immediate testing of genetic purity of maize (Developing SSR Markers) was introduced.
- New methods of mulching were introduced to increase the growth and yield of green gram and cowpea crops.
- A new seed coating system was introduced for small seeds.
- A method was introduced to quickly remove the sappiness of groundnut seeds.
- To control aphids in vegetable cultivation, it has been possible to avoid the use of excessive insecticides by providing a parasite of the aphid as 'aphid killer' to the farmer's fields in the form of cards.
- For the biological control of the Sena-Worm in maize, the parasites have been multiplied and released into the agricultural fields in the districts of Kandy, Hambantota, Badulla, Kurunegala and Anuradhapura for the biological control of caterpillar damage in vegetables and other crops.
- A rapid bioassay technology was introduced to test pesticide residues in vegetable crops using enzymes.
- A technique of using natural by-products produced by lactic acid fermentation was introduced to control post-harvest diseases (fungal diseases) of mango.
- A more successful method of transplanting jackfruit and a method of producing mangoes through tissue culture were identified.
- A method of successfully transplanting thorn anoda was introduced by using wine anoda plant roots available in the fields as receivers.
- A soil nutrient management system was introduced for organic pineapple production.
- It was found that the application of 5% CaCl₂ under laboratory conditions can successfully control anthracnose disease in anoda and under laboratory conditions the application of cinnamon leaf and clove extract suppresses *fusarium oxysporum*, the causative agent of Panama disease.

- A method of propagation of Trichodoma fungus and fungal pathogens causing fruit rot in pomegranate cultivation was identified.
- Round-worm damage in guava nursery pots was found to be successfully controlled by application of 1 ml Pluvophyram nematode.
- A method of high density pineapple planting method (60x20cm) has been identified.
- It was identified that there is a possibility to produce noodles using 30% jackfruit pulp flour and 70% wheat flour.
- It was found that salicylic acid (400 ppm) can be successfully stimulated to flower in anoda by spraying over the leaves of the plant.
- It was found that naphthalene acetic acid (5000ppm) spray can be used to shorten the very long ripening period of Anoda fruit.
- It was identified that the pulp of Coriander jackfruit type and black gram flour type of palm flour can be successfully used for value addition products.
- Technology to export Cavendish bananas was provided.
- “Soil and Water Conservation Technical Code” was published in 2022.
- The National Agro Meteorological Data Monitoring Network was successfully maintained and a new Agro Meteorological Unit was installed at Trincomalee District Agriculture Training Centre.
- Soil analysis based on land suitability evaluation was conducted for Moragahakanda New Special Organic Zone (3410 ha) and prepared mapping and region wise crop recommendation reports.
- Sri Lanka's potential for mango, pomegranate, rambutan, mangosteen, durian and banana was mapped out.
- Preparation of soil conservation plans, rainwater drainage plans, preparation of land development maps, preparation of engineering maps and preparation of maps for allocating agricultural advisory zones for the development tasks were carried out in the sensitive zones covered by the Soil Conservation Act.
- By introducing the Vegetable Early Warning System, it was possible to provide services to the farmers to select vegetables for their cultivation.
- It was able to forecast crop production by estimating food crop production before harvest.
 - 10 crop forecasts were released.
- Cost of cultivation of food crops was published and cost of production and income of food crop was calculated based on cultivation seasons.

ii.) **Improving seed production and quality**

- The national certified paddy seed demand in 2022 is 6.5 million bushels. 162,500 bushels of registered paddy seeds are required to produce that amount of seeds. In spite of the various obstacles faced in the year 2022, 142,500 bushels of registered paddy seed was produced in the government seed production farms and which was released in that year and the same amount is guaranteed to produce 5.7 million bushels. It is 88% of the national seed demand. However, 1.25 million bushels of paddy were included in the seed certification program of the Department of Agriculture. As the remaining amount of seeds could be used to produce seeds under quality self-certification and self-seed production

programs, the farmers' seed requirement could be met without any shortage of seeds during that year.

- It was able to successfully completed contract seed programs with worth 650 million rupees with the aim of spreading certified seeds among the farmers. In particular, under this program, seeds of additional food crops such as green bean, groundnut, soya, chilly, cowpea, black-gram, sesame and kurakkana are approximately about 650 MT. It was able to produce and in many crops it exceeded 25% of the country's demand.
- Hybrid 20 MT of hybrid maize was produced and about 12 MT was popularized among the farmers.
- In the year 2022, through the sale of seeds and planting material (paddy seeds, vegetable seeds, supplementary food crop seeds, potato seeds and fruit seedlings), 1.65 billion rupees in revenue was generated.
- 10 lakh of garden packs were given to Saubhagya Harita Dayak Gardening Program and 5 lakh of garden packs to government and non-government institutions, local governments and private institutions.
- The construction of new safe houses increased the production of local hybrid vegetable seeds to reduce the amount of vegetable seeds imported into the country.
- It was possible to make seed processing and drying more efficient in selected seed farms (Aluttharama, Polonnaruwa, Karadianaru and Batatta).
- The foundation stone was laid on 19.07.2022 to build a new three-storey building under Korean Aid to carry out quarantine activities at the Colombo Port entrance in a more comprehensive manner.
- A plant quarantine unit was established at the Colombo International Airport (Rathmalana).
- In addition to facilitating the establishment of a plant quarantine unit at the Colombo Central Post Exchange in order to reduce the risk of pests during the exchange of plants and plant materials by post, preliminary task has been started to establish a plant quarantine unit at Jaffna, Galle, Trincomalee and Kandy Post Offices.
- Efforts were made to obtain the lifting of restrictions on the export of host plants of the quarantine pathogen *Xylella fastidiosa* to the 27 countries of the European Union.
- It has been successfully carried out by Electronic Plant Health Certificate Process with import and export 12 countries and the trial with 27 countries of the European Union as well and all activities are made ready and referred for approved for implementation.
- 10.17 metric tons of breeding seeds of 101 varieties of paddy, additional food crops, vegetables and fruits were certified. 6500 metric tons of certified paddy seeds of other generations, 666 metric tons of additional food crops and 32 metric tons of vegetable seeds and 589 metric tons of potatoes, and 20 metric tons of micro seed potatoes (minitubers) were certified.
- 684,185 plants were certified under Perennial Fruit Plant Certification.
- 11,325 seed test samples and 886 seed health tests, 1229 post control test samples were tested under seed certification.
- 1,266 seed handlers were registered under the Seed Act and 1,227 renewals of registration were done and 1,469 premises seeds were inspected under the same Act. .

- 710 new farms were certified under Good Agricultural Practices (GAP) and 808 farm audits were conducted.
- Research was completed on the classification of the Hodarawalu traditional paddy variety conserved at the Plant Genetic Resource Center by characterizing it according to sequence morphological characteristics and using secondary characteristics and grouping it according to the most similar characteristics.
- Pest Monitoring Programs were implemented and relevant data collected.

iii.) Agricultural Extension and Communication

- Even in the face of the Covid epidemic situation in 2022 and the policy decisions about fertilizers, by providing guidance and technical knowledge at the field level, 3,564,000 MT of paddy has been yielded by cultivating in a hectares of 1,300,798. This is about 83.3% of the national demand.
- It was able to cultivate maize in 67,000 hectares with direct involvement of Expansion and Training Center under JICA and Office of Thailand Embassy to increase economic condition of the farmers where they could come out from the economic crisis prevailed in the year 2022 and to decrease the cost of production of eggs by enhancing maize production. With this effort, it was able to yield 220,000 MT. 34,000 farmers were given free seeds to grow 34,000 acres of maize.
- As a solution to seed import, which was a challenge under the existing foreign exchange shortage, a seed production program for the 2022 Yala Season was implemented by the Extension and Training Center, in that season, it was able to produce 35 MT of local MI Maize HY 05 hybrid maize seeds and thereby farmers were enabled to establish 1 acre of 1,700 demonstration plots for tryout. Further, 1 acre of 1,300 demonstration plots were established to popularize indigenous open pollinated maize varieties for milk pods among farmers.
- In order to mechanize maize cultivation and increase productivity, the Extension and Training Center purchased 04 laser leveling machines and set up 40 demonstrations in the areas of Anuradhapura, Ampara, Hasalaka and Monaragala and provided the relevant technology to the farmers.
- In maize production, Sena-Worm having capability to cause damage which came as an epidemic in the 2022/23 season was reduced to less than 3% by popularizing integrated pest management methods among farmers with the intervention of the Extension and Training Centre.
- It was able to cultivate in 4,958 hectares of chilly in 2022 Yala Season and which resulted in production of 49,578 tons of green chilies. Here, since it was able to bring other technological kits including cultivation of MI CH 01 local hybrid variety among farmers, unit yield per hectare increase up to 10 MT.
- Due to the prevailing Covid-19 epidemic situation, economic recession and shortage of fertilizers, the planting area of other additional food crops in the Yala and Maha Seasons required to meet the national demand in the year 2022 and therefore necessary technology was provided to keep and maintain 8,824 hectares of chilly, 2,365 hectares of onion, 2,995 hectares of red onion, 6,046 hectares of soybean, 10,577 hectares of green gram,

9,206 hectares of Kawpee, 10,547 hectares of sesam, 15,906 hectares of groundnut and 2,388 hectares of potatoes.

- It was possible to register 710 farmers who obtained GAP Certification to promote good agricultural practices among farmers and to release agricultural products including high quality healthy vegetables and fruits to the market. Further, 400 acres of GAP certified paddy farms were registered for safe rice production.
- 203 NVQ 05 National Diploma Holders and 351 NVQ 06 Advanced National Diploma Holders were produced in the year 2022 by Agriculture Colleges in order to bring agricultural technology to the youth and thereby create new agricultural entrepreneurs.
- 400 Entrepreneurship School Garden Programs were conducted in 400 government schools covering Central and Uva Provinces.
- In the province of Sabaragamuwa, farmers' quiz competitions were held with the participation of 50 groups of young farmers.
- Hela Bojuns have been set up covering Aluvihara and Thellulla areas to provide agro technology and nutritious food to the consumers.
- At the National Productivity Awards Ceremony held on 26th April 2022, Batata Agro-Tech Park received a Certificate of Commendation.
- It was able to receive a Championship Certificate in the of Competition of Selection the Best web held in 2022 by Best web. lk domain for the official website of the Department of Agriculture.
- The Radio Farmer Service Colombo Unit was able to receive a commendation certificate at the National Productivity Awards held on 26th April 2022.
- 225 TV programs were telecast and 13 short video messages were popped up during the year to disseminate new agricultural technology among the farmer community and other relevant stakeholders and 281 YouTube short videos were uploaded to the internet. 2,509 radio programs and 756 short messages were broadcast during the year.
- 259,394 copies of new books, 78,000 copies of pamphlets and 1,280 copies of posters on agriculture were completed and distributed.
- The income generated from visitors visit Gannoruwa and Batataa Agricultural Parks was 7.24 million rupees and the income earned from the sale of agricultural publications was 389,989 rupees.

Note - This institution submits annual audited reports to Parliament.

2. Agricultural and Agrarian Insurance Board (AAIB)

2.1. Vision

To be a South Asia's ideal agricultural insurance company by safeguarding the excellence of local agriculture.

2.2. Mission

Providing excellent agricultural insurance and social security services that are acceptable locally and internationally to manage agricultural risks and build an economically and socially satisfied farming and farming community.

2.3. Objectives

Information technology methods and GIS systems are used for risk management related to agricultural crops, risk management for other immovable and movable properties owned by farmers, risk management related to livestock owned by farmers, securing the farming and fishing community through social security and life insurance systems, local and international quality certificates applicable to the institution, procurement, development, operations and sales promotion, district administration, management and coordination of external agencies, corporate human and physical resource planning and development, procurement and supply management, providing legal support related to the implementation of laws, planning, monitoring and evaluation to achieve corporate objectives, formal internal The use of information technology methods and GIS methods to build a control system and reduce weaknesses in the administrative process, to ensure sustainable financial strength through profitable growth and to streamline organizational actions.

2.4. Institution under the Act

The Agriculture Insurance Act No. 27 of 1973 established the Agrarian Insurance Board as the only government insurance body for agricultural insurance to fulfill the responsibility assigned to the government in protecting the local agriculture and the farmer in the face of emergency situations. The Agricultural and Agrarian Insurance Act No. 20 of 1999 re-established the Agrarian Insurance Board as the Agricultural and Agrarian Insurance Board.

2.5. Tasks

i.) Agricultural Risk Management

As a risk management method, by introducing agricultural insurance systems under the sectors of crop, livestock, and general insurance to the agricultural sector in Sri Lanka, contributing to agricultural risk management, assisting in reducing the economic downfall of the farmers in the event of a sudden disaster, and helping financial institutions that provide agricultural loans. It helps in developing financial stability and provides crop insurance schemes (paddy and other crops), livestock insurance schemes, life insurance schemes, agricultural equipment insurance scheme, warehouse insurance scheme and 2 wheeler, 4 wheeler tractors and other third party insurance schemes have aslos been introduced.

ii.) Social Welfare

By introducing social security schemes, it aims to contribute to securing the retirement life of farmers involved in the agricultural sector in Sri Lanka and provide financial relief to farmers in case of hospitalization through medical aid schemes and Farmers' Pension and Social Security Benefit Scheme, Fishermen's Pension Wage and Social Security Benefit Scheme, Suvasetha Health Insurance Scheme and Accident Insurance Scheme etc. have been introduced under this.

2.6. Financial and Physical Progress

- Financial Progress - Expenditure Heading 118 - Summary (Budget Provisions up to 31st December 2022)

Financial target and progress including development programs on vote on accounts up to 31.12.2022 - summary of expenditure report including re-current and capital expenditure

S/No.	Project / Program	Allocated Amount for 2022 (Rs.M.)	Disbursed Amount in 2022 (Rs.M.)
Re-current			
01.	For payment of Farmer and Fishermen Pension (118-02-03-049-1509)	4220.00	4220.00
Capital			
02.	Capital expenditure (2201-049-03-02-118)	10.00	10.00
03.	Compulsory insurance * (118-02-03-43-2202)	600.00	600.00

*Note - *Under Compulsory Crop Insurance Scheme for the year 2020, 1,950 million rupees has been requested. For this, in the year 2021, 1000 million rupees only has been included in the annual budget allocation. But to pay compensation for the year 2021, 1950 million rupee is required. Accordingly, an additional provision of 2900 million rupees is required for the year 2022.*

- Physical Progress

a.) Implementation of Farmers/Fishermen Pension and Social Security Scheme.

Farmer/Fishermen Pension and Social Security Scheme is implemented with the aim of building an economically and socially satisfied farming and fishing community. Accordingly, by the end of the year 2022, 4,299 million rupees has been paid for 174,982 beneficiaries of Farmer and Fishermen Pension Scheme.

Photo No. 23 - Page No. 79

b.) Implementation of a Free Compulsory Crop Insurance System for farmers for 6 crops

The primary objective of the program is to implement a free compulsory crop insurance system for farmers for 6 crops under government contribution, and to implement an optimal agricultural risk management system in Sri Lanka. Accordingly, in the year 2022, 1,578 million rupees was paid as compensation for 67,555 farmers for crop damages in 2020/21 Maha and 2022 Yala seasons and 2018 Yala, 2018/19 Maha, 2019 Yala, 2019/20 Maha and 2020 Yala seasons as they applied for crop damages of 98,952 acres.

3. Paddy Marketing Board

3.1. Vision and Mission

The vision of the Paddy Marketing Board is "to act as the leading government intervener in the procurement, storage, processing and marketing of paddy and rice" and to "make the process of procurement, storage, processing and marketing of paddy and rice to the satisfaction of both the producer and the consumer" and successfully accomplishing the task through a team with perfect skill" is the mission.

Moreover, among the objectives of the Paddy Marketing Board is to provide a stable high price for paddy in the market, streamline paddy harvesting and storage, and provide rice at a fair price, and increase the storage capacity and make warehouses suitable for safe storage of the safe stock, with modern technology that can store paddy scientifically. Construction of warehouses is a priority. Apart from this, among others, making arrangements for guaranteed prices to ensure the selling price of farmers' paddy, maintaining stable market prices of paddy and rice, keeping paddy stocks and rice stocks as well as creating food security for Sri Lankans are some other tasks.

3.2. Financial Progress

Description	Allocated Amount (Rs.M.) (Approved)	Disbursed Amount (Rs.M.) (Actual)
Capital	250.00	0.00*
Recurrent	140.00	144.90
Entitlement contribution	2,900.00	2,929.00**

** Due to the crisis in the country, the Paddy Marketing Board did not receive 250.00 million rupees which was approved under the capital expenditure head.*

*** Although an amount of 2,900.0 million rupees has been allocated for the entitlement contribution, the provision required to be paid is 2,929.0 million rupees. This outstanding amount 29.0 million rupees has been provided from the approved amount under the capital expenditure head of the year 2022.*

3.3. Specialized field

Development Program 1	Purchase	
<p>Allocated amount :- Purchase of paddy in 2021/22 Maha Season - Rs.M. 21,950.00 Operational cost (2021/22 Maha Season) - Rs.M. 705.00 Purchase of paddy in 2022 - Rs.M. 7,350.00 Operational cost (2022 Yala Season) - Rs.M. 235.00</p> <p>Amount generated Rs.M. 6500.00*</p> <p>(*loan obtained from Bank of Ceylon as per Cabinet decision)</p>	<p>Disbursed amount Rs.M. 6,443.10</p>	
<p>Objectives</p>	<p>Purchase, storage, processing and marketing of paddy and rice to the satisfaction of both producer and consumer.</p>	
<p>Activities included in the action plan</p> <ol style="list-style-type: none"> 1. Procurement in 2021/22 Maha Season 2. Operational expenditure 3. Purchase in year 2022 4. Operational expenditure 	<p>Target to be achieved</p> <p>Purchasing 300,000 MT of total paddy yield in 2021/22 Maha Season</p> <p>Purchasing 100,000 MT of total paddy yield in 2021/22 Yala Season</p>	<p>Achieved physical progress</p> <p>In the Maha Season of 2021/22, 63,375.91 MT of Nadu and 7,598.57 MT of Samba and 303.60 MT of Keeri Samba were purchased and total amount of paddy purchased is 71,278.08 MT.</p> <p>Physical progress 23.75%</p> <p>*With the initiation of paddy purchase by the Paddy Marketing Board, it has not been possible to purchase the target quantity of paddy due to the increase in price beyond the control price of paddy in many production areas. Accordingly, the objective of providing a fair price for the paddy farmer has been achieved.</p> <p>In the 2022 Yala Season, 4,632.09 MT of Nadu, 406.18 MT of Samba and 2044.34 MT of Keeri Samba were purchased and total amount of paddy purchased is 7,082.61</p>

Development Program 1	Purchase	
		MT. Physical progress 7% *The purchase of paddy had to be stopped midway due to the inability to obtain the loan amount which is expected to be obtained through the Commercial Banks of the government.
Area where the development program was implemented (District / Grama Niladhari Division)	In Ampara, Anuradhapura, Polonnaruwa, Kurunegala, Batticaloa, Puttalam, Trincomalee, Mullaitivu, Vavuniya, Kilinochchi, Mannar, Jaffna, Badulla, Gampaha, Matale, Hambantota, Monaragala, Ratnapura and Matara districts.	
Number of beneficiaries	Farmers throughout the island	
Number of field observations	07	

Development Program 2	Entitlement Contribution	
Allocated amount Rs.M. 2,900.00 Additional amount Rs.M. 29.00* (*29.0 million rupees has been provided out of the approved amount under the capital expenditure head of the year 2022.)	Disbursed amount Rs.M. 2,929.00	
Objectives	Payment in installments of the old Odapan loan obtained by the Bank of Ceylon and the People's Bank for repayment from 2012 to 2019 as a term loan.	
Activities included in the action plan 1. Settlement of installment to Bank of Ceylon 2. Settlement of installment to People's Bank	Target to be achieved Settlement of madapana loan taken for purchase of Paddy	Achieved physical progress 100%
Number of beneficiaries	Farmers throughout the island	

4. Hector Kobbekaduwa Agricultural Research and Training Institute (HARTI)

4.1. Vision and Mission

The vision of the institute is to be the leader in generating and distributing knowledge for sustainable agricultural and rural development and the mission is to strengthen the agricultural and rural sector through research and training activities.

4.2. Financial and Physical Progress

The institute has achieved 95% physical progress and 92% financial progress.

Major Activities	Expected Target	Achieved Target	Financial Progress (Rs.M.)		
			Allocated Amount	Progress	%
Researches					
01. How recent policy changes related to fertilizers and other agrochemicals have affected the agricultural sector	Policy Paper and final draft report	Draft report Policy Paper	3.59	2.86	80
02. Impact of rising food prices on household food security	Final draft report	Draft report Policy Paper	2.77	2.88	103
03. Income Diversification as a Sustainable Livelihood Pathway for Rural Development: Identifying Optimal Conditions	Final draft report	Final draft report	0.76	1.60	210
04. Identifying the Nature of Human-Wildlife-Conflict and its Impact on Farming Communities: Baseline Data Collection and Information Dissemination	Final report	Final report	0.42	0.49	115
05. Study on Climate Adaptation and Climate Adaptable Farming Practices of Climate Vulnerable Groups in the Dry Zone of Sri Lanka	The first phase of data collection (for the Yala Season) will continue in 2023		5.00	4.98	99
06. Study on the Use of Integrated e-Extension Services to Reduce the Vulnerability of the Sri Lankan Agricultural Sector to Climate Blows	Baseline survey has completed		24.00	23.78	99
07. Preparation of Market Performance Index	A WFP Aid Program. Monthly data collection (Continuing even in 2023)		7.55	3.11	41

08. Increasing the efficiency and effectiveness of the agricultural extension system and Developing the staff capacity of the National Agricultural Extension Service	An FAO Assistance Program. Belongs to the Ministry of Agriculture Implementation of TOT Programs for Officers		5.50	2.59	47
Training 01. A program to make aware of the community living in semi-urban areas regarding measures that can be adopted to maintain food security in household units	30 programs	30 programs 03 Districts	1.48	1.87	126
02. A program to make aware the rural farming women and youth community on the opportunities available to build them as agro-entrepreneurs	30 programs	30 programs have been conducted. For 3 districts	1.52	1.57	100
Other 01. Seminars, lectures, public lectures	-	7 public lectures were conducted through Zoom technology	0.34	0.26	76
02. Institutional Publications	-	Academic publications	2.00	0.47	23
03. Media Programs	-	Video programs and photo library	1.35	1.48	109

4.3. Key Performance Indicators achieved and Quantity achieved

Under the market information collection and distribution project, daily, weekly and monthly information distributions continued and 100% physical progress was reported during the relevant period. 52 weekly food brochures (Sinhala and English) and ten monthly information brochures (English) were published. During this year, the Education and Training Division conducted and completed 30 training programs for rural and semi-urban communities in which 770 people participated. 30 rural farming women and youth community awareness programs were completed.

18 research reports (16 English and 2 Sinhala) have been published in the year 2022. Further, the institute managed to publish 10 concept papers (9 English, 1 Sinhala) and 06 periodicals (English). In the year 2022, Institute's Educational Publications and Agriculture Affairs Study Zone Unit were published per each. Focussing at the farmers, urban and rural communities, 2 volumes of the Farmers Jantha Magazine, 6 volumes of the Agricultural National Newspaper and 01 volume of the Hadabima Newspaper were published in collaboration with the Hadabima Authority.

Preparation of a photo library including old photos owned by the institute as well as photos and videos taken from the field, releasing 15 short-term videos to social media and giving wide publicity are among the tasks accomplished by the institute in the year 2022. One of the achievements of the institute in 2022 is the signing of MoUs for joint programs with the faculties of agriculture and social sciences belonging to the Sri Lankan university system.

4.4. Observations on Overall Program Performance

It can be stated that research report training activities, workshops and public lectures, publication of magazines and newsletters in the year 2022 have been maintained at a satisfactory level. All this gives an opportunity to use the new knowledge in the field of agriculture and farming to improve the living conditions of the people in this field.

5. Sri Lanka Council for Agricultural Research Policy (SLCARP)

5.1. Vision and Mission

The vision of the Council is to create a sensitive and sustainable agricultural research development and innovation system that will ensure the socio-economic development of Sri Lanka. The mission of the Council is to ensure whether the agricultural research development and innovation moving towards national development objectives through policy formulation, facilitation, coordination, monitoring and evaluation.

Among the main objectives of the Council are achieving excellence in agricultural research, development and innovation, directing agricultural research and innovation to achieve the national development programme, developing the capacity (scientific and technical) of the national agricultural research and innovation system and supporting advanced agricultural developments, promoting quality demand-driven research, promoting international, regional and national level collaboration to achieve world-class research, development and innovation, monitor and evaluation of the progress of national research, development and innovation programs and institutions, national research, development and innovation, promoting the dissemination of programs and creating awareness, and strengthening the institutional capacity of the Sri Lanka Agricultural Research Policy Council to achieve the National Development Programme.

The main functions are agricultural research management, research follow-up and evaluation of research progress, formulation of agricultural research policy and priorities, motivation of

agricultural researchers, provision of financial allocation for agricultural research and development of agricultural human resources.

5.2. Financial Progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Capital*	20.00	8.10
For research	12.00	5.60
Re-current	200.00	126.16

* The total capital amount received by the Council is 8.1 million rupees. The entire amount has been spent.

5.3. Specialized Field

Allocated Amount (Rs.M.)	8.1	Disbursed Amount (Rs.M.)	7.2
Objectives			
Activities included in the Action Plan		Achieved Target	Achieved Physical Progress
1.	Collection of research action plans from NARS institutes for 2022 and analysis of action plans based on agricultural research priorities	Collection of research action plans from 25 institutions	Research action plans were collected from 24 institutions. A research plan was not provided as the plant protection service carried out at the institution.
2.	Reviewing the progress of the research projects being implemented under the National Agricultural Research Plan (NARP)	Number of projects to review progress - 49	Number of projects whose progress was reviewed - 42
3.	Reviewing the 2021 year-end progress of National Agricultural Research Institutes (NARS) Research Action Plans	Evaluation of the progress of the research plan of 25 institutions	The progress of the research plan of 25 institutions was evaluated
4.	Improving the status and importance of national agricultural research through funding for inter-institutional research	Number of ongoing projects to be managed - 5	Number of projects being implemented under implementation - 5
5.	2022 Calling for new research concept proposals to recommend funding in 2022	Calling for 100 new research concept proposals and selecting 50 out of them	No new research concept proposals were received for 2021. 18 new researches were selected for 2023.
6.	Evaluation of Research Reports (Terminal Reports)	Collection of 20 research final reports Evaluation of 20 research final reports	Of the 20 final research reports, 19 were referred for external evaluation.
7.	Providing opportunities to local agricultural researchers for short-term training and postgraduate opportunities	APAARI Payment of membership fees and training	After the explanation about the financial condition of the country

Allocated Amount (Rs.M.)	8.1	Disbursed Amount (Rs.M.)	7.2
Objectives			
Activities included in the Action Plan	Achieved Target	Achieved Physical Progress	
through coordination between international agricultural research institutes	Number - 4 Post Graduate Training to be provided Number of training - 79	by the Secretary/Director, the membership fees (12,000.00 US Dollars) for 2021 and status of membership continued. Post graduate training provided Number of training -79 Number of completed training-12	
8. NARS Institutional External Investigation	External Audit of NRMC Institutions Follow-up of 2 externally audited institutions in previous years	NARS Institutional External Investigation Guide was finalized. SEPC and NRMC have appointed committees for external investigation. The first meeting of those committees has been held. 1 institution presented progress in implementing its investigation recommendations.	
9. Sri Lanka Journal for Food and Agriculture	1) Number of Journals to be published in 2021 - 2 (Volume 6 Issue 2 and Volume 7 Issue 1)	Volume 6 Issue 2 and Volume 7.1 in electronic media has been published. Obtaining research papers for 7.2.	
10. INFORM information system containing financial, physical, human and research information of NARS institutions	Number of NARS institutions to provide information - 31 Number of databases to be analyzed - 1	Number of NARS which have provided information - 26. Number of databases analyzed - 1	
11. SLCARP Award for Excellence in Agriculture	Number of expected Research Papers/Applications - 20	13 Number of research papers/applications received - 44 and number selected 13	

Allocated Amount (Rs.M.)	8.1	Disbursed Amount (Rs.M.)	7.2
Objectives			
Activities included in the Action Plan		Achieved Target	Achieved Physical Progress
		Number of award ceremonies to be held - 1	Number of Award Ceremonies held - 0 (The ceremony was postponed due to bad health condition prevailed in the country).
12. Encouraging researchers through capacity building lectures		Post Graduate Training to be provided Number of training - 05	Provided Post Graduate Training Number of training 02.
13. Approval of Research Allowance for Researchers in Agriculture Sector in accordance with Circular No. 2/2014 of the Department of Management Services		Number of expected applications - 65	Number of applications for which approvals were granted – 56.
14. Conducting seminars to create awareness about new priorities in agriculture sector		Number of seminars/workshops to be organized - 3	Number of Conferences/Workshops Organized - 1 (National Conference on Floriculture).
Area where the development program was carried out		Throughout the Island	
Number of beneficiaries		500 direct beneficiaries (researchers) Indirect Beneficiaries - Farming community	
Number of workshops, field observations conducted		Workshop 02 Number of field observations - 42	

6. Farmers' Trust Fund

6.1. Commencement

The Farmers' Trust Fund was established through a trust instrument executed on 09th March 1994 by a Committee consisting of the Secretary of the Ministry of Finance on behalf of the Government and the then Secretary of the Ministry of Agriculture Development and Research, the State Secretary of the said Ministry, the Secretary of the Ministry of Agricultural Production and Marketing, the Commissioner of Agrarian Services and the Deputy Secretary of the Treasury on behalf of the Government. The Trust Fund is governed by a Board of Directors. The Secretary of the Ministry of Agriculture is the Chairman. The Commissioner General of Agrarian Development, the Chief Accountant (Ministry of Agriculture) and a Treasury Special Representative are functioning as members.

6.2. Mission

Arranging the necessary background for the agricultural development and welfare of small farmers and building an agriculturally self-sufficient Sri Lanka through the active participation of small farmers.

6.3. Objectives

The objectives were expanded by a Cabinet Memorandum as stated in the trust instrument executed in 1994. Accordingly, agricultural development and the welfare of the farming community in Sri Lanka, the provision of short-term agricultural loans to small farmers, providing agricultural inputs for small farmers in order to overcome the financial difficulties of the farmers, providing market credit facilities to the small farmers, implementing awareness programs for the agricultural development and welfare of the small farmers, providing other necessary support to the small farmers for the crop and animal production process as well as the processing of the products and facilitating the agricultural development and implementing programs are the objective of this Fund.

6.4. Method of Implementation

For each year, the development proposals presented by all Provincial Councils and District Secretaries, government departments and institutions related to agriculture are submitted to the Board of Directors of the Farmers' Trust Fund, and the Board of Directors considers and approves the relevant projects. Projects so approved will be included in the farmers' trust fund budget report.

6.5. The Fund's Main Source of Income

The main source of income for the fund is a certain percentage of the sale proceeds of the Jovisetha Lottery and interest income from the investment of surplus funds of the fund.

Programs and Projects of this Fund are implemented in the form of grants, advances and loans.

i.) Projects implemented under Grants

- **National New Rice Festival - 2022**

A financial grant is given every year by this Fund to the Department of Agrarian Development for conducting this Cultural Event and for the National New Rice Festival - 2022. 4.00 million rupees has been provided by the Farmers' Trust Fund. Its financial progress is 100%.

- **Other Agricultural Projects (Department of Agrarian Development)**

Project	Estimated Amount (Rs.)	Actual Amount (Rs.M.)	Financial Progress
Renovation of Malvarusha Canal in Timbiripola Grama Niladhari Division of Dehiovita Divisional Secretariat - 10 acres of	1.08	0.22	20%

Project	Estimated Amount (Rs.)	Actual Amount (Rs.M.)	Financial Progress
paddy fields and 20 acres of dry land of 12 farming families are fed by Malvarusha canal.			
Weveldeniya Canal Renovation - about 27 acres of paddy fields of 40 farming families in Kardupana Grama Niladhari Division of Kegalle district are fed by Weveldeniya Canal.	0.70	0.14	20%
Setting up Jayavindagama Muruta Gaha Pela Anicut - about 11 acres of paddy fields of 14 farming families in Jayavindagama Grama Niladhari Division of Yatianthota District Secretariat are fed by Jayavindagama Muruta Gaha Pela Anicut.	1.35	0.27	20%

ii.) Programs implemented under Advance Accounts

- Seed Production Projects

Project	Estimated Amount (Rs.)	Actual Amount (Rs.M.)	Financial Progress
a.) National Seed Production Programme (Department of Agriculture)	120.00	120.00	100%
b.) 2022/23 Maha Season Paddy seeds Purchasing Program (Department of Agrarian Development)	50.00	13.34	26%

a.) National Seed Production Programme

The National Seed Production and Seed Purchase Program implemented by the Department of Agriculture are focusing at fulfilling the seed requirement of the farmers. The seed requirement for the year 2022 is 2,490 metric tons, for which 574.00 million rupees was required. Out of which 120.00 million rupees was provided by the Farmers' Trust Fund. 204,297.00 kg of paddy, grains, chilies, maize, soya and vegetable seeds have been purchased.

b.) Paddy Seeds Purchasing Program - 2022-23 Maha Season

The Farmer's Trust Fund has provided 24.6 million rupees to the Department of Agrarian Development to meet the requirement of national paddy seed immediately in the 2022-23 Maha Season. Through that project, 123,033.00 kg of paddy seeds have been purchased and released to the farmers in the districts of Hambantota, Badulla, Kegalle and Mannar.

- Other Agricultural Projects

Necessary arrangements were made to increase a grant of 1.00 million rupees of advance being provided annually for Bee-Honey Boxes and Accessories Production Project implemented by Bindunuwewa Bee-Honey Development Unit of the Department Agriculture

up to 2.00 million rupees this year. Under this project 750 bee boxes, 500 smoke diffusers and 5000 gate plates for bee boxes have been produced. The devices are sold to farmers.

Project	Estimated Amount (Rs.)	Actual Amount (Rs.M.)	Financial Progress
Bee Boxes and Accessories Production Project (Department of Agriculture)	2.00	0.44	22.18%

iii.) Implementation of Agricultural Credit Programmes

- Local Hybrid Maize Seed Production Credit Program

For the production of local hybrid maize seeds, 9.37 million rupees of credits have been given.

Project	Estimated Amount (Rs.)	Actual Amount (Rs.M.)	Financial Progress
Polonnaruwa Bakamoona Agricultural Service Center (Department of Agriculture)	6.68	6.68	It is in the stage of re-settlement .
Monaragala Okkam Pitiya Agricultural Service Center (Department of Agriculture)	2.70	2.70	It is in the stage of re-settlement .

About 1,350.00 MT of hybrid maize seeds have to be imported for annual maize cultivation in Sri Lanka. The cost for this is approximately 3,780.00 million rupees. This Seeds Production Program was implemented for need of seeds for 2022/23 Maha Season, a local hybrid maize variety (MI Maize Hybrid 4 and 5) that has already been produced by the Department of Agriculture.

6.67 million rupees 44.75 acres of 52 farmers in Polonnaruwa Bakamoona Agricultural Service Center and 2.70 million rupees of capital funds for 25 acres of 15 farmers at Okkam Pitiya Agricultural Service Center in Monaragala district were provided. The harvest received from this is 36.2 metric tons.

Photo No. 24, 25 and 26 - Page No. 79

Photo No. 27 and 28 - Page No. 80

7. Lanka Phosphate Company Ltd

7.1. Company Formation and Legal Form

Lanka Phosphate Company Ltd was incorporated on 10th July 1992 as a Public Limited Company under the Companies Act No. 17 of 1982 to take over the Eppala Phosphate Project of the State Mining and Mineral Development Corporation under the Public Companies Conversion Act. However, this company has been re-registered under the Companies Act No. 07 of 2007. Further, the issued shares of the company are fully owned by the Treasury Secretary on behalf of the Government of Sri Lanka.

7.2. Vision and Mission

The vision of the company is "Enriching our motherland with fertile soil with nutritious phosphorus by optimally utilizing the phosphate deposit of Eppawala". The mission this company is to "meet the national requirement of phosphate by becoming self-sufficient in phosphorus through eco-friendly and innovative methods".

7.3. Tasks of the Company

The company is carrying out mining, processing and marketing of phosphate rock for agricultural crops as its primary activities.

7.4. Financial and Physical Status

Data related to production, sales and income of ERP and HERP fertilizers of the company from 01.01.2022 to 31.12.2022:

Type of Fertilizer	Amount of Production (MT)	Marketing (MT)	Income (Rs.M.)
ERP	31,158	29,102	447.46
HERP	3,638	3,281	72.32
Total	34,796	32,383	519.78

Photos related to the Programs of the Agriculture Sector

- **Presentation of Annual Crop Production Plan**



Photo 01 : Presentation of Annual Crop Production Plan

- **Project to empower inventors to become successful entrepreneurs with the support of various parties**



Photo 02 : Field Observations

Officers who attended:- Director (Policy and Project Evaluation, Ministry of Agriculture)
 Director (National Engineering Research and Development Centre)
 Development Officers (Policy and Project Evaluation, Ministry of Agriculture)
 Observations - Checking the performance of the engine of light hand tractor manufactured by Mr. Gunasena
 Area:- Moratuwa University, Colombo District
 Date:- 01.11. 2022



Photo 03 : Field Observations

Officer who attended:-
 Director (Policy and Project Evaluation-Ministry of Agriculture)
 Director (National Engineering Research and Development Centre)
 Mechanical Engineer (Department of Engineering - Ministry of Agriculture)
 Development Officers (Policy and Project Evaluation-Agriculture Ministry)
 Observations - checking the performance of the light spraying machine manufactured by Mr. IG Ravindra Sudarshan used for Mashy Land Sea-Sam
 Area - Igala, Elpitiya (Galle District)
 Date - 25.11.2022

- **Monitoring and Evaluation of Agricultural Projects**



Photo 04 : Observation - ASMP chilli plantation (on 12.11.2022 in Kandy district)



Photo 05 : Monitoring an Eggplant Plantation in Kopai SAPP Keels project (on 23.11.2022 in Jaffna district)



Photo 06 : Monitoring of Liquid Milk Production in Kurunegala district on 2022.11.02 (Project affiliated with SAPP Wonrich Private Ltd)

- **Establishment of Soil Testing Facilities at Agrarian Service Centre's level**



Photo 07: The way in which the operations of the Soil Testing Program are carried out

- **Agricultural Sector Modernization Project (ASMP)**



Photo 08 : Exporting Sour Banana by ASMP Project



Photo 09 : Anuradhapura Chilli Production Cluster

- **Climate Smart Irrigation Agriculture Project**



Photo 10 : Maha Season 2022 - Planting of mechanized plants in paddy cultivation - Eastern Province



Photo 11 : World Bank monitoring team monitoring Kallipkulam Lake renovation work - Northern Province



Photo 12 : Provincial Agriculture Officers Monitoring Gardening - Southern Province



Photo 13 : Exchange of Experiences on Climate Smart Agriculture - North Central Province

- **Establishment of a New Milk Processing Center at Badalgama**



Photo 14 : Factory Building



Photo 15 : Administration Building



Photo 16 : Milk Processing Machinery

- **Setting up of Small Scale Milk Processing Centers**



Photo 17 : Small Scale Dairy Development Foundation - Wariyapola



Photo 18 : Succeed International (Pvt.) Company Ltd - Wennappuwa



Photo 19 : Attanagalla Milk Producers Cooperative Society



Photo 20 : District Milk Suppliers Cooperative Society Ltd - Polonnaruwa



Photo 21 : Nawalapitiya Multi-Purpose Cooperative Society Ltd



Photo 22 : Heritage Hela Farmer Development Society - Bandaragama

- **Agricultural and Agrarian Insurance Board (AAIB)**



Photo 23 : The Inauguration Ceremony of the New Pension Scheme was held on 31/10/2022 at the Hector Kobbekaduwa Agricultural Research and Training Institute.

- **Farmers' Trust Fund**



Photo 24: Maize cultivation land and harvest in Polonnaruwa Bakamoona Agrarian Service Area



Photo 25 : Renovation of Malwarusha Canal

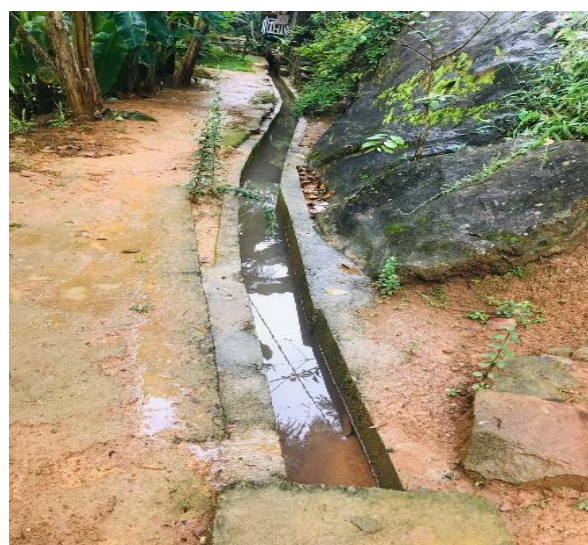


Photo 26: Renovation of Weveldeniya Canal



*Photo 27 : Construction of Jayavindagama
Murutagaha Pela Anicut*



*Photo 28 : Bee Box and Accessory Production
Project implemented by the Kantunwewa Bee
Development Unit*

02. Livestock Division

Progress of Development Programmes and Projects implemented during the year 2022 - Summary

#	Programme/Project	Revised Budget 2022 (Rs.Mn.)	Physical Progress (%)	Financial Progress (Rs.Mn.)	Remarks
1.	Programme for promotion and popularization of liquid milk	25.00	80	14.29	A sum of Rs.989,600 has been paid for the bills in 2021
2.	Animal Breeding and Farm Development	25.00	47	4.37	A sum of Rs.2,309,491.85 has been paid for the bills in 2021.
3.	Development of Small and Medium Scale Dairy Entrepreneurs and Development of Dairy Cluster Villages	32.00	93	29.73	Provisions of Rs.1,000 million had been allocated under Budget Proposal 2022 for this purpose*.
4.	Medium Term Livestock Development Programme	40.00	55	13.21	
5.	Development of Small and Medium Scale Poultry Farms	37.00	84	12.94	A sum of Rs.549,800 has been paid for the bills in 2021
6.	Swine Industry Development Programme	30.00	45	4.72	
7.	Promotion of Small and Medium Scale Dairy Farms through Productivity Improvement	98.00	70	48.73	A sum of Rs. 3,485,838.33 has been paid for the bills in 2021
8.	Goat Cluster Village Development Programme	15.00	80	4.99	
Total		302.00	69	132.98	

**Implementation of this budget proposal was temporarily suspended in terms of National Budget Circular No.03/2022 dated 26.04.2022 issued under the caption of Controlling Public expenditure. However, provisions of Rs.32 million were allocated for this project out of the amount allocated through revised budget estimates 2022*

Development Programmes implemented during the year 2022

1. Programme for Promotion and Popularization of Liquid Milk Consumption

Main objective of this program is to increase the domestic milk production and to promote fresh milk consumption among the public. A sum of Rs.25.00 million has been allocated for this programme for the year under review. The activities implemented under this programme are as follows.

- Popularization of liquid milk consumption among school children and pregnant women
- Distribution of leaflets containing importance of liquid milk consumption among school children and pregnant women
- Providing equipment for milk collection and milk processing
- Distribution of milk chilling tanks among dairy farmers
- Implementation of programmes for popularization of liquid milk consumption through electronic and social media

Implementation of this project was temporarily suspended in terms of National Budget Circular No.03/2022 dated 26.04.2022 issued under the caption of Controlling Public expenditure.

The said project was restarted in the month of September 2022 with the allocation of provisions through revised budget estimates 2022. Project activities were limited according to the inquiries and requests made by the provinces and only the activity of popularization of liquid milk among school children and pregnant women was implemented. This project was implemented successfully in all the Provinces except North Central and Eastern Province.

A sum of Rs.1.00 million has been paid out of the provisions in the year 2022 in respect of the liabilities made during the year 2021. A total of Rs.13.30 million has been paid by the end of the year under review and in addition to that liabilities of Rs.4.67 million have been submitted for payments.

Photo No. 29 - Page No. 97

2. Animal Breeding and Farm Development

This project which is implemented with the aim of developing breeder farms island wide to overcome the shortage of dairy cattle of high strain required to enhance local milk production consists of two sub projects. A sum of Rs.25.00 million has been allocated for this project. Although it has been planned to implement this project from the second quarter of the year 2022 it was temporarily suspended in terms of National Budget Circular No.03/2022 dated 26.04.2022 issued under the caption of Controlling Public expenditure.

The said project was restarted in the month of September 2022 with the allocation of provisions through revised budget estimates 2022 and a sum of Rs.2.30 million has been paid out of the provisions in the year 2022 in respect of the liabilities made during the year 2021.

2.1. Private animal breeder farms development sub project

Under this project, it was planned to develop 25 private breeder farms as one farm for each district. The expected investment was Rs.6.25 million. By the end of the period under review, a total of 28 private breeder farms were developed. A sum of Rs.2.06 million has been paid for the said purpose and liabilities of Rs.4.82 million have been submitted for payment.

2.2. State-owned animal breeder farms development sub project

Under this project, it was planned to develop 09 State-owned breeder farms at provincial level. The expected investment was Rs.15.90 million. The required inputs were provided subject to a maximum of Rs.2.00 million to Northern and Eastern Provinces in which State-owned animal breeder farms development sub project was more successfully implemented during the year 2021 and a maximum of Rs.1.70 million was provided to other provinces.

By the end of the period under review, development of 02 breeder farms in Northern and North Western Provinces has been carried out and liabilities of Rs.2.60 million has been submitted for payment.

3. Medium Term Livestock Development Programme

Arrangements have been made to improve the provision of services in the field of livestock through the establishment of veterinary offices and other infrastructure facilities in the vast potentials being existed in the Northern Province for the development of the livestock field. The progress achieved during the period under review is as follows.

Description	Provisions allocated (Rs.Mn.)	Amount invested (Rs.Mn.)	Remarks
Construction of Point Pedro Veterinary Office	21.21	6.32	Construction of the building has been completed.
construction of the Multi-purpose building in Jaffna (Thirunelweli)	14.89	6.89	This construction contract has been finished due to the shortage of building materials, increase in the prices of building materials and as per the National Budget Circular No.03/2022 dated 26.04.2022.

Photo No. 30 - Page No. 97

4. Small and Medium Scale Poultry Farms Development

The objectives of this programme are to establish poultry farms to make the country self-sufficient in poultry products, to promote the consumption of poultry products and to direct new entrepreneurs to the poultry sector. Under this, development of hatcheries in state-owned farms and small scale poultry feed self-mixing development programme are implemented. The expected investment for the said project was Rs.15.00 million. However, this project was temporarily suspended in terms of National Budget Circular No.03/2022 dated 26.04.2022

and a sum of Rs.0.55 million has been paid in respect of liabilities made during the year 2021.

The said project was restarted in the month of September 2022 with the allocation of provisions through revised budget estimates 2022. Accordingly, provisions of Rs.37.00 million have been allocated for the purpose of eradicating malnutrition prevailing in the country as per the requests made by the Provincial Directors. A sum of Rs. 12.94 million has been paid in respect of establishment of 1,501 farms under providing 15 one-day old chicks, 2,605 farms under providing 10 of one-month old chicks and 02 farms under development of hatcheries in state-owned farms whilst liabilities of Rs.11.58 million has been submitted for payment.

Photo No. 31 - Page No. 97

5. Swine Industry Development Programme

It has been planned to implement this project with the objective of providing inputs required to upgrade swine industry by minimizing environmental problems. Under this, it had been scheduled to invest Rs.30.00 million for the development of 85 swine farms and 02 swine breeder farms. Accordingly, during the first quarter of the year under review, one eco-friendly pig farm has been developed in Sabaragamuwa Province by constructing a bio gas unit and provisions have been allocated for one training programme in Central Province. Implementation of this project was temporarily suspended in terms of National Budget Circular No.03/2022.

Out of the provisions allocated through revised budget estimates 2022, a sum of Rs. 30.00 million was provided for the re-implementation of this project and under this, provisions were allocated as a sum of Rs.22.00 million for 110 eco-friendly swine farms, Rs.5.00 million for development of swine breeder farm at Kotadeniyawa, Rs.2.10 million for training programmes and Rs.0.90 million for administrative expenses. During the period under review, a sum of Rs.4.72 million has been provided for the development of 49 eco-friendly swine farms whilst liabilities of Rs.3.42 million has been submitted for payment.

6. Promotion of small and medium scale dairy farms through productivity improvements

The main objective of this project is to increase local liquid milk production through productivity improvement of small and medium scale dairy farms. Under this, two major programs were scheduled to be implemented island wide at the provincial level to improve the nutritional status and breeding efficiency of animals and the expected investment was Rs.120.00 million. However, implementation of this project was temporarily suspended in terms of National Budget Circular No.03/2022. During the period under review, a sum of Rs. 3.49 million has been paid for the liabilities made during the year 2021. Furthermore, an amount of Rs.0.46 million has been paid under the Expenditure Head of this project in respect of the project “*Kiren Sapiri Ratak*” (Towards a country rich in milk).

The said project was restarted in the month of September 2022 with the allocation of provisions through revised budget estimates 2022. The progress achieved during the period under review is as follows.

Description	Amount paid (Rs.Mn.)	Remarks
Under breeding activities	9.91	Liabilities of Rs.6.20 million has been submitted for payment
Under animal feed activities	4.76	Liabilities of Rs.10.67 million has been submitted for payment
Providing compensation for animals died due to bad weather condition in Northern and Eastern Provinces	30.57	

Photo No. 32 & 33 - Page No. 98

7. Goat Cluster Village Development Programme

This project was proposed to be implemented in Central, North Central, Eastern and Northern Provinces with the objective of increasing the consumption of goat milk and mutton. The expected investment was Rs.15.00 million. Implementation of this project was temporarily suspended in terms of National Budget Circular No.03/2022.

The said project was restarted in the month of September 2022 with the allocation of provisions through revised budget estimates 2022. Under this, measures have been taken to establish 4 goat cluster villages in Northern and North Western Provinces. By the end of the period under review, a sum of Rs. 4.99 million has been paid and liabilities of Rs.6.54 million have been submitted for payment.

Photo No. 34 - Page No. 98

Implementation of Budget Proposals 2022

i.) Development of small and medium scale dairy entrepreneurs and Development of dairy cluster villages (*“Kiren Sapiri Ratak”* Development Programme)

Under Budget proposals 2022, a sum of Rs.1,000.00 million has been provided for this purpose. The objective of this project is to enhance liquid milk production through proper management of small and medium scale dairy farms by introducing modern technology. In order to fulfil the said objective, it was planned to implement the activities such as providing animal feed, upgrading animal nutrition, providing proper housing facilities, providing necessary facilities for breeding purposes and other related activities at provincial level covering the whole island. Following activities were planned to be carried out, covering all 338 veterinary divisions established throughout the island. In respect of the first quarter, beneficiaries were selected from all the provinces and programmes were initiated. Implementation of this budget proposal was temporarily suspended in terms of National Budget Circular No.03/2022 dated 26.04.2022 issued under the caption of Controlling Public expenditure. However, a sum of Rs.32.00 million was allocated for this project out of the provisions allocated by the revised budget 2022.

The progress achieved by the end of the period under review is as follows.

#	Activities expected to be implemented	Physical Progress	Investment (As at 31.12.2022) (Rs.Mn.)
1.	Providing necessary inputs of Rs.100,000 for the farms which have 5-10 milking cows or produce more than 30 litres of milk per day	Necessary inputs and facilities have been provided for 162 farms covering the whole island	13.44
2.	Providing necessary inputs of Rs.150,000 for the farms which have 11-25 milking cows or produce more than 50 litres of milk per day	Necessary inputs and facilities have been provided for 71 farms covering the whole island	7.83
3.	Providing a sum of Rs.500,000 for inputs required for each dairy cluster village under Development of Dairy Cluster Villages	Necessary inputs and facilities have been provided for 02 dairy cluster villages	0.71
4.	Providing a sum of Rs.25,000 for each programme for training farmer entrepreneurs	60 training programmes have been conducted	0.75
5.	Conducting National Programme for breeding dairy cows(Cattle & Buffalo) under the provisions of Rs.91.5 million through the Department of Animal Production & Health	Provisions have been granted to the Department of Animal Production & Health for National Programme for breeding dairy cows(Cattle & Buffalo)	5.70
6.	Operational evaluation and Administrative Expenditure		1.32
Total			29.73

Provisions granted to enhance milk production through revised budget estimates 2022

A sum of Rs.200 million has been granted to the Ministry of Agriculture through revised budget estimates 2022 in respect of implementation of National Programmes for enhancement of local milk production. The following projects were implemented by the end of the year 2022 and a sum of Rs.39.55 million has been paid for the said purpose. Also, liabilities of Rs.115.87 million have been submitted for payment.

i.) Maize Cultivation Programme implemented through Bureau of the Commissioner General of Rehabilitation

Provisions of Rs.39.55 has been provided to the Ministry of Justice, Prison Affairs and Constitutional Reforms to develop a land area in extent of 200 acres at Sinhapura, Kandakadu for the maize cultivation project implemented by the Bureau of the Commissioner General of Rehabilitation. A Memorandum of Understanding has been signed between the Ministry and the Bureau of the Commissioner General of Rehabilitation in respect of implementation of this project. It has been agreed to sell the maize yield obtained from this project to dairy farmers at a concessionary price and to credit the income thus received to the General Treasury.

ii.) Providing necessary inputs for production of maize for animal feed at Ridiyagama Farm

This project is implemented with the objectives of providing maize yield to dairy farmers and producing animal feed in the farms owned by the National Livestock Development Board as a remedial measure for the adverse impact caused to milk production due to acute shortage of animal feed in the country. The expected investment for the said project is Rs.106.73 million. Under this, maize have been cultivated in a land area in an extent of 700 acres at Ridiyagama Farm owned by the National Livestock Development Board whilst it has been planned to sell the 50% of the maize yield obtained from this project to dairy farmers at a concessionary price and to credit the income thus received to the General Treasury. Also, animal feed produced from the project is scheduled to be provided to the farms owned by the National Livestock Development Board. The project aims to enhance milk production and to make a large contribution to National Dairy Production. A Memorandum of Understanding has been signed between the Ministry and the National Livestock Development Board in respect of implementation of this project. In addition to that, National Livestock Development Board has provided a sum of Rs.3.96 million to purchase “Milk Dispenser Chilling Tanks” for distribution of liquid milk to consumers with a view to popularizing liquid milk consumption.

iii.) Fodder and maize cultivation project implemented by Provincial Departments of Animal Production and Health

Provisions of Rs.5.18 million have been provided for fodder and maize cultivation project implemented by Provincial Departments of Animal Production and Health in order to overcome the shortage of animal feed faced by small and medium scale dairy farmers. This project was implemented in Central, Uva and Southern Provinces.

Progress of Institutions under Livestock Sector

Institutions under Livestock Division of the Ministry of Agriculture are as follows.

1. Department of Animal Production and Health

• Introduction

The Department of Animal Production and Health which was established in 1978, is the main Public Institution responsible for Livestock Development in Sri Lanka. This Department is also the national institution holding legal authority for prevention and control of spreading animal diseases in the country, conducting research and development activities in the livestock sector, providing technical leadership and consultancy and assistance services on animal breeding activities. Furthermore, training the trainers on Animal Husbandry, formulation of projects for enhancing livestock development, economic evaluation and implementation of special development programmes are among the main development activities undertaken by the Department as to cover the entire island. This Department formulates and implements relevant rules in order to facilitate the development of the field of livestock. With the establishment of Provincial Councils, field level activities of the Department of Animal Production and Health were entrusted to nine (09) Provincial Departments of Animal Production and Health.

The Department of Animal Production and Health carries out immense service towards the development of livestock industry by providing technical leadership, consultancy services and other supportive services to the Provincial Departments of Animal Production and Health. The regional veterinary offices managed by veterinary surgeons are the main active units of the Department of Animal Production and Health. Apart from that, 338 Regional Veterinary Offices situated in every Divisional Secretary's Division in the island and implement under the Department of Animal production and Health executes all livestock development programmes from the ground level.

• Vision

To be the Premier Organization leading the livestock sector towards socio-economic development of Sri Lanka

• Mission

Provide technical guidance and support to achieve a sustainable development in the livestock sector by maintaining a healthy animal population and enhanced productivity of products ensuring food safety and health contributing to food security

• Thrust Areas

- i.) Enhancement of the productivity of farm animals
- ii.) Enhancement of animal health and veterinary and public health
- iii.) International trade & quality assurance
- iv.) Improvement of research and development activities
- v.) Better management of the field of livestock

- **Objectives**

- i.) Assurance of an efficient animal health service that prevent and eradicate animal diseases
- ii.) Promotion of the utilization of animal gene resources at optimum level
- iii.) Promotion of the utilization of quality animal feed and feed resources
- iv.) Promotion of growth and the development of animal feed industry
- v.) Carrying out research and development activities for a sustainable livestock development
- vi.) Technically empowered human resource development
- vii.) Efficient and productive dissemination of information and assurance of the provision of technological services
- viii.) Planning, monitoring and evaluation of projects and programmes
- ix.) Assurance of the safety of animal products
- x.) Promotion of formal animal husbandry methods and facilitating the same
- xi.) Assurance of the welfare and wellbeing of animals
- xii.) Efficient management of Departmental functions

- **Key Functions**

- i.) Handling the national artificial insemination service inclusive of the production of sperms of higher strain of cattle and goats with higher production capacity
- ii.) Reporting the pedigree and performance of animals for breeding purposes
- iii.) Conservation of animal gene resources
- iv.) Enhancement of the breeds of goats
- v.) Implementation of the programme of rearing and caring heifer calves
- vi.) Production of nutritious pasture & silage and Promotion of the sale of pasture
- vii.) Implementation of the national vaccination programme for the prevention of animal diseases
- viii.) Local Production of vaccines (Foot and Mouth Disease, Black Quarter, Haemorrhagic Septicaemia and Ranikhet) and other biological materials
- ix.) Prevention and curing of Mastitis and production of Infusions for udders
- x.) Controlling of Salmonellosis and Ranikhet diseases
- xi.) Introduction of an efficient pre-alarming system against highly pathogenic bird flu
- xii.) Strengthening Veterinary Investigation Centres for the enhancement of identification of animal diseases
- xiii.) Enhancement of the health level of dairy farms
- xiv.) Enhancement of laboratory facilities and fulfilling the requirements
- xv.) Enhancement of laboratory facilities of dairy technology and infrastructure facilities
- xvi.) Providing analytical and advisory services in respect of the field of livestock
- xvii.) Taking action for animal identification activities at the field level
- xviii.) Assurance of the availability of high quality animal feed in the local market
- xix.) Regulation of livestock production and live materials
- xx.) Regulation of poultry industry
- xxi.) Animal quarantine and surveillance activities
- xxii.) Facilitation of the international trade activities
- xxiii.) Enhancement of infrastructure and laboratory facilities in quarantine units
- xxiv.) Implementation of livestock research programmes
- xxv.) Maintenance of Animal Husbandry Schools (Karandagolla / Seppukulama) for the purpose of generating Animal Husbandry Diploma holders

- xxvi.) Conducting training and educational Programmes at Continuous Education Institution of the Department of Animal Production and Health
- xxvii.) Dissemination of information through electronic, printed and demonstrative means
- xxviii.) Model Farm unit demonstrations
- xxix.) Development and maintenance of various farm units of the livestock techno-park
- xxx.) Study on socio-economic impact of the livestock sector
- xxxi.) Preparation and distribution of statistical bulletin on livestock
- xxxii.) Establishment of Veterinary Offices for the expansion of Veterinary Service

**Progress of Development Programmes and Projects implemented
during the year 2022**

#	Programme/Project	Budgetary Provisions 2022 (Rs.Mn)	Physical Progress (%)	Financial Progress (Rs.Mn)	Remarks
1.	Control of Contagious Diseases	165	95	161.00	
2.	Production of Vaccine against Foot and Mouth Disease locally		95		
3.	Mastitis Control Programme		59		
4.	Production of High Quality Animal Vaccines locally		99		
5.	Upgrading Poultry and Fish Disease Diagnosis and Surveillance Facilities at Veterinary Investigation Centers		68		
6.	Livestock Research Programme	40	85	35.90	
7.	Animal Breeding Project	55	64	54.95	
8.	Increase the availability of High Quality Heifer Calves	30	38	29.89	The project has been totally completed from May 2022.
9.	Improvement of Service Delivery System of Government Veterinary Offices	40	70	31.33	
10.	Animal Identification Programme	05	68	5.00	
11.	Expansion and Modernization of Animal Quarantine Units	04	50	3.90	In terms of National Budget Circular 03/2022, project activities have been suspended and payments have been made for purchase of office equipment for quarantine centers and Animal Identification Programme. Payments have been made for the outstanding bills in the previous year.

#	Programme/Project	Budgetary Provisions 2022 (Rs.Mn)	Physical Progress (%)	Financial Progress (Rs.Mn)	Remarks
12.	Export Facilitation of Chicken Meat and Eggs through Poultry Health Management	10	84	4.90	
13.	Wildlife Disease Surveillance Programme	06	30	5.07	Due to recent circulars issued by the government, purchase of new equipment, machineries and furniture and development of infrastructure facilities in respect of VIC stopped.
14.	Quality Assurance of Animal Origin Feed for Food Safety and Export Facilitation	30	97	28.13	
15.	Strengthening the capacity of Production of Animal Husbandry Diploma Holders	20	-	16.08	Due to lack of funds received during the year 2021, payments had to be made in respect of the unsettled bills (Commitments).
16.	Socio Economic Development Programme	05	88	3.84	
17.	Quality Assurance Programme		63		
18.	Programme, Livestock Promotion Programme		94		
19.	Books and Periodicals Programme		-		Suspended due to lack of provision
Total		410		384.49	

Note - This institution submits audited reports to Parliament annually.

2. National Livestock Development Board

• Introduction

The National Livestock Development Board was established in 1973 under the Agricultural Corporation Act No.11 of 1972. Its field activities were begun in 1974

• Vision

To be the best national producer of livestock to generate quality livestock and agricultural products for a glorious life through livestock

• Mission

The National Livestock Development Board has dedicated to maintain quality livestock, agricultural and dairy products at optimum level through state of the art technology and innovations in order to shoulder the national mission of making the country self-sufficient in livestock and dairy products

• Thrust Areas

- i.) Maintenance of breeding animal groups related to hybrid and non-hybrid groups of livestock species in 32 farms under animal husbandry project and issuance of required breeding animals for farmers
- ii.) Provision of livestock products produced in farms and processed animal feed to the Public through sales outlets of the Board at reasonable price
- iii.) Issuance of coconut and coconut-based products for local purchasers and customers

• Objectives

- i.) Maintenance of all farm activities at optimum level, utilizing the surplus funds received from coconut-based industries for its continuous existence
- ii.) Introduction of modern technology, expertise knowledge, capital and management policies suitable to minimize the production cost and to increase the production to successfully compete in the market
- iii.) Paying attention on the potentiality of creating a new market with better marketing strategies for converting these farming units into profitable business entities with the participation of the private sector

• Activities

- i.) Breeding and growth of livestock resources
- ii.) Issuance of quality breeding animals to farmers at a reasonable price
- iii.) Maintenance of coconut plantations at the optimum level to earn maximum profit
- iv.) Implementation of Livestock and Crop Integrated Farming Systems wherever with potentiality
- v.) Conducting training programmes and exhibitions for farmers, school children, officials engage in agriculture and especially for small scale livestock farmers
- vi.) Establishment and maintenance of sales outlets to supply quality farm products at a reasonable price
- vii.) Manufacturing of value added products using raw material produced in farms

to obtain a higher profit margin
viii.) Maintenance of a sales outlet network to popularize the consumption of fresh milk among the Public

Note - This institution submits audited reports to Parliament annually.

3. Milco (Private) Limited

- **Vision**

To be the foremost nutritious food and drink supplier in Sri Lanka

- **Mission**

To be an active partner in achieving goals in the production of fresh milk while empowering the local dairy farmer and to follow continuous development initiatives with modern technology to provide consumers with nutritious foods and beverages at a reasonable price

- **Objectives**

- i.) To supply of high quality milk and milk products
- ii.) To contribute to make the country self-sufficient in fresh milk
- iii.) To empower the local dairy farmers
- iv.) To ensure the sustainability and the development of local dairy industry
- v.) To ensure satisfaction of those contributing to the success of the Mission

- **Functions**

The company operates its functions and activities under 03 main fields.

- i.) Collecting milk from the local dairy farmers
- ii.) Producing milk products
- iii.) Distributing the same under the trade name of “Highland” Products

Note - This institution submits audited reports to Parliament annually.

4. Mahaweli Livestock Enterprises Limited

- **Vision**

To be a leading producer and supplier of quality day-old broiler chicks and broiler chicken in the local market at a reasonable price

- **Mission**

Quality improvement of day-old broiler chicks and broiler chicken on par with international quality standards utilizing modern technology

- **Objectives**

- i.) Production of chicken and eggs required for human consumption and breeding of chicks aiming equilibrium in market prices
- ii.) Encouraging farmers in the Mahaweli System ‘H’ to engage in agricultural and livestock activities, increasing their earnings, creating employment opportunities and providing welfare facilities thereby

- **Thrust Areas**

Production of quality day-old broiler chicks and chicken meat

- **Functions**

- i.) Maintain parent poultry units consisting of animals imported or locally purchased
- ii.) Maintain a semi-automatic hatchery
- iii.) Maintain a commercial Broiler unit
- iv.) Operate an Extension Division for co-ordination of farmers who are engaged in poultry farming in Mahaweli System “H”
- v.) Maintain the semi-automatic Meat Processing Factory enabling production of healthy chicken and in due standards
- vi.) Production of poultry feed
- vii.) Maintain sales outlets for selling of company’s production

5. Sri Lanka Poultry Development (Private) Limited

- **Vision**

Enhancement of the socio-economic standards of the rural people through efficient management of the entity as a leading poultry farm development institution in Sri Lanka

- **Mission**

Following required strategy for the management of the limited resources available at the optimum level to achieve sustainable development by replication of rural level poultry resources

- **Thrust Areas**

- i.) Engaging in animal husbandry
- ii.) Management of coconut cultivation
- iii.) Cultivation of Inter Crops
- iv.) Marketing

- **Objectives**

- i.) Identification of other projects associated with the development of poultry industry and application of technical knowledge required for the same
- ii.) To obtain local and foreign resource personnel and financial provisions required for development of poultry industry
- iii.) Identification of producers, consumers and purchasers for the development of poultry industry and making all institutional liaisons inclusive of food and drugs required for such industry
- iv.) To work in collaboration with the State- owned poultry breeding farms
- v.) Mobilization and empowerment of island wide community based organizations dealing with poultry farming
- vi.) Production of organic fertilizers

- **Functions**

- i.) To act as an institution of liaison among Private sector farmers, Government Institutions and relevant Ministries
- ii.) Continuation of all breeding activities and layer and broiler production activities of poultry
- iii.) Supply of all products of farms to customers through sales outlets of the institution at reasonable price
- iv.) Promotion of production of poultry feed required to the institution and storage facilities in the farm premises itself
- v.) Provision of eggs and chicken meat to the rural community that contributes to enhancing the nutritional levels at reasonable price
- vi.) Provision of chicks required for small scale poultry farmers
- vii.) Maintenance of coconut cultivation properly in the farm premises, earning income therefrom and using such funds for the development of poultry field
- viii.) Taking action to obtain maximum economic productivity through the expansion of revenue crops and interim crops in the farming premises
- ix.) Provision of practical and theoretical training within the farm for the parties who are interested in poultry industry inclusive of the children who follow primary and secondary education
- x.) Taking action for the welfare of the employees of the institution

Photos of Livestock Sector Programs

- Programme for Promotion and Popularization of Liquid Milk Consumption



Photo No 29: Providing liquid milk for school children- Northern

- Medium Term Livestock Development Programme



Photo No 30 : Completed Multi-purpose building in Jaffna (Thirunelweli)

- Small and Medium Scale Poultry Farms Development



Photo No 31 : Providing Chicks – Northern Province

- **Promotion of small and medium scale dairy farms through productivity improvements**



Photo No 32 : Providing equipment for cultivation of pasture



Photo No 33 : Providing grass cuttings for cultivation of pasture- Northern Province

- **Goat Cluster Village Development Programme**



Photo No 34: Goat Cluster Villages

- Development of small and medium scale dairy entrepreneurs and Development of dairy cluster villages (“Kiren Sapiri Ratak” Development Programme)



Photo No 35: Training Programmes-Northern Province



Photo No 36: Construction of cattle sheds-Northern Province

03. Fertilizer Division

Financial and Physical Progress of Development Programs Implemented in Fertilizer Sector 2022 - Summary

Development Program	Allocated Amount (Rs.M.)	Financial Progress (Rs.M.)	Physical Progress
National Fertilizer Management Information System	20.00	7.06	80%
Improvement of Fertilizer Research Laboratory of Ceylon Fertilizer Company Ltd	20.00	-	60% (6 lab equipment was purchased).
Food Security Programme	500.00	414.31 (Payment of outstanding bills in 2021)	9 projects have been approved and about 70% progress has been achieved.
National Food Promotion Board (Sri Lanka National Hunger Eradication Action Board)	5.00		No imprest funds has been provided by the Treasury.
Institute of Post-harvest Technology	30.00	5.00	It has been indicated under the institution.
Dedicated Economic Centers (Assigned to Ministry of Commerce)	25.00	-	-
Total	600.00	426.37	

Institutions under Fertilizer Division and their Progress

1. Department of Agrarian Development

1.1. Vision

Sustainable development of the Sri Lankan farming community and all agricultural lands

1.2. Mission

Establishing and maintaining institutional, support, legal and management services for the sustainable development of the Sri Lankan farming community and optimum productivity from all agricultural lands.

1.3. Objectives

- Making necessary provisions related to the use of agricultural land in accordance with the agricultural policies of the government.
- Implementation of relevant regulations to safeguard the cultivation rights of agricultural land owners, agricultural land owning farmers and cultivators/tenants.
- Making orders with regard to the registration and administration of farmers' organizations and ensuring the implementation of such orders.
- Establishing Agricultural Development Councils and providing direction and supervision to exercise their powers.

1.4. Tasks

- Prepare and revising and revisiting and maintaining agricultural land registers containing information about agricultural land within the commanding area of every Agricultural Development Council throughout the island.
- Dealing with the settlement of tenant farmer issues and other farmer disputes related to agricultural land.
- Implementation of regulations relating to small scale irrigation industries and efficiency, safety, conservation and management of water sources.
- Taking legal action against the parties who are acting in violation of the Agricultural Development Act and the Government's Agricultural Policies.

1.5. Financial Progress

Description	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)
Capital	1,213.50	525.73
Re-current	8,819.20	8,686.59

1.6. Progress of the Development Programs (summary including physical progress)

i.) Repair of Head Office and District Offices

With the purpose of increasing the efficiency of the officers and working in the Head Office and District Offices and clients, 20.00 million rupees was allocated from these expenditure heads. Under the said provision, arrangements were made for repair of 15 District Offices, but as per the instructions of Circular No.3/2022, the construction work had been temporarily

stopped, so the work was completed in only 9 district offices. The amount spent as at 31.12.2022 is 11.21 million rupees. Physical progress is 60%.

Photo No. 37 - Page No. 116

ii.) Repair of vehicles at Head Office and District Offices

25.00 million rupees was allocated under these expenditure heads for the repair of vehicles in the Head Office and District Offices to keep for efficient use. The amount spent as at 31.12.2022 is 24.82 million rupees. Physical progress is 100%.

iii.) Training and Capacity Building

With the purpose of capacity building and increasing the efficiency of the officers working in the Head Office and District Offices, 3.00 million rupees was allocated from these expenditure heads. Under the said provision, 15 training programs were conducted. The amount spent as at 31.12.2022 is 2.62 million rupees. Physical progress is 100%.

iv.) Repair and Procurement of Machinery

29.00 million rupees was allocated under these expenditure heads for maintenance of usable agricultural machinery and purchasing new agricultural machinery. Agricultural machineries (14 excavators and 1 bulldozer) were repaired by using the said provision. Under new purchases, a small excavator, a Concrete Mixture, a Poker Machine and a Vibrating Hammer were purchased. The amount spent as at 31.12.2022 is 24.02 million rupees. . Physical progress is 84%.

v.) Construction of New Fertilizer Stores

In order to increase the fertilizer storage capacity, 180.00 million rupees was allocated. Under this provision, 43 projects had been planned to carry out. However, as per the instructions through Circular No.3/2022, the construction work was temporarily stopped. In the third quarter the allocation under this head was reduced up to 50.00 million, and therefore, it was unable carry out the projects as planned. Outstanding balance for 2021 was settled. The work of 17 connected projects was completed in the year 2021. The amount spent as at 31.12.2022 is 49.35 million rupees. Physical progress is 94%.

vi.) Repair of Agricultural Service Centers and Fertilizer Stores

With the purpose of increasing the efficiency of the officers and working in the Agrarian Service Centres and clients as well as fertilizer storage capacity, 300.00 million rupees was allocated. Under the said provision, it was planned to repair 127 Agricultural Service Centres and Fertilizer Warehouses. However, as per the instructions of Circular No. 3/2022, the construction work was temporarily stopped, so only 9 projects were completed. The amount spent as at 31.12.2022 11.21 million rupees. Physical progress is 24%.

Photo No. 38 & 39 - Page No. 116

vii.) Renovation of Minor Irrigation and making Fallow Paddy Fields into productivity

With the purpose of increasing the productivity of the land and paddy yield through the efficient cultivation in paddy lands, 735.00 million rupees was allocated. Although plans were made to implement projects under 9 categories including the payment of outstanding bills in 2021, as per the instructions of Circular No.3/2022, the construction work was temporarily stopped, so the projects could not be implemented as planned. However, 4 out of 25 minor irrigation projects with regard to the 1,539.27 acres out of 10,000 acres of fallow fields were implemented. The amount spent as at 31.12.2022 is 326.40 million rupees. Physical progress is 40%.

Photo No. 40 and 41 - Page No. 116

Note - This institution submits audited reports to Parliament annually.

2. National Fertilizer Secretariat

2.1. Introduction

The National Fertilizer Secretariat was established on 23rd December 1988 in accordance with the Gazette Notification of the Democratic Socialist Republic of Sri Lanka to implement the Fertilizer Regularization Act No. 68 of 1988.

2.2. Vision and Mission

The vision of the Secretariat is to confirm the preparation and the use of inorganic and organic fertilizers with proper standards in order to increase the production efficiency of all crops grown in Sri Lanka and in accordance with the provisions of the Fertilizer Regularization Act and to assess the need for fertilizers upon the scientific recommendations by involving all relevant stakeholders, importing fertilizers. The mission the Secretariat is to control stocks, ensure the distribution and sale of proper quality fertilizers, improve the use of fertilizers in an eco-friendly manner in the use of organic and inorganic fertilizers, manage the fertilizer subsidy scheme with the aim of increasing the income of the farming community and take action to prevent irregularities taking place fertilizer use.

2.3. Tasks

- Proper implementation of Fertilizers Act No. 68 of 1988.
- Import, blending, distribution and trading of fertilizers by government fertilizer companies (Ceylon Fertilizer Company Ltd and Colombo Commercial Fertilizer Company Ltd) and maintaining stock positions of buffer fertilizers.

The role of the Secretariat is organized under 10 core sectors. In the year 2022, all of those sectors have achieved high progress. The Organic Fertilizer Promotion Division is its first division. It has completed 45 programs to strengthen organic fertilizer production. Further, the Fertilizer Import Division has completed 1995 tasks of preparation of documents related to the import of chemical fertilizers, giving recommendations for season clearances, checking laboratory reports and making recommendations for types of fertilizers and fertilizer advisory

committees. Fertilizer Distribution Program for Paddy under Fertilizer Distribution Division for 2022 Yala Season covered 433,225 hectares. The Fertilizer Distribution Program for the 2021/22 Maha Season covered 789,832 hectares. The Department of Investigation has completed 115 investigations in relation to the quality control of fertilizers. The Technical Division has completed 2,462 samplings for quality control of imported chemical fertilizers and local products. The Licensing Unit has completed 314 activities for production of fertilizers, issuance of new licenses for import, renewal of old licenses etc. Further, Data Management Division did the reporting and distribution of all data preparation in relation to the Division and other divisions such as the Accounts Division, Progress Review Division and Institutions Division playing a special responsibility for the success of the role of the National Fertilizer Secretariat.

Responsibilities like licensing of new producers of organic fertilizers by the District Offices of the Secretariat, renewal of licenses of old producers of organic fertilizers, stock verification and warehouse inspection, registration of fertilizer stores, training programs, sample testing at field level and verification of quality of fertilizers, progress review meetings Fertilizer Committees etc. have been fulfilled and the physical progress of such tasks has been achieved by 64%.

Under the Local Training of Human Resource Development and Capacity Building, the Second Efficiency Bar-Examination of the Assistant Directors and a training workshop were conducted. 52 officers were trained. For this 0.47 million rupees has been spent.

3. Ceylon Fertilizer Company Ltd

3.1 Institution under the Act

“Ceylon Fertilizer Corporation” was established on 29th January 1964 under the State Industrial Statutory Corporations Act No. 49 of 1957. The said company was re-established under the name “Ceylon Fertilizer Company Limited” with effect from 15th September 1992 in accordance with the Act No. 23 of 1987 to convert into public corporations and government-owned institutions into limited companies. It is currently re-registered under the new Companies Act No. 07 of 2007.

3.2 Vision and Mission

As the pioneer of the Sri Lankan fertilizer market, the vision is to be the leading company suitable for the diversified new world that provides the agriculture sector and its related innovative services and inputs and in accordance with the government policies to increase the production, income and profitability of the agricultural and agricultural services sector in Sri Lanka with the maximum contribution of the Lak Fertilizer family. The mission is to ensure the company's profitable and sustainable existence through the production and sale of fertilizers that meet multiple market demands.

3.3. Objectives:-

Provision of subsidy paddy fertilizer allocated by the government (60%) to farmers through Agrarian Service Centres, re-importing chemical fertilizers and improving them according to modern techniques, preparing composite fertilizers for crops other than paddy, maintaining the regional stores network throughout the Island and supplying necessary fertilizers to the planters. Stockpiling for sale when needed, buying and selling of organic fertilizers under the eco-friendly green agriculture policy, distribution of horticulture fertilizer products manufactured by our company using mobile sales vehicles.

3.4. Tasks

- Importing high quality fertilizers and purchasing them locally.
- Purchase of high quality compost fertilizers and organic products locally.
- Preparation of chemical fertilizer mixtures for all crops in accordance with the recommended rates provided by the National Fertilizer Secretariat.
- Distribution and sale of high quality direct and composite fertilizers throughout Sri Lanka through local warehouses, dealers, distribution agents (organic and chemical).
- Conducting programs to educate farmers about the use of fertilizers and solving problems faced in the agricultural sector.
- Testing and certifying and ensuring fertilizer packaging material and fertilizer samples by improving our company's laboratories.

Note - This institution submits annual audited reports to Parliament.

04. Colombo Commercial Fertilizer Company Ltd

Colombo Commercial Fertilizer Company Ltd is a company with a long history of 150 years. The company was founded by Europeans in the year 1872 and is currently a 100% state-owned company governed by a board of directors under the supervision of the Ministry of Agriculture.

4.1. Vision and Mission

The company's vision is to act as a model institution owned by the public sector by contributing positively to the Sri Lankan agricultural sector by promptly producing and distributing the goods and services required for agriculture, and by becoming the leading fertilizer manufacturer and distributor in Sri Lanka, and being a proud owner of the government's vision for agriculture, product diversification. The aim is to launch high-quality products and create an opportunity to operate as an independent organization by being open to all the needs of the company's stakeholders.

4.2. Tasks

Importing 40% of the amount of fertilizer required for paddy cultivation in the Island and providing fertilizer to the farmers at subsidized prices at the right time without shortage through the Agrarian Service Centres located in the Island. Importing the quantities of fertilizers required for other crops and selling them at subsidized prices to farmers through Agrarian Service Centres and Sales Agents all over the Island.

4.3. Objectives

Importing the amount of fertilizers required to the country within the year efficiently according to the government's agricultural policies in collaboration with the Ministry of Agriculture and the National Fertilizer Secretariat, and buying quality organic fertilizers locally and improving them further and distributing such fertilizers on time required for cultivation, without shortage, at appropriate time in due amount and in quality to the farmers through Agrarian Centres.

Note - This institution submits audited reports to Parliament annually

5. Sri Lanka National Hunger Eradication Action Board (National Food Promotion Board)

5.1. Introduction

Sri Lanka National Hunger Eradication Action Board or National Food Promotion Board was established by the Sri Lanka National Hunger Eradication Act No. 15 of 1973.

5.2. Vision and Mission

The vision is to create economic independence and self-reliance by implementing programs to re-establish the self-esteem of the farmers and the underprivileged. The mission is to implement participatory development programs to create economic independence of the beneficiaries and to avoid the culture of dependence on others and for skill development in agriculture, livestock and other sectors.

5.3. Objectives

- Receiving aid from foreign and local group of representatives for social and economic development in accordance with the development program prepared by the government.
- Assisting institutions and other bodies in implementing public welfare, social and economic development schemes.
- Supporting, developing and coordinating specific schemes aimed at agricultural and industrial development.
- Encouraging non-government representatives in implementing proposals to increase agricultural and industrial production.
- Co-operation with the International Hunger Eradication Movement and other similar foreign institutions, associations or societies.

Note - This institution submits audited reports to Parliament annually.

6. National Institute of Post-Harvest Management

6.1. Introduction

Under the provisions of the State Agricultural Statutory Act No. 11 of 1972, the Institute of Post-Harvest Technology was established on 19th June 2000 by Extraordinary Gazette Notification No. 1137/10 of the Democratic Socialist Republic of Sri Lanka. On 27.10.2018, the name of the Institute was changed as National Institute of Postharvest Management by Extraordinary Gazette Notification No. 2093/26 of the Democratic Socialist Republic of Sri Lanka.

The main role of the institute is to carry out research and development activities, training, extension, technical advisory services and laboratory services to reduce post-harvest damage in agricultural crops.

6.2. Vision

To be the hub of excellence in sustainable post-harvest development for national food security

6.4. Mission

Strengthening supply and value chains to provide high quality safe food products to domestic and foreign markets at competitive prices to create a sustainable development of national food security through efficient and effective post-harvest technical intervention.

6.5. Objectives

All the functions of the institute are initiated through 03 main objectives.

- Reducing post-harvest losses in agricultural crops to 5% in perennial crops and 25% in non-perennial crops by 2025.
- Development of agro-related industries.
- Strengthening the good governance of the institution

6.6. Major Tasks

Tasks as per regulations

- Identifying and prioritizing researches needed to improve post-harvest technology in Sri Lanka and initiating them. Under it, identifying and promoting technologies related to harvesting, utilization and transportation, storage and preservation, primary and secondary processing methods, use of by-products, quality certification etc. of paddy, rice, other grains, vegetables and fruits, field crops, spice crops, and cut flowers.
- Mechanization of post-harvest techniques to reduce primary and secondary processing costs of agricultural crops and increasing the nutritional status of agricultural crops through formal post-harvest techniques and thereby uplifting the nutritional level of the people.
- Developing and expanding sustainable agro-based industries at rural level to increase income and employment opportunities and improving livelihoods of farmers.

- Effective technology transfer of improved techniques in the field of post-harvest technology, including the use of new techniques in post-harvest technology, and their dissemination among farmers, farmers' organizations and other stakeholders and other relevant target groups.

In order to achieve the above objectives, the main role played by the institute is divided along several disciplines. After that, research projects, technology dissemination activities (training courses, awareness programs and field activities), development projects (new and appropriate technologies for use in the field), consultancy services and engineering services and laboratory services are carried out related to harvesting technology.

All the programs through these main areas will help to ensure the food security of the people. Moreover, the nutritional quality of food is preserved through the use of correct technical methods for post-harvest use and the income of farmers and supply chain stakeholders increase and new jobs are created.

The National institute of Postharvest Management has been doing a great job in creating national food security by reducing the postharvest losses in the supply and value chain of agricultural crops from the farm to the consumer throughout the past and at the present.

The progress of the work carried out by us according to the implementation plan of the year 2022 is shown below in the respective fields.

6.7. Research Projects

Research projects were carried out in 03 main areas.

1. Minimizing post-harvest damage and increasing post-harvest lifespan of agricultural crops
2. Value addition to crops and food technology
3. Safe food and nutrition

Solutions to the existing problems related to these areas have been identified through research projects.

6.8. Allocated Provision Utilization Performance

Type of Provision	Allocated provision		Actual Expenditure (Rs.M.)	Allocation used as % of Final Allocation Amount completed
	Initial Provision (Rs.M.)	Final Provision (Rs.M.)		
Re-current Capital (426-02-03-002-2201)	149.82	149.82	131.38	87.69
	30.00	30.00	5.12	17.06
Capital (426-02-03-008-2509)	22.08	4.03	4.03	100.00

6.9. Details of the Research Projects implemented in the year 2022

Program / Project	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Physical Target	Physical Progress
Research Projects being implemented from the year 2021				
Analyzing the present status of post-harvest practices and post-harvest damage in selected agricultural crops	2.05	1.39	Determination of postharvest damage for selected vegetables and fruits at 4 supply chains	The post-harvest damage has been determined in several crops such as papaya, banana, mango and red onion, eggplant, tomato, okra, sweet potato and green pepper. This study will also be conducted in the year 2023.
Evaluating the propensity of farmers to store several economically important cornflakes and carrying out an economic analysis at different post-harvest stages	1.16	0.24	Collecting the required data through a field study	Field study is in progress. All data related to paddy crop has been collected. This study will be conducted in the year 2023 as well.
Design and development of repellents to repel monkeys and bats	1.55	0.77	Conducting a field study and designing the repellent device	The device is designed. Feasibility of field use is in progress.
Reduction of postharvest damage in red onion using improved postharvest technologies	0.12	0.12	Study of optimum conditions for storage and post-harvest shelf life of red onion	The research has been completed with successful results. Technology campaigns will be done in the future. It was revealed that the relevant technology is more suitable for seeded red onion.
Studying the potential of replacing wheat flour with jack flour and palm flour in food production and evaluating their quality	0.03	0.03	Processing jack flour and palm flour and discovering the possibility of using that flour for various food products	Several food products related to jack flour and palm flour have been made. Technology campaigns are underway.
Exploring the possibility of using	0.3	0.14	Investigating the processing of	Eagle flour is prepared. Shelf life is determined.

Program / Project	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Physical Target	Physical Progress
rajala flour instead of wheat flour			rajala flour and its shelf life and production of food using rajala flour	Related food products are being prepared.
Survey of Rice Mills and other Food Grinding Mills	0.22	0.22	Getting accurate information about rice mills and other food grinding mills operated in several provinces	Data related to several districts has been collected. The study is still ongoing.
Design and development of a process for the extraction of groundnut oil	0.49	0.46	Identifying the machines required for the extraction of groundnut oil and developing the production process	Machines required for peanut oil extraction have been identified and the oil extracted. Technology is imparted to the field through training programs.
Development of a scientific methodology for postharvest utilization of avocados	0.27	0.10	Methods of use of harvesting equipment and preparation of value added products	The most suitable post-harvest utilization practices for avocados, including ripening technologies have been identified. Several products have been made with value addition. The technology will be disseminated to the field in the future.
Total	6.19	3.47		
Research Projects started in 2022 and in progress in 2023				
Studying the possibility of using natural antimicrobials to preserve the freshness of mangoes	0.37	0.05	Introducing a technology that uses natural antimicrobials to control pathogens during handling and transportation of mangoes	It was found that the pathogenic fungus that causes stem end rot of mango can be controlled to some extent by a solution containing cinnamon oil. It is expected to prepare a mixture containing several other natural oils and research is ongoing to find

Program / Project	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Physical Target	Physical Progress
				suitable concentrations.
Analysis of the properties of alternative flour types and their combinations that can be used for wheat flour and studying the possibility of using them partially or partially for wheat flour contained in flat bread	0.32	0.20	Evaluating the production of flat bread mixed with jackfruit, date, sweet potato, cassava, rice, soy flour and its feasibility.	The characteristics needed to conclude the performance of jackfruit, date palm, sweet potato, cassava, rice and soya flours identified as substitute flours that can be used instead of wheat flour were studied. Production of flat bread using these types of flour has been started at pre-study level.
Design of a ventilated trailer for transportation of meat crops and studying the feasibility of its use	0.69	0.50	Collecting basic data related to temperature variation during transportation of vegetables/fruits through the existing value chain and quality of vegetables/fruits after transportation, considering those data and previous test results, designing and creating a ventilated lorry body and evaluation of lorry body efficiency	Initial data collection has been completed. Considering that data and the results of previous tests, a relevant lorry body was designed and created. The efficiency of the lorry body (temperature variation and quality check of vegetables/fruits after transportation) has been evaluated. The research will continue in 2023.
Examining and evaluating the effectiveness of using low temperature storage as a solution for proper utilization of excess vegetable and fruit production	0.43	0.29	Identification of optimum conditions for low temperature storage of some selected crops	Among the selected crops, the optimum conditions for storage of guava, avocado and eggplant have been identified. The research will continue in 2023.
Solar dryers for	0.74	0.31	Development of	A greenhouse type dryer

Program / Project	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Physical Target	Physical Progress
drying and dehydrating meat crops			a greenhouse type drying machine for drying chilies and turmeric	has been designed. The research will continue in 2023.
Identification of storage-related pests of food crops in Sri Lanka and evaluation of the possibility of using phytochemicals for pest control in plastic crates	0.19	0.06	Identification of pests in selected food crops, introduction of plant extract based pest control method, identification of pest control potential of plastic closed storage	Research activities are being carried out in relation to the control of corn borer, which is a major problem in maize production.
Quantitative and qualitative comparison of post-harvest damage during sale of some selected vegetables, fruits and cut flowers in air-conditioned shops and roadside stalls	0.08	0.07	Identifying the difference in post-harvest damage in traditional and improved supply chains and introducing appropriate post-harvest techniques to the traditional post-harvest chain	Postharvest damage of all selected crops and cut flowers was estimated based on quantitative and qualitative criteria. The data is currently being analyzed. However, according to the data, it was observed that the post-harvest damage in the air-conditioned stores is comparatively lower.
A study on the effect of different post-harvest treatments on increasing the shelf life of fresh cassava for sea transport	0.58	0.15	Extending cassava shelf life using several selected postharvest treatments	The feasibility of several packaging/filling media has been studied along with the use of bio wax to increase the shelf life of cassava. The research will continue in 2023.
Total	3.40	1.64		
Total Allocation for Research	9.59	5.10		

Correct and appropriate post-harvest technologies identified through research projects will be introduced to the field through development projects, training and other extension activities and advisory services. Research papers have been published in local and international research journals. Patents are applied for new technologies.

6.10 Development Projects

In the year 2022, 06 development projects were started through the allocation of the Ministry of Agriculture under the Budget Expenditure Head 426-02-03-008-2509, but based on the

Budget Circular No.02/2022, the procurement activities had to be stopped/suspended. Accordingly, provision was made only for the expenses incurred up to that time. And among those projects, only 02 projects were further carried out under the Budget Expenditure Head 426-02-03-007-1509. The details are given separately below.

Program / Project	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Physical Target	Physical Progress
Development of regionally functioning fruit and vegetable distribution network (a pilot project)	0.06	0.06	Establishing a supply chain from Nuwara Eliya to Kandy and Kurunegala Kendreka as a pilot study	Transporting vegetables in a new supply chain from Nuwara Eliya to Wariyapola was studied but was unsuccessful. This project was further carried out under Expenditure Head 426-02-03-007-2201.
Setting up medium scale extrusion units to produce value added products from local tubers	3.94	3.94	Making extruded food/value added products using local tubers	Payment was made for the extruder. Experiments are being carried out to produce food varieties. This project was further carried out under Expenditure Head 426-02-03-007-2201.
Establishment of household level rice processing industries in rural areas	0.03	0.03	Conducting training programs to establish rice processing industries at household level	75 beneficiaries have been trained.
Improvement of indoor storage to store rice, maize and grains in order to increase farmers' income	0.01	0.01	Conducting training programs to improve domestic storage	37 beneficiaries have been trained.
Grand Total	4.03	4.03		

Due to the non-availability of ministerial allocations based on Budget Circular 02/2022, the progress related to the 02 projects further carried out under Budget Expenditure Head 426-02-03-007-1509 is shown below.

Program / Project	Allocated Amount (Rs.M.)	Disbursed Amount (Rs.M.)	Physical Target	Physical Progress
Development of a regionally functioning fruit and vegetable distribution network	0.21	0.04	Establishing a supply chain from Nuwara Eliya to Kandy and Kurunegala Kendreka as a pilot study	The supply chain stakeholders involved in this have been identified and trained. Other related activities are being carried out.
Setting up of medium scale extrusion units to produce value added products from local tubers	0.23	0.05	Introducing nutritious instant edible extruded food products using local tubers	Basic analysis work is being carried out on the processing of food products.
Total	0.43	0.09		

6.11. Technology Promotion

Introduction of correct and appropriate post-harvest technologies for use in the field and training of supply and value chain stakeholders was done through technology dissemination activities. For this purpose, residential and field training programs were conducted and the participants were charged money for the residential programs. Field training programs were conducted with free of charge.

Program /Project	Physical Target	Physical Progress
Training programs to popularize post-harvest techniques	Training 2000 beneficiaries through conducting 100 training courses (both residential and field programs) on the use of correct post-harvest technology, generating new entrepreneurs for the post-harvest sector	19 residential training programs and 157 field programs have been conducted and 3673 people (farmers, householders and members of farmer organizations, small and medium scale agricultural produce collectors, transporters and traders, entrepreneurs, agricultural produce processors, government, cooperatives, private and non-government organizations) (including extension officers) have been trained in correct post-harvest activities. 52 new entrepreneurs have been created, among them there are entrepreneurs who make spices, rice-based foods, dehydrated fruits, fruit-based products, grain/vegetable products.

6.12. Consultancy Services, Engineering Services and Laboratory Services

The use and maintenance of spice processing machines, the use and maintenance of rice and rice flour processing machines and the provision of advisory services related to vegetable and fruit dehydration technology will be initiated through engineering services. The main function of the laboratory services department will be the research / training carried out in the institution. / Provision of chemical, physical and microbiological laboratory facilities for consultancy services. Providing the necessary technical knowledge to solve the technical problems related to the post-harvest activities by connecting with the government and non-government organizations and all other parties directly and indirectly involved in the post-harvest activities is done through consultancy services. Accordingly, consultancy services have been provided to the entrepreneurs for the modernization of rice mills, quality rice production, quality rice flour production, rice flour related food production, peanut oil extraction, high quality spice production, vegetable fruit dehydration, fruit related production, etc. In addition, 20 advisory services such as necessary reports for starting cold storages, providing technical knowledge, preparing project reports for industrial services, etc. were provided by the Institute of National Postharvest Management in the year 2022. The laboratory department has analysed 400 food samples and provided them to the concerned parties.

6.13. Institutional Development Projects - Development of the National Institute of Postharvest Management to promote postharvest technical activities for food security in Sri Lanka

Under this, 3 projects i.e. improvement of laboratory and mechanical workplace facilities and provision of a suitable working environment for employees of the post-harvest technology institute, repair of dormitory and laboratory buildings and strengthening of the IT system of the institute were started, but due to the Budget Circular issued in relation to the management of public expenditure, it had happened to stop these projects. For the purpose of strengthening the IT system of the institute, at that time, 0.14 million rupees incurred and which is the only amount that was spent under this.

Note - This institution submits audited reports to Parliament annually.

Photos of Programs in the Fertilizer Division

- Department of Agrarian Development



Photo 37 : District Office of the Department of Agrarian Development - Colombo



Photo 38 : Agrarian Service Centre - Padukka



Photo 39 : Renovation of Bulat Val Kandura Canal, Kandy District



Photo 40 : Ambalaveliya Canal Construction, Puttalam District



Photo 41 : Agrarian Service Centre - Silawathura

04. Rural Economic Division

Approved Development Programs for the year 2022

- Under the budget estimates for the year 2022, allocations were made for rural economic crop cultivation and animal husbandry as shown below.

Program	Allocated Provision (Rs.M.)	Approved Provisions (Rs.M.)
Crops Project	125.00	100.00
Goat Husbandry Project	50.00	40.00
Total	175.00	140.00

Progress of Development Programs - As at 31.12.2022

1. Cropping Project - turmeric, Black Gram and Green Crops

The approved allocation for the year 2022 is 100.00 million rupees. In 2021, the amount allocated for the outstanding bills for the crop cultivation project is 24.56 million rupees. Accordingly, the remaining allocation for the year 2022 is 75.44 million rupees. Arrangements have been made to carry out the following crops using the said provisions. The implementation of the projects was carried out by the District Director of Agriculture through the coordination of the Divisional Secretariats under the direction of the District Secretary.

99.13 million rupees for were allotted for black gram and green gram crops for 13 districts. Accordingly, black gram cultivation - 41,882 Kg of seeds were cultivated on 1,675.3 hectares of land for 8,560 beneficiaries. Green Plantation - 30,857 Kg of seeds were planted on 1,289.6 hectares of land for 6,854 beneficiaries. For turmeric cultivation, 2,823 Kg seeds were distributed to 474 beneficiaries in Anuradhapura district and cultivation was carried out covering an area of 2.35 hectares.

Crops Project - Progress as at 31.12.2022

District	Crop	Allocated Provision (Rs.M.)	Outstanding Bill Provision (Rs.M.)	No of Been ficiaries	Extent in which crop cultivated (Acre)	Distributed Amount of Seeds (kg)	Total Expenditure - 2021 Outstanding Bills + 2022 New Projects (Rs.M.)
Jaffna	Black Gram	0.92	2.94	115	39.24	391	3.85
	Green Gram			210	55.47	550	
	Total			325			
Kilinochchi	Black Gram	8.46	-	1,322	645.50	6,455	8.36
	Green Gram			518	188.25	1,882	
	Total			1,840			

District	Crop	Allocated Provision (Rs.M.)	Outstanding Bill Provision (Rs.M.)	No of Beneficiaries	Extent in which crop cultivated (Acre)	Distributed Amount of Seeds (kg)	Total Expenditure - 2021 Outstanding Bills + 2022 New Projects (Rs.M.)
Mannar	Black Gram	8.78	3.93	912	779.00	7,790	12.50
	Green Gram			91	83.25	833	
	Total			1,003			
Mullaitivu	Black Gram	5.50	-	638	319.00	3,190	5.42
	Green Gram			478	221.00	2,210	
	Total			1,116			
Vavuniya	Black Gram	11.70	0.02	3,363	1,232.90	12,329	10.52
	Green Gram			215	100.00	1,000	
	Total			3,578			
Kurunegala	Black Gram	2.00	-	-	-	-	1.98
	Green Gram			618	231.00	1,847	
	Total			618			
Polonnaruwa	Black Gram	6.39	3.21	235	185.50	1,855	9.53
	Green Gram			731	408.50	4,085	
	Total			966			
Anuradhapura	Turmeric	0.87		474	5.88	2,823	9.68
	Black Gram	9.00		1,019	437.90	4,379	
	Green Gram	0		943	419.70	4,197	
	Turmeric			2,436			
Trincomalee	Black Gram	2.65	3.87	283	112.75	1,128	6.34
	Green Gram			341	145.09	1,451	
	Total			624			
Batticaloa	Black Gram	7.03	-	305	181.50	1,815	6.95
	Green Gram			1,228	508.75	5,088	
	Total			1,533			
Ampara	Black Gram	6.39	7.08	190	119.50	1,195	7.20
	Green Gram			884	473.15	4,731	
	Total			1,074			
Monoragala	Black Gram	3.85	2.43	163	125.50	1,255	6.23
	Green Gram			302	239.25	1,499	
	Total			465			
Ratnapura	Black Gram	1.73	-	15	10.00	100	1.67
	Green Gram			295	150.66	1,484	
	Total			310			

District	Crop	Allocated Provision (Rs.M.)	Outstanding Bill Provision (Rs.M.)	No of Been ficiaries	Extent in which crop cultivated (Acre)	Distributed Amount of Seeds (kg)	Total Expenditure - 2021 Outstanding Bills + 2022 New Projects (Rs.M.)
Badulla	-	-	1.10	-	-	-	1.10
Gampaha	-	0.01	-	-	-	-	0.01
Total	Turmeric	0.87		474	5.88	2,823	
	Black Gram			8,560	4,188.29	41,882	
	Green Gram			6,854	3,224.07	30,857	
Grand Total		75.28	24.56	15,888	7,418.24	75,562	91.33

The amount paid for the project for the year 2022 is 91.33 million rupees. It is 66.84 million rupees for new projects as at 31.12.2022 and outstanding bills for the year 2021 are 24.48 million rupees. In 2022, the value of pending bills is 7.27 million rupees. Accordingly, the total value of the project is 98.59 million rupees. Physical progress is 100% and financial progress is 91%.

Photo No. 42, 43, 44 & 45 - Page No. 125 & 126

2. Goat Husbandry Project

• Goat Breeding Project - Progress as at 31.12.2022

The amount allocated for the project for the year 2022 is 40.00 million rupees. The value of outstanding bills for the year 2021 is 3.69 million rupees. Then the amount allocated for new projects was 36.31 million rupees. The allocation of funds to each district and the progress of the project are shown below. The amount spent on the project was 38.73 million rupees. The project was implemented in 08 districts and 1,624 goats were distributed to 808 beneficiaries.

Project implementation was carried out under the supervision of District Secretary and District Veterinary Officers. An amount of 35,000.00 per beneficiary family was allocated under this program for purchase of two goats. After conducting the procurement activities for this purpose, due to the current increase in the prices of goods and transport and other things, for the purchase of two goats, Rs. 35,000.00 as per the request made by the concerned district secretaries that the amount is insufficient, after considering the prices, the amount is increased up to 45,000.00 rupees and further work on the project was carried out.

District	Outstanding Bills - 2021 (Rs.M.)	Allocated Amount for New Projects - 2022 (Rs.M.)	No of Beneficiaries - 2022	No of Goats - 2022	Expenditure for Projects (2021 - Outstanding Bills +2022 New) (Rs.M.)	Actual Expenditure (Rs.M.)
Batticaloa	-	8.86	197	392	8.74	8.74
Trincomalee	-	4.15	103	206	4.06	4.06
Ampara	0.87	7.15	153	308	7.89	7.89
Polonnaruwa	2.82	4.15	97	191	6.90	6.90
Mullaitivu	-	3.50	75	150	3.44	3.44
Vavuniya	-	3.50	75	161	3.43	2.79
Mannar	-	3.50	75	150	3.42	3.42
Kalutara	-	1.50	33	66	1.49	1.49
Badulla	0.004	-	-	-	0.004	0.004
Total	3.694	36.31	808	1,624	39.36	38.73

The amount paid for the project for the year 2022 is 38.73 million rupees. It is 35.03 million rupees for new projects as at 31.12.2022 and outstanding bills for the year 2021 are 3.69 million rupees. In the year 2022, the value of pending bills is 0.64 million rupees. Accordingly, the total value of the project is 39.37 million rupees. The physical progress is 100% and the financial progress is 97%.

Photo No. 46 & 47 - Page No. 127

3. Construction of 3,400 sanitation units under grants from Government of India to improve public health in Batticaloa District

This project is being carried out by the Government of India keeping in mind the objectives of developing bilateral relations between the Government of Sri Lanka and the Government of India. Accordingly, in response to a special request of the Ministry of Rural Economy established before the Cabinet Memorandum amendment dated 05.01.2018, the Government of India has agreed to provide a financial grant of 300 million rupees for the construction of 3,400 sanitation units covering 14 regional secretariats. The project proposal has been prepared with the aim of improving sanitation facilities in 3,400 identified family units. Further, the implementation of this project has been recommended by the National Planning Department. Cabinet approval for the implementation of the project has been given on 03.07.2018 and a Memorandum of Understanding has been signed between the Government of Sri Lanka and the Government of India on 19.07.2018. A Project Consultancy Service Institution has been selected for the project and a Technical Evaluation Committee has also been appointed.

This project has been included for implementation under this Ministry after the establishment of the State Ministry of Development of Backward Rural Areas and Promotion of Domestic Animal Husbandry and Minor Economic Crops on 06.10.2020. Technical evaluations had

already been completed to select suitable agencies for the construction work. Financial proposals were opened on 31.12.2020 and evaluation work was done. It was unable to carry out the project as the prices in the original estimates could not be kept up with the current prices.

The State Ministry of Development of Backward Rural Areas and Domestic Animal Husbandry and Promotion of Minor Economic Crops was changed as the State Ministry of Rural Economic Crops and Promotion as per the Extraordinary Gazette No. 2277/53 dated 28.04.2022. It operates under the Ministry of Agriculture as the Promotion Division. Accordingly, the project is expected to be implemented under the supervision of the Ministry of Agriculture. For this, no local or foreign funds have been allocated under the budget estimates for the year 2022 and the status of the project as at 31.12.2022 is briefly shown below.

According to the estimates made for a sanitation unit, since it is not possible to work under the current prices, and therefore it was also proposed to revise the MoU in the letter dated 2021.12.08 to revise the documents as 3,200 units and to prepare the estimates again and carry out procurement activities 2022.04. It was informed by the Indian High Commission vide letter dated 18. Accordingly, in the letter dated 19.04.2022, inquiries were made to the Ministry of Foreign Affairs and the Department of Foreign Resources to obtain relevant recommendations. As per the estimates made for a sanitation unit, it was not feasible at current prices. Therefore, the High Commission of India has informed by the letter dated 08.12.2021 to revise the estimates and carry out the procurement activities and revise the documents as 3,200 units and with their plans to revise the MoU again by the letter dated 18.04.2022. Accordingly, in the letter dated 19.04.2022, inquiries were made to the Ministry of Foreign Affairs and the Department of External Resources to obtain relevant recommendations.

The letter dated 28.07.2022 of the Department of External Resources has given recommendations for revising the MoU by determining the quantity of sanitary units as per the current prices. In the letter dated 06.09.2022 of the Ministry of Foreign Affairs, it has been recommended to include the name of the Ministry as the Ministry of Agriculture for the MoU and other proposed amendments after obtaining the approval of the Cabinet of Ministers. Taking those recommendations into consideration, the draft of the Cabinet Memorandum was prepared and submitted for recommendations, and it was decided to prepare the estimates according to the current prices and submit them again.

Institutions coming under Rural Economic Division

1. “Sri Lanka Hadabima Authority” (National Agricultural Diversification and Settlement Authority)

According to the extraordinary gazette No. 2277/53 dated 28.04.2022, the Sri Lanka Hadabima Authority, it was brought under the changed ministry as the State Ministry of Rural Economic Crops Cultivation and Promotion. Later, it has been transferred to the line Ministry of Agriculture through extraordinary gazette No. 2281/41 dated 27.05.2022.

For the year 2022, the amount allocated for the development programs of this institution is 100.00 million rupees. The progress of the development programs implemented using this money is shown below.

1.1. Progress of development programs implemented from 01.01.2022 to 31.12.2022 - Sri Lanka Hadabima Authority

	Scope	Activity	Allocated Amount (Rs.M.)	Progress as at 31.12.2022			
				Financial (Rs.M.)	Physical		
1	Bringing land productivity to a maximum level	1.1	Establishment of Soil Conservation Structures - 2021	4.13	4.12	164.96 hectares have been developed.	
			Establishment of Soil Conservation Structures - 2022	7.00	7.00	280 hectares have been developed.	
		1.2	Provision of agricultural equipment sets required for the production of organic fertilizers - 2021	3.03	3.03	651 farmers in Kandy district have been given agricultural equipment kits.	
			Provision of agricultural equipment sets required for the production of organic fertilizers - 2022	2.27	2.27	It was planned to provide agricultural equipment sets to 576 farmers in Ampara district, but only 330 farmers were given such agricultural equipment sets due to the increase in the price of the equipment.	
				15.83	15.79	Agricultural equipment kits have been provided to 2,080 farmers.	
		1.3	Distributing a set of permanent crops including horticulture seeds, fruit plants among the farmers to promote horticulture		0.52	0.52	Seed kits were provided for 5,183 horticulture demonstrations. Distribution of permanent crop input kits has been completed.
					22.59	13.04	
					1.20	1.14	3,000 and 300 coconut saplings have been given to farmers in Hambantota and Colombo districts respectively.
					0.26	0.26	3,000 and 2,100 lime plants have been given to farmers in Hambantota and Kandy districts respectively.
					0.50	0.49	10,000 areca nut plants

	Scope	Activity	Allocated Amount (Rs.M.)	Progress as at 31.12.2022		
				Financial (Rs.M.)	Physical	
					have been distributed.	
Progress of development programs implemented from 01.01.2022 to 31.12.2022 - Sri Lanka Hadabima Authority						
2	Complete connected water management	2.1	Conservation of water sources and watercourses	8.00	7.43	08 water sources were planned but 12 have been conserved within the allotted allocation.
		2.2	Planting aquatic plants in water bodies for conservation of such water bodies	0.19	0.19	
				0.61	0.61	1,217 high grade hydroponic plants and 2,215 other hydroponic plants have been provided.
3	Conducting technical training programs	3.1	Conducting technical training programs for the farming community	0.88	0.87	Training programs have been conducted for 6,678 beneficiaries.
		3.2	“Hadabima to Farm land” - Technical Training Programmes	0.53	0.50	03 training programs have been conducted in Hambantota district and 01 program each in Kandy, Colombo, Kegalle and Badulla districts.
4	Income generation to meet the nutritional needs of the rural community	4.1	Semi-domestic Poultry Promotion Programme	9.12	8.77	8,900 and 8,460 chicks were given to 890 and 846 families in Kandy and Hambantota districts respectively.
5	Agricultural Production and Marketing Programme	5.1	Farm development - Pallekele	1.50	1.41	Repair of farm road, purchase of Debeaker and UV filter for chicken breeding
		5.2	Farm Development - Kothmale	3.50	1.10	Construction of fence around the farm and construction of a new shelter house
6	Agricultural production and marketing, providing facilities and services for cultivation of crops and other crops operated by investors on a commercial basis	6.1	Providing modern agro-technological knowledge and facilities to young entrepreneurs to encourage commercial-level agriculture	9.00	-	-
7	Improving organizational performance and service effectiveness	7.1	Conducting of electronic and print media programmes	1.60	1.59	06 radio programs “Hadabima Gami Saraniya”, 01 “Hadabima Gami Saraniya” programs, pamphlet printing and other e-media programs have been conducted.

	Scope	Activity		Allocated Amount (Rs.M.)	Progress as at 31.12.2022	
					Financial (Rs.M.)	Physical
		7.2	Implementation of monthly progress review programs	0.36	0.36	07 progress review meetings have been held for field officers.
		7.3	Human resource development of the organization	0.90	0.65	In-service and on-the-job training programs have been conducted for the staff of the institute.
		7.4	Development of physical resources	6.50	5.75	The physical resources needed by the organization have been purchased. The dilapidated access road has been modernized.
		Total		100.00	76.88	

Photographs of rural economic sector programmes

- Crop Cultivation Project



Photo 42: Crops Project - Batticaloa



Photo 43: Crops Project - Trincomalee



Photo 44: Crop Cultivation Project - Ampara



Photo 45: Crop Cultivation Project - Buttala

- **Goat Husbandry Project**



Photo 46: Goat Husbandry Project - Polonnaruwa

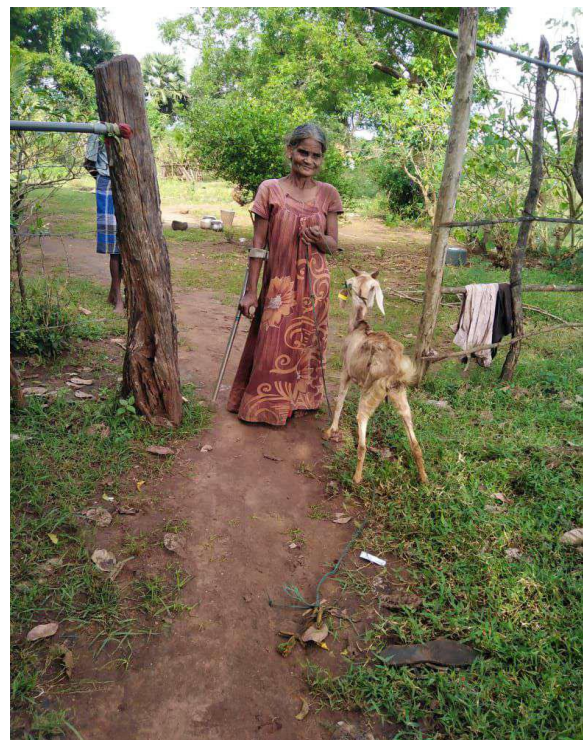


Photo 47: Goat Husbandry Project - Vavniya

Chapter 03 - Overall Financial Performance for the year ended 31st December 2022

3.1. Financial Performance Statement

ACA -F

Statement of Financial Performance for the period ended 31st December 2022

Budget 2022	Note	Actual	
		2022 Rs.	2021 Rs.
-	Revenue Receipts	219,195,182	-
-	Income Tax	1	-
-	Taxes on Domestic Goods & Services	2	-
-	Taxes on International Trade	3	-
310,000,000	Non Tax Revenue & Others	4	453,206,587
<u>310,000,000</u>	Total Revenue Receipts (A)	<u>219,195,182</u>	<u>453,206,587</u>
-	Non Revenue Receipts	-	-
-	Treasury Imprests	21,227,435,918	2,070,282,067
-	Deposits	423,519,324	147,929,343
-	Advance Accounts	58,410,438	39,196,960
-	Other Main Ledger Receipts	-	-
-	Total Non Revenue Receipts (B)	<u>21,709,365,680</u>	<u>2,257,408,370</u>
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)	<u>21,928,560,862</u>	<u>2,710,614,957</u>
	Remittance to the Treasury (D)	<u>2,781,425,308</u>	<u>-</u>
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)	<u>19,147,135,554</u>	<u>2,710,614,957</u>
	Less: Expenditure		
-	Recurrent Expenditure		
1,565,839,281	Wages, Salaries & Other Employment Benefits	5	675,020,269
339,060,353	Other Goods & Services	6	142,183,964
89,682,894,260	Subsidies, Grants and Transfers	7	4,056,763,159
-	Interest Payments	8	-
420,000	Other Recurrent Expenditure	9	96,036
<u>91,588,213,894</u>	Total Recurrent Expenditure (F)	<u>66,896,574,659</u>	<u>4,874,063,428</u>
	Capital Expenditure		
	Rehabilitation & Improvement of Capital Assets	10	24,018,795
51,860,125	Assets	11	7,764,640
15,095,000	Acquisition of Capital Assets	12	1,640,452,709
3,040,449,960	Capital Transfers	13	1,017,482,072
17,518,742,396	Acquisition of Financial Assets	14	767,883
8,072,125	Capacity Building	15	4,359,677,305
10,829,941,500	Other Capital Expenditure		
<u>31,464,161,106</u>	Total Capital Expenditure (G)	<u>28,254,437,171</u>	<u>7,050,163,404</u>
	Deposit Payments	447,106,093	166,129,229
	Advance Payments	124,242,869	21,673,999
	Other Main Ledger Payments	-	-
	Total Main Ledger Expenditure (H)	<u>571,348,962</u>	<u>187,803,228</u>
	Total Expenditure I = (F+G+H)	<u>95,722,360,792</u>	<u>12,112,030,060</u>
	Balance as at 31st December J = (E-I)	<u>(76,575,225,238)</u>	<u>(9,401,415,103)</u>
	Balance as per the Imprest Reconciliation Statement	<u>(76,575,225,238)</u>	<u>(9,401,415,103)</u>
	Imprest Balance as at 31st December	<u>-</u>	<u>-</u>


3.3 Statement of Financial Position

Statement of Financial Position As at 31st December 2022


	Note	Actual	
		2022 Rs	2021 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	2,950,845,644	1,792,992,099
Financial Assets			
Advance Accounts	ACA-5/5(a)	197,828,329	131,995,898
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		3,148,673,973	1,924,987,997
Net Assets / Equity			
Net Worth to Treasury		63,700,080	48,066,450
Property, Plant & Equipment Reserve		2,950,845,644	1,792,992,099
Rent and Work Advance Reserve	ACA-5(b)	63,000,000	63,000,000
Current Liabilities			
Deposits Accounts	ACA-4	71,128,249	20,929,448
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		3,148,673,973	1,924,987,997

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 7 to 113 and Annexures to accounts presented in pages from 114 to 144 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

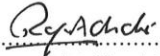
We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.


.....
Chief Accounting Officer
Name :
Designation :
Date :

Gunadasa Samarasinghe
Secretary
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.


.....
Accounting Officer
Name :
Designation :
Date :

Gunadasa Samarasinghe
Secretary
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.


.....
Chief Financial Officer/ Chief Accountant/
Director (Finance)/ Commissioner (Finance)
Name :
Date : 27.02.2023

එච්.කේ.ඒ. රංජිත් උදයසිරි
ප්‍රධාන මූල්‍ය නිලධාරී
කෘෂිකර්ම අමාත්‍යාංශය
අංක. 80/5, "ගොවිජන මන්දිරය",
රජමල්වත්ත පවුමග, බත්තරමුල්ල.

3.4 Statement of Cash Flows

Statement of Cash Flows for the Period ended 31st December 2022

	Actual	
	2022 Rs.	2021 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	51,533,976	120,881,782
Revenue Collected on behalf of Other Revenue Heads	(412,668)	(96,685,905)
Imprest Received	21,227,435,918	2,070,282,067
Recoveries from Advance	134,559,516	19,717,950
Deposit Received	411,782,596	129,219,907
Total Cash generated from Operations (A)	21,824,899,338	2,243,415,801
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	1,270,265,733	331,374,189
Subsidies & Transfer Payments	36,390,558,588	55,440,524
Expenditure incurred on behalf of Other Heads	(32,327,858,145)	20,385,825
Imprest Settlement to Treasury	2,781,425,308	-
Advance Payments	129,243,206	19,525,594
Deposit Payments	430,121,435	166,129,229
Total Cash disbursed for Operations (B)	8,673,756,125	592,855,361
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	13,151,143,213	1,650,560,440
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	13,151,143,213	1,650,560,440
Total Cash disbursed for Investing Activities (E)	13,151,143,213	1,650,560,440
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(13,151,143,213)	(1,650,560,440)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.5 Notes to the Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2022.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

Financial Statements for the year 2021 was prepared for Head No 118,407,426 and 427 separately. In this statement we have amalgamated the heads and previous year expenditure was shown as Head 118 only in the relevant field.

3) Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2022.

* In cases where there are transactions which are specific to a particular reporting entity, relevant information can be entered in to the Financial Statements with approval of Department of State Accounts and the disclosure required for those specific transactions may be included under "Reporting Basis".

* Only the accounting policies relevant to the reporting entity should be disclosed under the reporting basis.

3.6 Revenue Collection Performance

ACA -1

Statement of Revenue for the period ended 31st December 2022

Revenue Accounting Officer : Secretary Ministry of Agriculture

Expenditure Head No : 118

Rs.

Revenue Code	Revenue Title	Note	Revenue Estimate		Revenue Collection			Refund from Revenue			Net Revenue For the Period 2022	
			(1)		(2)			(3)	(4)			(5)
			Original Estimate	Revised Estimate	Collected by Ministry/ Dept.	Collected by Other Ministries/ Depts. (SA-21)	Total	Collection of Arrears Revenue	By Cash	Error Corrections		Total
			1(i)	1(ii)	2(i)	2(ii)	2(iii)=2(i)+2(ii)	(3)	4(i)	4(ii)		4(iii)=4(i)+4(ii)
2003.07.00	<u>INCOME TAX</u> <u>NON-TAX REVENUE AND</u> <u>OTHER</u> Government Paddy Purchasing Programme	4	310,000,000	310,000,000	51,533,976	167,661,206	219,195,182	-	-	-	-	219,195,182
	Revenue From Other Sources (b)		-	-	-	-	-	-	-	-	-	219,195,182
	Total Non - Tax Revenue & Other Revenue (a) + (b)		310,000,000	310,000,000	51,533,976	167,661,206	219,195,182	-	-	-	-	219,195,182
	Total Revenue (Note 1 - 4)		310,000,000	310,000,000	51,533,976	167,661,206	219,195,182	-	-	-	-	219,195,182

27.02.2023

Date

H.K.A. Ranjith Udayasiri

Signature and Name of Chief Financial Officer / Chief Accountant / Head of Finance

H.K.A. Ranjith Udayasiri
Chief Finance Officer
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

Gunadasa Samarasinghe

Signature, Name and Designation of Revenue Accounting Officer

Gunadasa Samarasinghe
Secretary
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

Rs. 000

Statement of Arrears of Revenue for the period ended 31st December 2022

Revenue Accounting Officer : Secretary ministry of Agriculture

Expenditure Head No : 118

			Net Revenue collection for three preceding years		Year 1 (2019)	Year 2 (2020)	Year 3 (2021)	Rs.299,814,540	Rs.1,235,912,505	Rs.426,611,318
Period	Revenue Code	Revenue Description	Balance at the Beginning of the year (1)	Arrears of the Reporting year (2)	Recoveries (3)	Waived off Arrears of Revenue (4)	Balance at the end of the Year 5=(1)+(2)-[(3)+(4)]	Rs.		
(1) Arrears in respect of the reporting year	2003.07.00	Government Paddy Purchasing Programme		308,968,951	9,676,732		299,292,219			
Sub Total			-	308,968,951	9,676,732	-	299,292,219			
(2) Arrears in respect of the previous year	2003.07.00	Government Paddy Purchasing Programme	209,107,022		84,141,454		124,965,567			
Sub Total			209,107,022	-	84,141,454	-	124,965,567			
(3) Arrears before the previous years	2003.07.00	Government Paddy Purchasing Programme	138,204,923		125,376,996		12,827,927			
Sub Total			138,204,923	-	125,376,996	-	12,827,927			
Total			347,311,945	308,968,951	219,195,182	-	437,085,714			

27.02.2023

Date

Rajachari
Signature and Name of Chief Financial Officer /
Chief Accountant / Head of Finance
H.K.A. Rajini Dayasin
Chief Finance Officer
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

Gunadasa Samarasinghe
Signature of Revenue Accounting Officer
Name of Revenue Accounting Officer
Designation of Revenue Accounting Officer
Secretary
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

Explanation for the Variances between Actual Revenue and Revised Revenue Estimate

Revenue Accounting Officer : Secretary ministry of Agriculture


Expenditure Head No : 118

Rs.


Revenue Code	Description	Revised Revenue Estimate	Actual Revenue	Difference between Revised Revenue Estimate and Actual Revenue	Variance as a % of Revised Revenue Estimate	Reasons for the Variance
2003.07.00	Governemnt Paddy Purchasing Programme	310,000,000.00	219,195,182.34	90,804,817.66	29.29%	Recoveries from Sathosa and small and medium scale millers were not done properly

27.02.2023

Date


Signature and Name of Chief Financial Officer/
Chief Accountant / Head of Finance

H.K.A. Ranjith Udayasiri
Chief Finance Officer
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.


Signature of Revenue Accounting Officer
Name of Revenue Accounting Officer: Gunadasa Samarasinghe
Designation of Revenue Accounting Officer: Secretary
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

3.7. Performance of the Utilization of Allocation

ACA - 2

Summary of Expenditure by Programme for the period ended 31st December 2022

Expenditure Head No : 118

Ministry :Ministry of Agriculture

Rs.

Programme Number given in Annual Estimates	Title of the Expenditure	Annual Budgetary Provision (1)	Supplementary Estimate Provision (2)	FR 66/69 Transfers (3)	Total Net Provision (4)=(1)+(2)+(3)	Total Expenditure (5)	Net Effect Savings / (Excesses) (6)=(4)-(5)
Programme (1)	(1) Recurrent	1,946,102,000	9,889,875	(7,630,585)	1,948,361,290	1,817,909,652	130,451,638
	(2) Capital	75,283,000	100,125	1,644,125	77,027,250	29,508,708	47,518,542
	Sub Total	2,021,385,000	9,990,000	(5,986,460)	2,025,388,540	1,847,418,360	177,970,180
Programme (2)	(1) Recurrent	103,494,000,000	-	(13,854,147,396)	89,639,852,604	65,078,665,007	24,561,187,597
	(2) Capital	15,467,000,000	2,060,000,000	13,860,133,856	31,387,133,856	28,224,928,463	3,162,205,393
	Sub Total	118,961,000,000	2,060,000,000	5,986,460	121,026,986,460	93,303,593,470	27,723,392,990
	Grand Total	120,982,385,000	2,069,990,000	-	123,052,375,000	95,151,011,830	27,901,363,170

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)

Date : 27.02.2023

H.K.A. Ranjith Udayasiri
Chief Finance Officer
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

3.8. In terms of F.R. 208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/Departments

ACA-2(ii)

Statement of Expenditure for the period ended 31st December 2022

Expenditure Head No : 118

Ministry : Agriculture Ministry

Rs.

Expenditure Code	Note	Provisions				Expenditure			Net Effect		Reasons for the Variance		
		Finance Code	Annual Budgetary Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess		Savings / Excess as a % of Revised Estimate	
			(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)= (5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100		
Recurrent Expenditure													
Programme (1) Prog./Proj./Sub proj./Object code/Item													
OBJECT CODE WISE CLASSIFICATION OF WAGES, SALARIES & OTHER EMPLOYMENT BENEFITS													
Personal Emoluments													
1001 Salaries & Wages	5		1,058,222,000	9,567,730	13,600,000	1,081,389,730	694,208,848	350,664,910	1,044,873,759	36,515,971	3%	Reasons for variances are shown in division wise	
1002 Overtime & Holiday Payments			27,573,000		(3,616,255)	23,956,745	19,037,962	1,264,935	20,302,897	3,653,848	15%		
1003 Other Allowances			472,471,000	21,806	(12,000,000)	460,492,806	283,636,945	157,911,344	441,548,290	18,944,517	4%		
Total (a)		1,558,266,000	9,589,536	(2,016,255)	1,565,839,281	996,883,755	509,841,190	1,506,724,945	59,114,336	4%			
OBJECT CODE WISE CLASSIFICATION OF OTHER GOODS & SERVICES													
Travelling Expenditure													
1101 Domestic	6		14,904,000	429	(23,500)	14,880,929	9,014,873	1,545,301	10,560,175	4,320,754	29%		
1102 Foreign			2,548,000		(310,000)	2,238,000	1,284,959	-	1,284,959	953,041	43%		
Total (a)			17,452,000	429	(333,500)	17,118,929	10,299,832	1,545,301	11,845,134	5,273,795	31%		
Supplies													
1201 Stationery & Office Requisites			17,244,000		2,800,000	20,044,000	16,412,834	1,226,130	17,638,964	2,405,036	12%		
1202 Fuel			75,713,000	279,058	10,734,200	86,726,258	70,920,626	12,528,828	83,449,453	3,276,804	4%		
1203 Diets & Uniforms			1,670,000			1,670,000	1,281,315	36,000	1,317,315	352,685	21%		
1204 Medical Supplies						-	-	-	-	-	-		
1205 Other			1,200,000			1,200,000	436,570	-	436,570	763,431	64%		
Total (b)			95,827,000	279,058	13,534,200	109,640,258	89,051,344	13,790,958	102,842,302	6,797,956	6%		

Statement of Expenditure for the period ended 31st December 2022

Expenditure Head No : 118

Ministry : Agriculture Ministry

Rs.

Expenditure Code	Note	Provisions				Expenditure			Net Effect			
		Finance Code	Annual Budgetary Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reasons for the Variance
			(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)= (5)+(6)	(8)=-(4)-(7)	(9)=(8)/(4)*100	
Maintenance Expenditure												
1301 Vehicles			53,865,000	365	3,792,130	57,657,495	51,714,855	3,187,866	54,902,721	2,754,774		
1302 Plant and machinery			5,244,000		(816,200)	4,427,800	3,943,940	366,481	4,310,421	117,379	3%	
1303 Building and Structures			2,400,000	20,488	(368,000)	2,052,488	938,980	-	938,980	1,113,508	54%	
Total (c)			61,509,000	20,853	2,607,930	64,137,783	56,597,775	3,554,347	60,152,122	3,985,661	6%	
Services												
1401 Transport			28,829,000		(2,381,494)	26,447,506	17,400,243	5,998,387	23,398,630	3,048,876		
1402 Postal & Communication			19,416,000		825,894	20,241,894	16,354,501	1,488,715	17,843,215	2,398,679	12%	
1403 Electricity & Water			28,181,000		(500,000)	27,681,000	19,271,061	311,909	19,582,971	8,098,029	29%	
1404 Rents & Local Taxes			16,500,000		1,600,000	18,100,000	15,245,682	-	15,245,682	2,854,318	16%	
1406 Interest Payment for Leased vehicles			-		-	-	-	-	-	-		
1408 Lease Rental for Vehicles Procured under Operational Leasing			864,000			864,000	864,000		864,000	-	0%	
1409 Other			47,938,000		6,890,984	54,828,984	48,104,030	4,371,583	52,475,613	2,353,371	4%	
Total (d)			141,728,000	-	6,435,384	148,163,384	117,239,516	12,170,594	129,410,110	18,753,274	13%	
Total Expenditure on Other Goods & Services (a+b+c+d)			316,516,000	300,339	22,244,014	339,060,353	273,188,467	31,061,200	304,249,667	34,810,686	10%	Reasons for variances are shown in division wise

Statement of Expenditure for the period ended 31st December 2022

Expenditure Head No : 118

Ministry : Agriculture Ministry

Rs.

Expenditure Code	Note	Provisions				Expenditure			Net Effect			
		Finance Code	Annual Budgetary Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reasons for the Variance
			(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)= (5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100	
OBJECT CODE WISE CLASSIFICATION OF TRANSFERS, GRANTS & SUBSIDIES	7											
Transfers												
1505 Subscriptions and Contributions fees			61,500,000		(27,381,844)	34,118,156	53,680		53,680	34,064,476	100%	
1506 Property Loan Interest to Public Servants			8,800,000		(376,500)	8,423,500	4,288,333	1,905,380	6,193,714	2,229,786	26%	
1507 Grants to Provincial Councils			-			-			-	-		
1508 Other			500,000			500,000	494,136		494,136	5,864	0%	
1509 - Public Institutions (Other Operational Expenditure)			-			-			-	-		
Total			70,800,000	-	(27,758,344)	43,041,656	4,836,150	1,905,380	6,741,530	36,300,126		
OBJECT CODE WISE CLASSIFICATION OF OTHER RECURRENT EXPENDITURE	9											
1703 Implementation of the Official Languages Policy			520,000		(100,000)	420,000	193,511	-	193,511	226,490	54%	
Total			520,000	-	(100,000)	420,000	193,511	-	193,511	226,490	54%	
Programme (1)												
Grand Total (Notes 5 to 9)												
Total Recurrent Expenditure			1,946,102,000	9,889,875	(7,630,585)	1,948,361,290	1,275,101,882	542,807,770	1,817,909,652	130,451,638	7%	Reasons for variances are shown in division wise

Statement of Expenditure for the period ended 31st December 2022

Expenditure Head No : 118

Ministry : Agriculture Ministry

Rs.

Expenditure Code	Note	Provisions				Expenditure			Net Effect			
		Finance Code	Annual Budgetary Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reasons for the Variance
			(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)= (5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100	
Capital Expenditure												
Programme (1)												
OBJECT CODE WISE CLASSIFICATION OF PUBLIC INVESTMENT												
Rehabilitation & Improvements of Capital Assets	10											
2001 Buildings & Structures			26,700,000	100,000	4,272,000	31,072,000	13,240,666		13,240,666	17,831,334	57%	
2002 Plant, Machinery & Equipment			4,345,000			4,345,000	576,556	258,601	835,157	3,509,843	81%	
2003 Vehicles			16,443,000	125		16,443,125	8,403,410	556,500	8,959,910	7,483,215	46%	
Total (a)			47,488,000	100,125	4,272,000	51,860,125	22,220,633	815,101	23,035,733	28,824,392	56%	
Acquisition of Capital Assets	11											
2101 Vehicles												
2102 Furniture & Office Equipment			7,500,000	-	(2,000,000)	5,500,000	1,263,588	49,250	1,312,838	4,187,162	76%	
2103 Plant, Machinery & Equipment			10,795,000	-	(1,200,000)	9,595,000	804,319	174,500	978,819	8,616,181	90%	
Total (b)			18,295,000	-	(3,200,000)	15,095,000	2,067,907	223,750	2,291,657	12,803,343	85%	
												Reasons for variances are shown in division wise

Statement of Expenditure for the period ended 31st December 2022

Expenditure Head No : 118

Ministry : Agriculture Ministry

Rs.

Expenditure Code	Note	Provisions				Expenditure			Net Effect			
		Finance Code	Annual Budgetary Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reasons for the Variance
			(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)= (5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100	
Capacity Building	14											
401 Staff Training			7,500,000		572,125	8,072,125	4,181,317		4,181,317	3,890,808	48%	Reasons for variances are shown in division wise
Total (e)			7,500,000	-	572,125	8,072,125	4,181,317	-	4,181,317	3,890,808	48%	
Other Capital Expenditure	15											
2509 Other			2,000,000			2,000,000				2,000,000	100%	
Total (f)			2,000,000	-	-	2,000,000	-	-	-	2,000,000	100%	
Programme (1)												
Total Expenditure on Public Investments (a+b+c+d+e+f)			75,283,000	100,125	1,644,125	77,027,250	28,469,857	1,038,851	29,508,707	47,518,543	62%	
Grand Total (Notes 5 to 15) - Total Expenditure			2,021,385,000	9,990,000	(5,986,460)	2,025,388,540	1,303,571,739	543,846,621	1,847,418,360	177,970,181	9%	

R. Acharya
 Chief Financial Officer /Chief Accountant/Director (Finance)/
 Commissioner (Finance)
 Date : 27.02.2023

H.K.A. Ranjith Udayasiri
 Chief Finance Officer
 Ministry of Agriculture
 No.80/5, "Govijana Mandiraya",
 Rajamalwatta Avenue, Battaramulla.

3.9. Performance of the Reporting of Non-Financial Assets

ACA-6

Statement of Non Financial Assets - 2022



Cumulative Non Financial Asset Accounts Report- Central Govt-2022

Land-9153: 405,408,000.00 **Table:** SA 82
Building- 9151: 1,011,525,000.00 **Year:** 2022
Machinery-9152: 1,533,779,933.99 **Rpt Date** 2/10/2023 15:25
WIP-9160: 0 **Head** 118
Intangible-9154: 132,710.40
Lease-9180: 0

Ledger	category	Item	Code	Opn_Bal	Opn_Bal_A dd	Transfe r	Purchase	Disposal	Balance
9151	1.2-Non Residential Building		61112	1,011,525,000.00	0	0	0	0	1,011,525,000.00
		Office Building	****6111201	1,011,525,000.00	0	0	0	0	1,011,525,000.00
9152	2.1-Transport Equipment		61121	1,241,262,040.00	2,157,470.00	0	0	67,000,000.00	1,176,419,510.00
		Passenger vehicle	****6112101	1,240,137,820.00	2,157,470.00	0	0	67,000,000.00	1,175,295,290.00
		Motor cycle	****6112109	1,124,220.00	0	0	0	0	1,124,220.00
9152	2.2-Other Machinery & Equipment		61122	345,427,750.28	386,245.50	0	15,320,900.46	3,774,472.25	357,360,423.99
		Office Equipment	****6112201	25,936,467.29	116,750.00	0	383,478.00	307,280.54	26,129,414.75
		Computer Equipment	****6112202	99,594,645.39	244,678.00	0	6,568,418.00	2,291,721.60	104,116,019.79
		Electrical Equipment	****6112203	17,981,768.88	0	0	2,917,991.32	964,586.61	19,935,173.59
		Communication Equipment	****6112204	36,796,328.51	0	0	4,166,976.80	2,000.00	40,961,305.31
		Furniture	****6112205	164,965,810.22	24,817.50	0	1,284,036.34	208,883.50	166,065,780.56
		Paintings Sculptures & other Antiques	****6112209	137,100.00	0	0	0	0	137,100.00
		Construction Equipmt	****6112213	15,629.99	0	0	0	0	15,629.99
9154	5.3 Other Non Finacial-Intangible		61133	132,710.40	0	0	0	0	132,710.40
		Computer Software	****6113301	132,710.40	0	0	0	0	132,710.40
9153	4.1-Land		61410	405,408,000.00	0	0	0	0	405,408,000.00
		Land	****614100	405,408,000.00	0	0	0	0	405,408,000.00

3.10 Auditor General's Report

ARI/A/MO/02/2022/49

May 2023

Chief Accounting Officer
Ministry of Agriculture

Head 118 - Summary Report of the Auditor General on the Financial Statements of the Ministry of Agriculture for the year ended 31 December 2022 in terms of Section 11 (1) of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ministry of Agriculture for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance and cash flow statement 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 Ministry of Agriculture in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The report of the Auditor General in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act, No.19 of 2018 will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described in the paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Ministry of Agriculture as at 31 December 2022, statement of financial performance and its cash flows for the year then ended in accordance with Generally accepted Accounting Principles.

1.2 Basis for the Qualified Opinion

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

1.3 Responsibility of the Chief Accounting Officer for the Financial Statements

The Chief 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. As per Section 16 (1) of the National Audit Act, No. 19 of 2018, the Ministry 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.

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 Ministry 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 Responsibilities for the Audit of 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 the report of the Auditor General 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, and its materiality depends on the influence on economic decisions taken by users 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 internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal Requirements

I express the following matters in accordance with Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements had been prepared in consistent with the preceding year.
- (b) The recommendations made by me relating to the financial statements of the preceding year, had been implemented.

1.6 Comments on the Financial Statements

1.6.1 Statement of Financial Performance

Three government ministries held last year were abolished in the year under review and included in the Ministry of Agriculture and their total values had been included in the financial information of the ministries. In the financial information to be disclosed last year, only the financial information of the Ministry of Agriculture has been included except the information of the 03 ministries which were abolished. Accordingly, it was observed that the comparative information mentioned in the statement of financial performance of the Ministry, statement of financial position and cash flow statement as at the end of the year under review are not consistent.

1.6.1.1 Income Receipts

- (a) Although there is a possibility of revising the revenue estimate mentioned in the basic budget by preparing and presenting the revised budget estimates as effective from October 01 of the reviewed year, the basic revenue estimate of Rs. 310 million of the Ministry for the year under review had not been changed. An income of Rs. 219 million had been collected during the year under review and accordingly, the difference between the revised revenue estimate and the actual revenue was Rs. 91 million. Therefore due to the difference being 29 percent of the revised revenue estimate, it was observed in the audit that, the revenue collection efficiency of the ministry is at a weak level.
- (b) Deficit revenue to the end of the year under review of revenue Code No. 2003.07.00 i.e. Government Paddy Purchase Program was Rs. 12,827,927 in relation to the previous years of last year and Rs. 124,965,567 in relation to last year and Rs. 299,292,219 in relation to the year under review or the total of Rs. 437,085,714 had failed to be recovered by the Ministry towards the end of the year under review. The total revenue collected during the year under review was Rs. 219,195,185. Accordingly, it was observed that the effectiveness of collecting deficit revenue of the Ministry is at a weak level due to the total deficit revenue being 199 percent of the revenue collected in the year under review.
- (c) Under the Revenue Code No. 2003.07.00 i.e. Paddy Purchase Programme of the Government, the total arrears due for the year under review is Rs. 308,968,951 and, Rs. 9,676,732 only had been recovered in the year under review out of the receivables related to the year under review. Accordingly, as on the last date of the year under review, the further arrears balance of income related to the year under review was Rs. 299,292,219. Accordingly, it was observed that the revenue collection efficiency of ministry related to the year under review is at a very weak level due to the fact that the percentage of revenue collected is low as 03 percent and the percentage of the arrears to be further collected is 97 percent.

1.6.1.2 Overprovision of Supplementary Estimate

The ministry had made provisions under 05 supplementary estimates in addition to the allocated provisions from the revised budget estimates and due to the provision of Rs.229,652,737 in the range of 7 to 100 percent of the supplementary estimate provision was remained, it was observed that the Ministry had taken action to reserve more than the requirement under supplementary estimates.

1.6.2 Statement of Financial Position

1.6.2.1 Non- financial assets

- (a) The following observations are made regarding the non-financial assets in the agriculture division of the Ministry.
- (i) The 06 vehicles worth Rs. 69,900,000 which is not in use in the Ministry of Agriculture had been included in the financial statements of the Ministry.
 - (ii) The assessed value of the vehicle bearing KS-6781 in use of the Ministry had not been submitted to the audit. The said vehicle and the motorcycle bearing TP-4769 which appraised value was Rs. 179,272,000 and 14 motor vehicles in total, the value of 16 vehicles had not been included in the financial statements. However, the right of registration of 12 of those vehicles does not exist under the name of the Ministry of Agriculture and the said vehicles had not been registered by the name of the Ministry or returned to the relevant Ministry in accordance with the Asset Management Circular dated 21 December 2017 and No. 2/2017 of the Deputy Secretary to the Treasury.
 - (iii) The 07 vehicles amounting to Rs. 24,700,000 which do not have legal ownership to the ministry had been included in the financial statements as non-current assets of the Ministry without taking the ownership.
- (b) The following observations are made regarding the non-financial assets of the Livestock division of the ministry.
- (i) The ownership of the vehicle bearing No.PG-1773 worth Rs. 6,390,000 which were taken by the previous State Ministry from other institutions had not been taken over by the end of the year under review.
 - (ii) The basis and approvals for the release of 08 vehicles to external institutions with bearing numbers KO-4865, GF-9312, PD-8931, KX-7664, KX-8136, KO-0024, CAA-0024, CAH-1634 had not been submitted to the audit.
 - (iii) The 08 vehicles mentioned in above (b) owned by the livestock division with the aggregate value of Rs. 139,800,000 which were included in the financial statements are not physically present in the Livestock division or any other division of the Ministry of Agriculture and those vehicles has not

been transferred to the institution currently using it or returned to the Livestock Division as of the date of this report.

- (iv) Even though the log books of vehicle should be kept up-to-date with information in an orderly and formal manner according to Financial Regulation 1645(a) and Financial Regulation 1647(a), information about the amount of fuel burned had not been included.

1.6.2.2 Reports of Board of Survey

- (a) The following observations are made regarding the reports of Board of Survey in the agriculture division of the ministry.
 - (i) According to the report of Board of Survey of the year 2022, a shortage of 187 items in 85 types of goods and an excess of 83 items in 45 types of goods were observed.
 - (ii) The 44 items of 26 types of goods were observed which were included in the 2022 Board of Survey Report but not included in the Inventory Register of the Ministerial Staff Room.
 - (iii) The last board of survey report (2021) recommended 09 goods to be repaired (R) and 12 goods to be destroyed (D) regarding the unusable goods, nevertheless the process of implementing those recommendations had not been completed by 12 April 2023.

- (b) The following observations are made regarding the board of survey reports in the Livestock Division of the Ministry.
 - (i) According to the board of survey report of the year 2022, an excess of **90** items in 40 types of goods and a shortage of 126 items in 50 types of goods were observed.
 - (ii) The 11 items of 06 types of goods included in the board of survey report of the year 2022 but not included in the inventory register were observed.
 - (iii) The last board of survey report (2021) recommended 21 goods to be repaired (R) and 24 goods to be destroyed (D) regarding the unusable goods, nevertheless the process of implementing those recommendations had not been completed by 06 April 2023.

2. Financial review

2.1 Revenue Management

Although the Semi-annual Arrears of Revenue reports under the revenue code No. 2003.07.00 should be submitted to the Auditor General with a copy within one month after the deadline by the Director of Public Financial Policy according to F.R.128 (2) (d), F.R.176 (1), paragraph 08 of the fiscal policy circular No. 01/2015 and 20 dated July 2015, none of the reports related to the year 2022 had been prepared and submitted to the audit.

2.2 Management of Expenditure

The following observations are made.

- (a) It was observed that the 03 state ministries which were abolished from 01 October 2022 and included in the Ministry of Agriculture are functioning under the Ministry of Agriculture as division of Rural Economy, division of Fertilizer and division of Livestock. There was no evidence submitted to the audit that the Secretary of the Ministry of Agriculture had delegated powers in accordance with F.R. 135 regarding the financial control of those sectors.
- (b) According to paragraph 3.4 of the Public Accounts Guideline No. 2022/05 dated 13 December 2022, the difference between the total net provision and the actual expenditure under each expenditure object code and the reasons for that difference should be stated in the SA-2 (ii) form for all expenditure objects. Nevertheless, in the SA-2(ii) form of Ministry, the total net provision, the actual expenditure and the difference had been mentioned by adding two expenditure object codes without proceeding accordingly for all expenditure objects under each expenditure object code.

2.3 Entering into liabilities and commitments

- (a) The following observations are made in relation to entering into the liabilities and commitments of the agriculture division of the Ministry.
 - (i) Even though, it cannot be bound to liabilities than savings according to Financial Regulation 94(I), the Ministry has bound for liabilities exceeding the savings in 18 expenditure objects to the extent of Rs. 2,312,760,277.

- (ii) For the year under review, it had been bound for liabilities by totaled of Rs.8,818,198 for 02 recurrent expenditure objects and 01 capital expenditure objects which provision was not allocated by the Appropriation Act.
 - (iii) Agriculture division had not included the obligations of Rs. 3,585,762 related to the year under note No.(iii) of the statement of liabilities and commitments in the financial statements.
 - (iv) Although, all liabilities and commitments related to the Ministry should have been disclosed by the Notes (III) of statement of liabilities and commitments as on 31.12.2022 according to the paragraph 06 of the guidelines related to the preparation of financial statements of State Financial Circular No. 02/2020 and 2022 i.e., According to the document of forms to be used for preparation of financial statements, all liabilities and commitments related to the Ministry had not been disclosed accordingly.
 - (v) A difference of Rs.25,030,734,894 was observed between the values given in the Statement of Liabilities and commitments (Annexure III) submitted to the audit and the values mentioned in the report of Accumulated Liabilities and commitments in Treasury (SA 92).
- (b) The fee of Rs.149,950 paid to Samaka Cleaning Enterprises on 01 February 2023 for the providing the sanitation services related to the month of December 2022 in the Rural Economy Division of the Ministry had not been recognized as a liability as of 31 December 2022.

2.4 Non-compliance with laws, rules and regulations

Cases where the provisions of laws, rules and regulations were not complied with are analyzed below.

Refer to laws, rules and Non-compliance regulations

- (a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
 - (i) F.R. 104
 - Non-compliance in rural division
 - The local agency had continuously serviced from the date of purchase of vehicle No. KY – 5536 until the time of the accident and the

estimation has been given by the local agency i.e., Associated Motor Ways Pvt. Ltd. as Rs. 5,071,832 for the repair of the accident vehicle. Nevertheless, the insurance company mentioned that the repair of the vehicle is not economically beneficial and had been requested to hand over the full ownership of the vehicle for Rs. 5,480,000 .

- The estimate of Rs. 5,071,832 given by the agency was not approved by the insurance company and the lowest price quoted of Rs. 1,700,000 had been approved. It was problematic in the audit whether the vehicle was repaired in a drivable condition by considering the facts that, even though the insurance company stated that the total loss was made, the lowest price of Rs. 1,700,000 that was called and presented was agreed to be provided by the insurance company and the agency provided Rs. 5,071,832 and the request made by the insurance company to take over the vehicle without paying the estimate.
- The mechanical engineer had not separately verified the suitability of each item of the vehicle and had only issued a letter on 25 April 2023 stating that the vehicle was repaired to a drivable condition. The letter of this engineer also questioned whether the vehicle was in a drivable condition during the audit.

(ii) F.R. 138(6) and (8)

Rs. 984,827 had been paid for repair of 09 vehicles without recommendations of mechanical engineer that repairs have been done properly as supporting evidence when paying money for vehicle repairs.

Although the authorized officer should take action to prevent the certification of another voucher for payment in terms of Financial Regulation No. 138 in later, the payment had been made as Rs. 265,008 for

nominal invoices and Rs. 288,484 based on photocopies of invoices.

- (iii) F.R. 891(1) A bail document containing the details of officers and employees to be bailed had not been prepared.
- (iv) 1645 (b), (d) and F.R. 1646 Although original copies of monthly summaries and running charts should be sent to the Auditor General before the 15th day of the following month, even though the running charts and monthly summaries related to the official and group vehicles in relation to the year 2022 should be submitted to the audit by officers in charge of vehicles, it had not been act accordingly.
- (v) F.R. 1647 A survey of vehicles and equipment should be done as soon as the vehicle security is handed over from one official to another in the Rural Economy Division of Ministry. And whenever there are changes in the safety of the equipment and accessories of vehicle, a note must be made in the log book that they have been accepted as such.
However, when handing over 07 vehicles to the drivers, action had not been done accordingly.
- (b) Paragraph No. 02 (a) of Asset Management Circular No. 5 / 2020 dated 02.10.2020 and Guideline No. 03 applicable to 13.2 of Section 1 of State Finance Circular No. 01/2020 Although it had been stated that the vehicles that are not in running condition in the livestock division must be disposed before 31.12.2020 and the institutions using budget allocations or provincial council funds should credit the money earned by disposing those vehicles to the relevant fund, the vehicle bearing registration No. 65-6120 was still not in running condition as on 01 March 2022 when it is being recommended for disposal by the disposal committee and no file was maintained for vehicle bearing No. 65-6120.

2.5 Issuance and settlement of advances

- (a) Although the advance received is to be settled immediately after completion of the prescribed work in terms of Financial Regulation 371(2), it had been taken a time range from 30 days to 116 days to settle the Sub-Imprests arrears of Rs. 228,080 issued to **06** officers of the Agriculture Division and time range from 50 to 240 days to settle the Sub-Imprests arrears of Rs. 156,024 issued to **09** officers of the Livestock Division.
- (b) 04 cases were observed where the entire advance amount received was paid back within 07 days to 55 days without spending the money for the purpose of obtaining “ad hoc” Sub-Imprest in the case of livestock division. The total value of those advances was Rs. 67,740.

2.6 Losses and Waivers

The following observations are made regarding the losses and waivers in the rural economic division of the Ministry.

- (a) Chargeable of Rs. 114,343 for motor vehicle accidents as per financial regulations had not been recovered from the two responsible drivers. Although those drivers had resigned from the ministerial task force, further action had not been taken regarding the recovery of the money to be recovered.
- (b) The Ministry had failed to recover the balance of Rs. 141,311 related to the time between 5-10 years and Rs. 430,139 over 10 years totaled to Rs. 571,450 as of 31 December 2022.
- (c) The loss of Rs. 7,982,290 incurred due to the accidents of 02 vehicles with registration No. KY-5535 and CAV-5064 had not been further recovered or written off or included in the statement of losses.
- (d) Even though the Ministry has been using the vehicle No. KK – 5865 of Ministry of Industry since 10 January 2019, it had not been taken action to not take over it until 25 April 2023.

2.7 General deposits

- (a) In relation to the deposit of Rs. 126,000 which have exceeded 02 years as on 31 December 2022 of deposit account in the fertilizer division, it had not been act with in terms of 571 of Financial Regulation.
- (b) In relation to the 02 deposits of 440,439 which have exceeded 02 years as on 31 December 2022 of deposit account in the livestock division, it had not been act with in terms aforesaid Financial Regulation.

2.8 Operating of bank accounts

As per Section 18 of the Budget Circular No.BDKBP/01/01/03-2023 of the Secretary to the Treasury dated 21 December 2022, the Chief Financial Officer/Chief Accounts Officer who worked in the redundant Ministries was entrusted with the task of closing inactive Official Bank Accounts and Approved Imprest Accounts related to the redundant Heads of Expenditure. But the official bank accounts related to the 407,426 and 427 expenditure objects which were abolished in the year review had not been closed until the date of this report. Details are given below.

Sub No	Name of the bank	Name of the account	Account Number	Balance as at 31.12.2022 as per the Bank statement (Rs.)
01.	Bank of Ceylon	Secretary, State Ministry of Livestock Farm Promotion and Dairy and Egg Related Industries	7040733	43,741,749
02.	Bank of Ceylon	Secretary, State Ministry of Organic Fertilizer Product Promotion and Supply Regulation and Paddy and Grains , Organic Food Vegetables, Fruits, Chilies, Onion and Potato Cultivation Promotion, Seed Production and High Technology Agriculture	7040749	5,964,644
03.	Bank of Ceylon	Secretary, State Ministry of Development of Backward Rural Areas and Promotion of Thaproban Domestic Animal Husbandry and Minor Economic Crops	7040184	2,110,851

3 Operational review

3.1 Management weaknesses

The vehicle No.CAV-5064 assigned to the Rural Economy Division of the Ministry has not been able to start in the area of Batticaloa to Rajagiriya in Colombo on 21 June 2021 at the time of that vehicle attached to the Minister of State. Even though a committee consisting of 03 officials has been appointed to investigate the error, there was no official with technical knowledge. The investigation committee had released the driver based on the statement of driver that no indication of the fault of the vehicle was shown on the front panel in the report of the committee. Nevertheless, in the report called from the agency on 22 June 2021, it was indicated about the driver's careless driving with lack of water, continuous running without coolant and overheating of the engine, and that the driver should directly responsible to the damage of 03 out of the 06 cylinders (Sized) held in that. The agency had submitted an estimate of Rs. 3,076,878 for that on July 28, 2021. Even though the Mechanical Engineer of the Postal Department has recommended it through the letter dated 31 July 2021, the Agency had been resubmitted a new estimate of 3,490,517 on 10 November 2021. The vehicle has been returned to the ministry premises on 24 November 2021 bearing a Rs.101,412 due to non-availability of provision. In case of re-bidding after giving the vehicle to another company on 25 November 2021, even though the estimation of Rs. 3,896,300 had been submitted, the vehicle has been brought to the ministry premises again at a cost of 18,500. Thus, the vehicle was parked at the Ministry premises until the date of audit without any repairs by incurring expenses from time to time. It was observed in the audit that it did not take action to collect the uncalculated loss caused to the vehicle from the driver by the agency and also that the investigations has not been done properly due to appointing a committee without technical knowledge.

3.1.1 Non-recovered Deposits

- (a) Even though the building premises named DPJ Towers obtained from D.P. Jayasinghe Tours and Transport Private Ltd Company on rental basis from 08 April 2016 to 07 April 2021 i.e., for a period of 05 years for the Ministry of Agriculture had been returned to the lessor on 31 January 2020, the Ministry has so far failed to recover the refundable initial deposit amount of Rs.63,000,000 which has paid by the Ministry of Agriculture. It is also observed that the lessor party has illegally withheld this deposit for a period of 02 years.

- (b) Due to the absence of a condition in the relevant lease agreement that a report on damages should be called with the agreement of both parties at the end of the lease agreement, the damage done to the rental property had been assessed by the Ministry of Agriculture is Rs. 12,710,236 and by the lessor company is Rs. 28,250,056. It has been delayed so far in taking a report from the Government Valuation Department to calculate the damage done to the relevant building.

3.1.2. Outstanding Balances in Advance Account of the Government Officers

- (a) A difference of Rs.3,522 was observed between the total balance in the classification summary of the individual balances on 31 December 2022 and the balance as per the books of the department on that date.
- (b) According to the F.R.485(4) and F.R.113(6)(a), the loan balances of the transferred officers should be settled within three months, nevertheless, the value of unsettled loan balance until 31 December 2022 related to transferred officers was Rs. 229,350.
- (c) The receivable loan balance of Rs.140,557 of 03 officers who had vacated on their posts was more than 05 years old and an outstanding loan balance of Rs. 443,148 belonging to 04 officers belonging to the period of 3-4 years was also observed during the audit.
- (d) The debt balance of Rs.537,149 which was due from 04 interdict officers had failed to be recovered from those debtors and guarantors even at 31 December 2022.
- (e) The value of the loan balance to be collected from 05 retired officers was Rs. 603,099 and it was observed that the loan balances belonging to the period of 03 months to 03 years.

4. Performances

- (a) The letter No. 4/5/6 Quality dated 26 June 2009 which included the methodology to be followed in importing chemical fertilizers had been issued by the Director of the National Fertilizer Secretariat with the agreement of all parties including the Ministry of Finance, Ministry of Agriculture and the Department of Agriculture. However, marketing approval was given for the sale of chemical fertilizers by changing methodology included in the above letter 4/5/6 Quality dated 19 March

2020 and the method by which chemical fertilizers were tested and approved until then. The following facts were revealed during the audit conducted in the fertilizer division of the Ministry regarding the cases where trade approval was grant.

- (i) In a situation where the President or the Chairman of the Sri Lanka Standards Institute or the Cabinet of Ministers or any other authority has not given approval to change the standards recommended by the Sri Lanka Standards Institute or to carry out laboratory tests using British or European standards outside of the existing method, the secretary of the Ministry of Agriculture was approved the request made by the Director of the National Fertilizer Secretariat through the file minutes to release the fertilizer to the market based on the laboratory analytical report obtained at the time of loading the fertilizer on the ship without laboratory testing since the laboratories are not functioning during the corona pandemic period.

Accordingly, overriding the provisions of the Fertilizer Regularization Act No.68 of 1988, The Director of the National Fertilizer Secretariat was issued the letter No.7/1/2/3/4 NFP dated 20 March 2020 to all the fertilizer imported companies informing them that the approval would be given to distribute imported fertilizers in Sri Lanka without cabinet approval and informing to proceed accordance with mentioned above.

- (ii) Further, the Director of the National Fertilizer Secretariat was issued the letter No. 7/1/2/3/4/NFP dated 20 March 2020 titled “Approval for TSP Fertilizer” to all fertilizer companies stating that TSP fertilizer which not complied with the recommended standards of the Sri Lanka Standards Institute according to the tests carried out so far but complied with European standards are considered as fertilizers that can be released to the market and also stating that such stocks would be approved to release to the market, nevertheless, approval had not been obtained from any competent authority for the use of a standard other than the previous adopted standard
- (iii) A typewritten letter which stating that it was decided to import fertilizers from only three selected TSP fertilizer manufacturers and to release the imported stock of fertilizers to the market based only on the analytical report obtained at the time of shipment without laboratory testing while granting trade approval had been attached to the file and from that date it was to be given marketing approval without laboratory testing

,nevertheless, formal approval had not been given by the Minister of agriculture, The State Minister or any other competent authority to do so.

- (iv) Including 2,905 metric tons of TSP fertilizer and 2,126 metric tons of SOA fertilizer which could not be given trade approval due to non-compliance with the standards of the Sri Lanka Standards Institute according to the tests conducted for heavy metals which imported in the year 2019, the total is 4,830 metric tons of TSP fertilizer 1,749 metric tons of MOP fertilizer 2,392 metric tons of SOA fertilizer and 162 metric tons of KIESERITE fertilizer had been decided to be suitable for use in Sri Lanka according to European standards and it had been released to the market based on the letter No. 7/1/2/3/4/NFP dated 20 March 2020 issued by the Director of the National Fertilizer Secretariat.
 - (v) Based on the letter No. 7/1/2/3/4/NFP dated 20 March 2020 issued by the Director of the National Fertilizer Secretariat, 245,448 metric tons of chemical fertilizers had been approved to use in Sri Lanka considering only the analytical report obtained during the shipment of chemical fertilizer without verifying after the import of stock of fertilize in to Sri Lanka that it conforms to the standards introduced by the Sri Lanka Standards Institute through the sample test.
- (b) According to the Cabinet decision dated 16 November 2020, the year 2021 and 2022 budgets had allocated a total of 39 million as 19 million and 20 million respectively to develop and take over the laboratory owned by Ceylon Fertilizer Company to the National Fertilizer Secretariat. However, it was observed that the provision of Rs. 39 million had been useless due to the failure of the Ministry of Agriculture to take over or develop the said laboratory and the laboratory tests to be carried out by the National Fertilizer Secretariat in the years 2021 and 2022 have been directed to private laboratories.
- (c) The following observations are made in the review of the performance of the Rural Economic Sector of the Ministry in the year under review.
- (i) The total number of beneficiaries was 16,222 with 808 beneficiaries for animal husbandry and 15,414 beneficiaries for crop cultivation as per the performance report of the year under review. Although the progress of the project had been identified only on the basis of the beneficiary lists without verifying whether the benefits reached the specific beneficiaries identified under the project, the written evidence had not been submitted to the audit that the beneficiaries of the project received material aids.

- (ii) While the 02/2022 Circular No. RECC/DP/04/018 dated 10 June 2022 has been stated that the beneficiary should be a family that has not received subsidy for the cultivation of Black gram and Mung by a government or private institution in the 02 years close to the proposed year, 11 cases were observed that some beneficiaries selected in the year 2021 were also selected in the year 2022.
- (iii) According to the 02/2022 performance report, the objectives of this sector were identified as “taking actions to create a healthy population by improving sanitation facilities”. As per the revised action plan submitted on 31 August 2021, the construction of 3,400 sanitation units with an estimated value of Rs.2,000,000,000 under the aids of the government of India was planned, nevertheless, the project activities was not started until 25 April 2023. Although the activities related to the amendment of the project were specified according to the performance report, the planned activities related to the execution of the project were not included in the 2022 action plan.

4.1 Planning

The annual action plan related to the financial year 2022 of the Livestock Sector of the Ministry should be prepared as per the paragraph 03 of Public Finance Circular No. 01/2014 dated 17 February 2014 and the annual procurement plan for the main development programmes planned for the relevant year had not been included in it.

4.2 Action Plan and Achieving Relevant Performance

- (a) Although the Rs. 15.9 million and Rs.6.25 million were allocated for the construction of 09 government breeding farms and 25 private breeding farms in the year 2022 under the Breeding Farms Construction Project, by the end of the year, 28 private breeding farms had been built and only 02 government breeding farms had been built.
- (b) A financial allocation Rs.32 million had been given as per the revised budget under the Development of Small and medium Scale Dairy Farmers and Dairy Cluster Village Development Project and although 93 percent financial progress had been achieved, The physical progress was at a low level of 2 to 3 percent in regarding the 05 planned activities. And this project was not completed as per the

National Budget Circular No.03/2022 dated 2022.04.06 related to controlling public expenditure and it was observed that the cost incurred was an idle cost.

- (c) A provision of Rs.21.21 million was allocated for the reconstruction of the Peduruthuduwa veterinary office building in the year 2022 under the Livestock Development Medium-term Programme, out of which Rs.6.81 million i.e. 32 percent financial progress had been made, nevertheless it was observed that this contract had been abandoned unfinished at the request of the contractor due to the shortage of building materials and rising prices.
- (d) The provision of Rs.510,000 had been allocated for the development of 29 farms under the Thara Development Project activity under the Small and Medium Scale Poultry Development Project, nevertheless these farms had not been constructed even at the end of the year under review.
- (e) Although the 110 farms were targeted to be established under the activity of construction of environmentally friendly swan farms under the Swan Industry Development Project, only 49 farms were built and the physical progress of the project was 37 percent. And the progress was stated as 10 percent without mentioning the number of target programmes for the training under the project.
- (f) Although the number of 576 farms were targeted to be established under the project to establish small and medium scale dairy farms through breeding management under the programme to promote small and medium scale dairy farms through productivity improvement, only 100 farms i.e. 17 percent had been completed.

4.3 Foreign Funded Projects

4.3.1 Performance of the Foreign Funded Project/Projects

The following points were observed during the audit regarding the programme of the construction of 103 warehouses island wide at a cost of Rs.956 million under the CERCs credit facility of the World Bank based on the requirement to provide short-term storage facilities for farmers under the national programme of ensure food security considering the impact of the COVID -19 pandemic on the agricultural sector and provide proper prices for crops.

- (a) Although the objectives of the project are to store excess crops and obtained a higher price later and also prevent post-harvest damage, the storage requirement and the capacity of the said warehouses for each district had been determined

without any study and without logical basis regarding post-harvest damage, excess harvest and storage requirement in each district.

- (b) Although when considering the objectives of the project, the warehouses constructed by this project should be constructed in such a way that agricultural products can be easily stored and near agricultural colonies and farmlands, it was observed that 32 warehouses in the provincial agriculture department premises, 13 warehouses in the agriculture department premises, 12 warehouses in the agricultural service center premises and 09 warehouses in the district secretariat premises established in the suburbs had been built without identifying the target agricultural colonies or farmlands.
- (c) Although the letter No. WP/AG/PD/4/2/7/Common dated 2020.10.05 of Director of Agriculture of the western province (Acting) had been stated that there are no facilities to construct the warehouses in the premises owned by the Department of agriculture of the western Province and there is no excess produced crops to store, a 05 warehouses were built at a cost of Rs. 26.31 million in 05 agriculture training centers in the western province.
- (d) Although the Horana District Agriculture Training Center had been informed by the Department of Western Province Agriculture that there is a requirement for a Seed Testing Laboratory, a warehouse with a capacity of 50 metric tons was built in the training centers at a cost of Rs.5.53 million.
- (e) Although the 29 warehouses have been completed and handed over to the Ministry of agriculture by 12 October 2022, those warehouses were not used to store the excess products of the farmers and the cost incurred for the aforesaid project were not effectively utilized for its purposes since the Ministry of agriculture does not have a plan to store the future harvests in those warehouses.
- (f) Although the identification of project locations started in January 2020, Rs.7.5 million had been paid for the aforesaid project by now over the engineering estimate due to constantly change of project locations and lack of intensive in procurement process and there is a risk of having to pay more than the estimated values for future bills as well.
- (g) Although warehouses have been established at a cost Rs.557.85 million as of the audited date for the aforesaid project out of the credit facility amount of Rs.956 million given by the World Bank due to the Covid-19 emergency without specifically ascertaining whether farmers actually have a storage requirement to store their excess products in anticipation of higher income, it was observed that the aforesaid expenditure and constructed buildings were idle due to the

non-existence of agreement between the objectives of the construction of the said warehouses and the actual farming objectives, the finished warehouses were not used to store the excess products of the farmers and a practical work plan was not created to fulfill the objectives of the project.

4.3.2 Delayed Projects

Although the construction of Jaffna Tirumaveli Multi-Purpose Building which started on 22 October 2018 with an estimated provision of Rs.49.61 million should be completed on 09 June 2019, it was completed with a delay of 2 ½ years and the financial progress was only Rs.13.8 million due to final bill was not submitted for the payment.

4.4 Procurement

Although the Mechanical Engineer had recommended the estimate submitted by Hardy Auto Works on 13 January 2022 for the Rs. 1,109,600 to repair the gear box system of the vehicle No.KY- 5535 of the Rural Economy division of the Ministry is not working properly, arrangements had not been made to submit the prices for the approval of the Secretary of the Ministry as per the paragraph 9.3.1 (b) of the procurement guidelines.

4.5 Failure to respond to Audit Queries

An Audit query No.ARI/A/NFS/2022/46 dated 2022.11.17 had not been answered by the Ministry until 28 March 2023.

5. Good Governance

5.1 Internal Audit

(a) Although the Audit and Management Committee Meetings should be held at least once a quarter i.e. 04 times a year by the Livestock Division of the Ministry as per the paragraph 5.3 of the Management Audit Circular No.DMA/01-2019 dated 12 January 2019, only 03 Audit and Management Committee Meetings had been held for the year 2022.

- (b) An internal auditor had not been appointed within a period not exceeding 02 years from the date of implementation of the Act according to the sub-section 40(2)(1) of the National Audit Act No.19 of 2018 while the Rural Economic division of the Ministry has a post of internal auditor in the cadre approved by the Department of Management Service of the Treasury.

6. Human Resource Management

As at the end of the year under review, the approved actual and surplus/ deficit number of employees in the Ministry including sectors of Agriculture, Fertilizer, Livestock and Rural Economic are as follows.

Division	Level	Approved Cadre	Actual Number of employees	Vacancies / (Surplus)
Agriculture	Senior	73	61	12
	Tertiary	9	03	06
	Secondary	1017	1097	(80)
	Primary	129	109	20
	Total	<u>1228</u>	<u>1270</u>	38
Fertilizer	Senior	31	12	19
	Tertiary	03	0	03
	Secondary	548	817	269
	Primary	31	15 (casual 06, multi-task 09)	16
	Total	<u>613</u>	<u>844</u>	

- (a) There is a deficit of 12 posts at the senior level, 06 posts at the tertiary level, 20 posts at the primary level and surplus of 80 posts at the secondary level in the agriculture sector.
- (b) There is a deficit of 19 posts at the senior level, 03 posts at the tertiary level, 16 posts at the primary level and surplus of 269 posts at the secondary level in the agriculture sector.

Livestock	Senior	30	19	11
	Tertiary	03	02	01
	Secondary	523	502	21
	Primary	35	33	02
	Other	03	03	-
	Total	<u>594</u>	<u>559</u>	<u>35</u>

(c) Some key posts among the 30 senior level approved posts in the ministry such as the post of Director (Planning), the posts of Assistant/Deputy Director, Director (Engineering) and Assistant Secretary had not been recruited by the end of the year under review. Also, the post of Administrative Officer which is the tertiary level position in the ministry required for the proper performance of the administrative work had been vacant. There was also a deficit of 21 employees at the secondary level.

(d) Although the human resource plan should be prepared to include every member of the staff as per the Annexure 02 format mentioned in Public Administration Circular No. 2/2018 dated 24 January 2018, the human resource plan was not prepared giving the training period and at least 12 hours of training opportunity.

Rural	Senior	14	07	07
Economic,	Tertiary	05	01	04
Crops	Secondary	42	166	124
Cultivation	Primary	22	14	08
Promotion	Total	<u>83</u>	<u>188</u>	

(e) Although the approved number of employees was 83 as at 31 December 2022 in the Rural Economic, Crops Cultivation Promotion Division, the actual number of employees was 188. Accordingly, recruitment had been done by exceeding the approved cadre.

(f) There were vacancies in senior level posts including Chief Financial Officer, Chief Accountant, Chief Internal Auditor and Director as at 31 December 2022.

- (g) Although the approved number of employees for the post of secondary level Development Officers was 28, the actual number of employees as at 31 December 2022 was 157. Accordingly, 129 Development Officers had been recruited by exceeding the approved cadre.

P.K.M.P.Nonis
Senior Assistant Auditor General
For Auditor General

Chapter 04 - Performance Indicators

4.1 Institutional Performance Indicators (Based on Action Plan)

Specific Indicators	Actual Output as % of expected Output		
	100% - 90%	89% - 75%	74% - 50%
Agriculture Division			
Increasing productivity and food security of paddy crop	√		
Increasing productivity of other crops	√		
Increasing seed production and ensuring supply of quality seed	√		
Improving plant protection practices	√		
Improving agricultural training and extension services for higher quality practices	√		
Livestock Division			
Increased amount of local milk production (million liters/year)	√		
Increased amount of annual per capita egg consumption (No. of eggs/ year)			√
Increased amount of annual per capita Chicken meat consumption (kg/ year)	√		
Fertilizer Division			
Conducting research to find technical solutions to the existing problems in the post-harvest sector		√	
Publication of 10 research publications in local/foreign journals	√		
Use/deployment of correct post-harvest technologies in selected supply chains of vegetables and fruits	√		
Introducing safe packaging and transportation methods to reduce post-harvest losses of vegetables and fruits	√		
Training 2000 beneficiaries through conducting 100 training courses for postharvest technology propagation, creating new entrepreneurs for postharvest sector		√	
Providing consultancy services, engineering services and laboratory services for the use of correct post-harvest technologies in the field	√		
Development of human resources in the organization	√		
Distribution of chemical fertilizers during the 2022 yala season	Paddy	√	
	Other crops		
Procurement of organic fertilizers from local producers for paddy during the 2022/23 maha season	√		
Distribution of organic fertilizers purchased from local producers for paddy during the 2022/23 maha season	√		

Specific Indicators		Actual Output as % of expected Output		
		100% - 90%	89% - 75%	74% - 50%
Import of chemical fertilizers in the year 2022		√		
Distribution of imported chemical fertilizers during the year 2022			√	
Rural Economic Crops Cultivation and Promotion Division				
Policy formulation and performance improvement	100% utilization of capital funds		√	
Raising the standard of living of low income earners in rural areas	1. Goat breeding program Performance indicators - • Number of beneficiary families • Number of goats distributed	√		
	2. Crop Promotion Programme Performance Indicators • Number of beneficiary families • Quantity of seeds distributed (kg) • Land cultivated (acres) • Expected yield	√		

Chapter 05 - Performance in Achieving Sustainable Development Goals (SDG)

Goal/Objectives	Target	Achievement Index	Achievements Progress up to now		
			0%- 49%	50- 74%	75- 100 %
Agriculture Division					
2	Achieving food security and high nutritional status by way of poverty alleviation and promotion of sustainable agriculture	1. Increasing productivity and food security of paddy crops.			√
		2. Increasing productivity of other crops.			√
		3. Increasing seed production and ensuring supply of quality seed.			√
		4. Improvement of plant protection practices.			√
		5. Improvement of agricultural training and extension services for higher quality practices.			√
	Production of 1929.7 millions of eggs in the year 2022	Increasing the amount of production of eggs (eggs/million)			√
	Production of 220.8 MT of chicken within the year 2022	Increasing the amount of production of chicken (Metric Ton)			√
Livestock Division					
(i)End poverty in all its forms every where ii)End hunger, achieve food security and improved nutrition and promote sustainable agriculture (iii)Promote sustained, inclusive and sustainable economic growth, full and	Increase local milk production up to 493 million liters by year 2022	1. Increased amount of local milk production (million liters/year)			√
	Increase the annual per capita egg consumption up to 137 in year 2022	2. Increased amount of annual per capita egg consumption (No. of eggs/ year)		√	

Goal/Objectives	Target	Achievement Index	Achievements Progress up to now		
			0%- 49%	50- 74%	75- 100 %
productive employment and decent work for all (iv)Ensure sustainable consumption and production patterns	Increase annual per capita Chicken meat consumption up to 10.9 kg in year 2022	3. Increased amount of annual per capita Chicken meat consumption (kg/year)			√
	Fertilizer Division				
2	Reduction of post-harvest losses in vegetable and fruit crops up to 25% and post-harvest losses in other non-perishable crops up to 5%	The amount of innovative technologies developed to reduce post-harvest damage in 15 selected fruits and 10 vegetable varieties and 9 other selected perennial crops, the amount of technologies introduced in the field, the amount of post-harvest damage reduced.	√	-	-
	Achieving food security and high nutritional status by way of poverty alleviation and promotion of sustainable agriculture	Reduction of soil pollution caused by heavy metals	-	√	-
		Implementation of sustainable agricultural practices that enhance soil quality conditions	-	√	-
		Production of high quality bio-fertilizers and organic fertilizers using forests and wetlands	√	-	-
12	Improving supply and value chain management processes in vegetable and fruit crops	The amount of innovative technologies developed to reduce post-harvest damage in 15 selected fruits and 10 vegetable	√	-	-

Goal/Objectives	Target	Achievement Index	Achievements Progress up to now		
			0%- 49%	50- 74%	75- 100 %
		varieties s and 9 other selected perennial crops, the amount of technologies introduced in the field, the amount of post-harvest damage reduced.			
	Ensuring sustainable consumption and production patterns	Managing chemicals in an environmentally sound manner and minimizing their release into air, water and soil and thereby minimizing adverse impact on human health and the environment.	-	-	√
		Securing scientific and technical capacities to move towards more sustainable consumption and production patterns.	-	√	-
Rural Economic Crops Cultivation and Promotion Division					
01. Eradicating poverty everywhere	1.1 Raising the economic level of low income earners	Development Projects • Indoor agriculture programs • Animal husbandry projects			√
	1.5 Minimizing the harmful effects of weather conditions	Environmental Conservation 1 • Establishment of soil conservation structures • Conservation of water sources and watercourses			√
02. Ending poverty and achieving food security and good nutritional status and promoting sustainable	Making agricultural productivity and income of small-scale food	Technical Programs • Farmer training programs • Radio programs • Introduction of crop			√

Goal/Objectives	Target	Achievement Index	Achievements Progress up to now		
			0%- 49%	50- 74%	75- 100 %
agriculture	producers double by 2030 through markets and value additions	cultivation methods • Farm development with government supervision with the purpose of providing quality seeds and seedlings			
	2.4 Establishing production systems and implementing sustainable agricultural practices that promote land and soil quality conditions that help to sustain bio systems	Environmental Conservation 2 • Production of organic fertilizers			√

5.2 Achievement and Challenges in Reaching Sustainable Goals

i.) Achievements

Fertilizer Division

- Training farmers on the use of organic fertilizers.
- Promoting and regulating the use of quality fertilizers.
- Implementation of fertilizer subsidy program for paddy and other crops under the special program for promoting food security and sustainable agriculture.
- Launching organic fertilizer distribution programs.
- Implementation of non-toxic food promotion programs.
- Considerable reduction in post-harvest damage of agricultural crops through activities such as providing safe packaging for transporting fruits and vegetables, improving grain storage facilities, and directing stakeholders to value-added products.

Rural Economic Crops Cultivation and Promotion Division

- 100.00 million rupees crop cultivation project which covers 15,888 low-income families achieving 91% progress
- Achieving 97% progress covering 808 low-income families through the 40.00 million rupees domestic goat husbandry project.

ii.) Challenges

Agricultural Division

- Existence of price monopoly in the market.
- Absence of high-technological resources compared to developed countries with advanced agricultural development.
- Difficulty for small scale farmers to compete with international markets.
- Contribution of gross domestic product to agriculture going up.
- Propagation of more resilient seed forms to climate changes and local seed conservation.

Fertilizer Division

- No legal provisions being updated.
- Non-availability of accurate data on the amount of agricultural land.
- Excessive use of fertilizers for cultivated land.
- Weaknesses in the fertilizer stock control system.
- Delays in laboratories in testing fertilizer samples.
- Misuse of subsidiary fertilizers.
- Lack of awareness among farmers about the recommendation and the usage of subsidiary fertilizers.
- Shortage of officers with technical knowledge.

Rural Economic Crops Cultivation and Promotion Division

- Limitation of follow-up activities due to the fuel crisis in the early period of 2022.
- Non-availability of officers with technical knowledge in the field of agriculture directly assigned to the duties of this division.
- Scope changes on several occasions within a short span of time.

Chapter 06 - Human Resource Profile

6.1. Cadre Management

Division		Approved Cadre	Existing Cadre	Vacancies / Excess
Agriculture	Senior	73	61	12
	Tertiary	9	3	6
	Secondary	1017	1097	0
	Primary	129	109	20
	Total	<u>1228</u>	<u>1270</u>	<u>38</u>
Livestock	Senior	31	17	14 (shortage)
	Tertiary	03	2	1(shortage)
	Secondary	523	526	3(excess)
	Primary	37	31	6(shortage)
	Total	<u>594</u>	<u>576</u>	
Fertilizer	Senior	31	12	19
	Tertiary	02	0	02
	Secondary	548	817	269 (Excess)
	Primary	31	15 (Casual 06, multiple services 09)	16
	Other	03	-	03
	Total	<u>615</u>	<u>844</u>	
Rural Economic Crops Cultivation and Promotion	Senior	14	07	07
	Tertiary	05	01	04
	Secondary	42	166	124
	Primary	22	14	08
	Total	<u>83</u>	<u>188</u>	

06.2 ** Briefly state how the shortage or excess in human resources has been affected to the performance of the institute

Livestock Division

The vacancies in the approved cadre of the Ministry are given below.

#	Post	Service	Number of Vacancies
Senior Level			
1.	Director General	Sri Lanka Engineering Service	01)To be suppressed(
2.	Chief Financial Officer	Sri Lanka Accountants'	01

		Service	
3.	Director (Planning)	Sri Lanka Planning Service	01
4.	Director (Engineering)	Sri Lanka Engineering Service	01)To be suppressed)
5.	Director	Animal Production & Health Service	02
6.	Internal Auditor	Sri Lanka Accountants' Service	01)To be suppressed(
7.	Assistant Director/Deputy Director	Animal Production & Health Service	03
8.	Assistant Director/Deputy Director (Planning)	Sri Lanka Planning Service	01
9.	Assistant Director/Deputy Director	Sri Lanka Agriculture Service	01
10.	Assistant Secretary	Sri Lanka Administrative Service	02
11.	Coordinating Secretary of the Secretary of the State Ministry		01)To be suppressed(
Tertiary Level			
12.	Administrative Officer	Management Service Officers' Service	01
13.	Translator	Government Translators' Service	01
Secondary Level			
14.	Management Service Officer	Management Service Officers' Service	12
15.	Information and Communication Assistant	Sri Lanka Information & Communication Technology Service	01
16.	Receptionist		01
Primary Level			
17.	Driver	Combined Drivers' Service	06
18.	Office Employee	Office Employees' Service	01
19.	Video Cameraman (Temporary)		01)To be suppressed(
20.	Video Camera Assistant (Temporary)		01 (To be suppressed(

06.3. Human Resource Development

Agriculture Division

- Local Training

S/No.	Program	No of Employees Trained	No of Officers Participated	Institution	Period of Program	Local Total Investment (Rs.)	Results / Knowledge Obtained
1	Training Program in Project Management	1	Development Officers	SDFL	2 Days	7,500.00	Subject related knowledge
2	Training Program on Preparation of Tender Documents	2	Senior Assistant Secretary (Procurement) Development Officers	SDFL	2 days	14,000.00	Subject related knowledge
3	Training Program in Transport Management	2	Development Officers	SDFL	2 days	14,000.00	Subject related knowledge
4	Training Program on Government Internal Audit Process	2	Development Officers	SDFL	2 days	14,000.00	Subject related knowledge
5	Annual Board of Survey and Dispose of Property	1	Development Officers	SDFL	2 days	8,500.00	Subject related knowledge
6	Training Program on Government Pay System	2	Development Officers	SDFL	3 days	30,000.00	Subject related knowledge
7	Training Program on Operation and Maintenance of Farm Machinery (lawn mowers, sprayers and chainsaws)	14	Garden Labourer, Agricultural Adviser	SDFL	2 days	20,520.00	Subject related knowledge
						8,400.00	Subject related knowledge
8	Training Program on Preparation of Procurement Plan	2	Development Officers	SDFL	2 days	14,000.00	Subject related knowledge
9	Program on Initial Investigation Training	2	Management Assistants	SDFL	2 days	14,000.00	Subject related knowledge

S/No.	Program	No of Employees Trained	No of Officers Participated	Institution	Period of Program	Local Total Investment (Rs.)	Results / Knowledge Obtained
10	Training Program on Reporting about Loss Reporting, Compensation and Deduction	1	Management Assistants	SDFL	2 days	8,500.00	Subject related knowledge
11	Government Procurement and Contract Administration	2	Development Officers	SDFL	2 Days	14,000.00	Knowledge about procurement
12	Java Programme	1	Development Officers	SLIIT	6 month	30,000.00	Information technology related knowledge
13	CISCO	1	Development Officers	Turnkey IT	2.5 month	24,750.00	Information technology related knowledge
14	Management Assistant Non-Technical -Batch 2-Grade II	4	Management Assistants	Department of Examination	1 day	194,959.19	Knowledge on Office Systems / Establishment Code / Financial Regulations
15	Efficiency Bar Exam	1	Management Assistants	NILT	1 day	11,360.00	Knowledge on Office Systems / Establishment Code / Financial Regulations
						11,360.00	
16	Efficiency Bar Exam	1	Electrician	SLIDA	1 day	11,780.63	Knowledge on Office Systems / Establishment Code / Financial Regulations
						11,780.62	
17	Three-Day Induction Training Workshop	7	Development Officers	SDFL	3 days	105,000.00	Knowledge on Office Systems / Establishment Code / Financial

S/No.	Program	No of Employees Trained	No of Officers Participated	Institution	Period of Program	Local Total Investment (Rs.)	Results / Knowledge Obtained
							Regulations
18	Salary Conversions	8	Development Officers / Management Assistants	SDFL	2 days	60,000.00	Subject related knowledge
19	Scheme of Recruitment	8	Development Officers and Management Assistants	SDFL	2 days	60,000.00	Subject related knowledge
20	Two-Day Training Workshop on Preparation and Presentation of Cabinet Memorandums	3	Development Officers and Management Assistants	SDFL	2 days	25,500.00	Subject related knowledge
21	Two Day Workshop on Civil Pension Calculations and Payments	4	Development Officers and Management Assistants	SDFL	2 days	30,000.00	Subject related knowledge
22	Two Day Training Workshop on Disciplinary Procedure	6	Development Officers and Management Assistants	SDFL	2 days	45,000.00	Subject related knowledge
23	Improvement of Job Knowledge and Development of Attitude of Office Aides	5	Office Aides and Drivers	SDFL	2 days	42,500.00	Subject related knowledge
24	Office Management and Financial Regulations	6	Development Officers and Management Assistants	SDFL	2 days	45,000.00	Subject related knowledge
25	Operation & Preventive Maintenance of Diesel Generator	1	Electrician	SDFL	1 day	10,000.00	Subject related knowledge

S/No.	Program	No of Employees Trained	No of Officers Participated	Institution	Period of Program	Local Total Investment (Rs.)	Results / Knowledge Obtained
26	Essentials in Systems & Network Administration	1	Development Officers	DLC	5 days	30,000.00	Information technology related knowledge
27	Training Program on Internal Audit and Internal Controls	3	Development Officers	SDFL	2 days	22,500.00	Knowledge on internal audit
28	Two-Day Workshop on Leave entitled to a Government Servant and Role and Responsibility of Leave Clerks	2	Development Officers and Management Assistants	SDFL	2 days	15,000.00	Subject related knowledge
29	National Library Research Conference	2	Development Officers / Office Aides	National Libraries	1 day	6,000.00	Subject knowledge about libraries
30	Annual Conference	3	Accountants / Chief Accountants	APFASL	1 day	7,000.00	Subject related knowledge
31	Training Workshop for Primary Officers	53	Office Aides and Drivers	Management Development Training Institute-Galle	2 days	171,460.70	Office Systems / Establishment Code / Financial Regulations / Personal and Inter-Personal Relationship Development
32	Training Workshop for Secondary Officers	54	Development Officers and Management Assistants	Management Development Training Institute-Galle	2 days	189,398.30	Office Systems / Establishment Code / Financial Regulations / Personal and Inter-Personal Relationship Development

S/No.	Program	No of Employees Trained	No of Officers Participated	Institution	Period of Program	Local Total Investment (Rs.)	Results / Knowledge Obtained
33	Executive Officer's Training Workshop	20	Staff Grade Officers	Lay Leisure Kukuleganga	2 days	156,625.00	Inter-Personal Relationship Development / Group Activities
34						133,652.34	
35	Tamil Language Course	1	Development Officers and Management Assistants	Ministry Auditorium	10 days	45,000.00	Subject related knowledge
36	Primary Officers Training Workshop - Resource Person's Allowance - Mar. KU Chandralal	1	Development Officers and Management Assistants	Management Development Training Institute-Galle	2 days	6,000.00	Office Systems / Establishment Code / Financial Regulations / Personal and Inter-Personal Relationship Development
37	Primary Officers Training Workshop - Resource Person's Allowance - Mar. KU Chandralal	1	Office Aides and Drivers	Management Development Training Institute-Galle	2 days	12,000.00	Office Systems / Establishment Code / Financial Regulations / Personal and Inter-Personal Relationship Development
38	Training Workshop for Secondary Officers - Resource Person - Mar. Kamal Priyadarshana	1	Development Officers and Management Assistants	Management Development Training Institute-Galle	2 days	2,700.00	Office Systems / Establishment Code / Financial Regulations / Personal and Inter-Personal Relationship Development

S/No.	Program	No of Employees Trained	No of Officers Participated	Institution	Period of Program	Local Total Investment (Rs.)	Results / Knowledge Obtained
39	Government Procurement and Contract Administration	2	Chief Accountant /Assistant Secretary	SLIDA	14 months	240,000.00	Knowledge on Procurement
40	Financial Regulations and Office Procedures	1	Development Officers	National Institute of Plantation Management	1 day	8,000.00	Subject related knowledge
Total Expenditure						1,931,746.78	

Livestock Division

Name of the Programme	No. of staff trained	Duration of the Programme	Total Investment (Rs.000')		Nature of the Programme (Local / Foreign)	Output/ Knowledge Gained
			Local	Foreign		
Training of newly appointed Development Officers	35	06 days	-		Local	Directly contribute to functions of the institution
Field Study Programme	63	01day	234.77			
Higher National Diploma in Public Procurement and Contract Administration	01	01day	120			
Maintenance of government vehicles	01	01day	5			
Training on establishment affairs	35	04 days	-			
Financial Regulations of the Government	01	02 days	9			
Project Management	35	10 days	-			
Field Training Programme	56	01day	236.6			
Secondary level Tamil Language Training Programme	40	01day (To be conducted.)	4.5			

Fertilizer Division

Program	No of Employees trained	Period of Program	Total Investment (Rs.)		Nature of Program (Local / Foreign)	Results/ Knowledge Obtained	
			Local	Foreign			
Maintaining a personal file effectively	03	01 day	15,000.00		Local	Handling personal files	
Tamil Language Training Course for Secondary Grade Officers under Official Language Policy (The course is already being conducted)	First Batch	54	150 hours	540,000.00 Out of this amount Rs. 457,875.00 has been paid so far.	Local	Local	Obtaining Tamil Language proficiency
	Second Batch	44	150 hours	440,000.00 (Payment has already been made)		Local	Obtaining Tamil Language proficiency

Rural Economic Crops Cultivation and Promotion

#	Program	No of Employees trained	Period of Program	Total Investment (Rs.)		Nature of Program (Local / Foreign)	Results / Knowledge Obtained
				Local	Foreign		
1	Establishment Code and Financial Regulations	01	02 days	7,000.00	-	Local	<ol style="list-style-type: none"> 1. Establishment Code and Procedures 2. Establishment Code Chapter VI, VII, VIII, XII, XIII, XI V, XVII, XXIV, XXV, X XVI, XXXII, XL VII, XL VIII and Public Service Commission's Procedures 3. Government Funds including Consolidated Fund 4. Government Budget Estimates and Estimate Differences 5. About receipts 6. About payments 7. Proceedings in relation to damages 8. Assets Management and Board of Survey
2	Master's Degree Course (Economics) - 2021	01	01 year	127,500.00	-	Local	<ul style="list-style-type: none"> • Economics
3	Course on Salary Conversion	30	01 day	70,000.00	-	Local	<ol style="list-style-type: none"> 1. Mode of determination of salary in public service according to related institutions 2. Identifying the existing pay structure in the public service and the nature of the pay structure so far

#	Program	No of Employees trained	Period of Program	Total Investment (Rs.)		Nature of Program (Local / Foreign)	Results / Knowledge Obtained
				Local	Foreign		
							<p>existed</p> <p>3. Salary related provisions in the Financial Regulations and Public Administration Circulars</p> <p>4. Salary Conversion in case of Salary Revision and Salary increments</p> <p>5. Steps to be taken to identify and rectify salary anomalies</p>
4	Establishment Code and Financial Regulations	104	02 days	150,000.00	-	Local	<p>1. Establishment Code and Procedures</p> <p>2. Financial Regulations and Government Procurement Procedure</p> <p>3. Establishment Code Chapter VI, VII, VIII, XII, XIII, XV, XVII, XXIV, XXV, XXVI, XXXII, XLVII, XLVI II and Public Service Commission's Procedures</p> <p>4. Chapters I, II, III, IV, V and Government Procurement Procedures</p>
5	Tamil Course - 150 hours	27	96 hours	72,000.00	-	Local	<ul style="list-style-type: none"> • Writing , reading, speaking and understanding of Tamil easily
6	Career Development	06	02 days	45,000.00	-	Local	<ul style="list-style-type: none"> • Office Management and Procedures • Documents that should be maintained by Subject Officer

Chapter 07 - Compliance Report

Note - Agriculture Sector 01, Livestock Sector 02, Fertilizer Sector 03, Rural Development Sector 04

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
1	The following financial statements / accounts have been submitted on due date			
1.1	Annual Financial Statements	Complied (1,2,3,4).		
1.2	Advance Accounts of Public Officers	Complied (1,2,3,4).		
1.3	Business and Product Advance Accounts (Commercial Advance Accounts)	Not complied (1,2). (3) Not applicable.		
1.4	Stores Advance Accounts	Not complied (1,2,3).		
1.5	Special Advance Accounts	Not complied (1,2,4). Complied (3)		
1.6	Other	Not complied (1,2,4).		
2	Maintenance of Books and Documents (F.R. 445)			
2.1	Updating and maintaining the fixed asset register as per Public Administration Circular No.267/2018	Complied (1,2,3,4).		
2.2	Updating and maintaining personal payrolls / payroll cards	Complied (1,2,3,4).		
2.3	Updating and maintaining the list of audit queries	Complied (1,2,3,4).		
2.4	Updating and maintaining the record of internal audits	Complied (1,2,3,4).		
2.5	Preparation of all monthly account summaries (CIGAS) and submission to the Treasury on due date	Complied (1,2,3,4).		

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
2.6	Updating and maintaining the register of cheques and cash orders	Complied (1,2,3,4).		
2.7	Updating and maintaining inventory	Complied (1,2,3,4).		
2.8	Updating and maintaining a list of stocks	Complied (1,2,3,4).		
2.9	Updating and maintaining the register on damages	Complied (1,2,3,4).		
2.10	Updating and maintaining the list of liabilities	Complied (1,2,3,4).		
2.11	Updating and maintaining list of Sub-Leaflet Book (GAN 20)	Complied (1,2,3,4).		
3	Representation of Functions for Financial Control (F.R. 135)			
3.1	Should have delegated financial powers within the institution	Complied (1,2,3,4).		
3.2	Should have informed the institution about the delegation of financial powers	Complied (1,2,3,4).		
3.3	Should have delegated the financial power where every transaction could be authorized by two or more officers	Complied (1,2,3,4).		
3.4	Acting under the control of the Accountants in using the Government Payroll Software Package as per Government Accounts Circular No. 171/2004 dated 11.05.2014	Complied (1,2,3,4).		
4	Preparation of Annual Plans			
4.1	Preparation of Annual Action Plan	Complied (1,2,3,4).		

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
4.2	Preparation of Annual Procurement Plan	Complied (1,2,3,4).		
4.3	Preparation of Annual Internal Audit Plan	Complied (1,2,4).		
4.4	Preparing the annual estimate and submitting the same to the National Budget Department (NBD) on due date	Complied (1,2,3,4).		
4.5	Should have submitted the Annual Cash Flow Statement to the Treasury Operations Department on the date	Complied (1,2,3,4).		
5	Audit Queries			
5.1	Should have answered all the audit queries by the date that has been fixed by the Auditor General	Complied (1,2,3,4).		
6	Internal Audit			
6.1	Preparation of Internal Audit Plan according to F.R. (134) (2) DMA / 1-2019, after consultation with the Auditor General at the beginning of the year	Complied (1,2,3,4).		
6.2	Should have replied the every internal audit report within one month of time	Not complied (1,2). Complied (4).	1,2 - Not applicable. If the period gone more than one month, replies have been sent to audit reports.	2- Relevant Sections have been instructed to provide replies to the reports without delays.
6.3	Should have submitted the copies of all the internal audit reports to the Department of Management Audit in terms of sub-section 40 (4) of the National Audit Act No. 19 of 2018	Complied (1,2,3,4).		

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
6.4	Should have submitted the copies of all the internal audit reports to the Auditor General in accordance with Financial Regulation 134 (3)	Complied (1,2,3,4).		
7	Audit and Management Committees			
7.1	Should have convened at least 04 Audit and Management Committees during the relevant year as per DMA / 1-2019	Not complied (2). Complied (1,3,4).	2- Not applicable. Absence of a Committee Chairman to hold meetings due to removal of State Ministry.	2- Meetings are currently being held in conjunction with the Cabinet of Ministers.
8	Asset Management			
8.1	Should have submitted the information on purchases and disposal of assets to the Comptroller General's Office as per Chapter 07 of Asset Management Circular No. 01/2017	Complied (1,2,3,4).		
8.2	Implementation of the provisions of that Circular in accordance with Chapter 13 of the above Circular. Should have appointed a suitable coordinating officer for coordination and reported the details of that officer to the Comptroller General's Office	Complied (1,2,4).		
8.3	Should have conducted Bord of Survey as per Public Finance Circular No. 05/2016 and submitted the relevant reports to the Auditor General on due date	Complied (1,2,3,4).		
8.4	Should have made provision for excess, deficiencies and other recommendations revealed by the Annual Board of Survey within the	Complied (1,2,4).		

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
	period specified in the Circular			
8.5	Disposal of unservicable goods in accordance with F.R. 772	Complied (1,2,4).		
9	Vehicle Management			
9.1	Preparing daily running charts and monthly summary reports for pool vehicles and submitting to the Auditor General on due date	Complied (1,2,3,4).		
9.2	Should have carried out disposal of unserviceable vehicles within the period of less than 06 months after becoming of such vehicles uncervicable	Not complied (1,2,3). Complied (4).	1,3- Obsolete vehicles are not available. 2- Due to a technical problem that arose during the assessment of the vehicle concerned (several number plates were not clearly observed to match the chassis number of the vehicle with the chassis number mentioned in the registration certificate).	2- As per the instructions received from the Technical Division of the Motor Traffic Department, arrangements will be made to get the chassis number of the vehicle printed locally.
9.3	Updating and maintaining vehicle log entry books	Complied (1,2,3,4).		
9.4	Taking action on all vehicle accidents in accordance with F.R. 103, 104, 109 and 110.	Complied (1,2,3,4).		
9.5	Re-inspection of fuel burning of vehicles in accordance with the provisions of paragraph 3.1 of Public Administration Circular No.2016/30 dated 29.12.2016	Not complied (1,2). Complied (4).	1,2-Due to the fuel crisis in the year 2022 and the limited supply of fuel to vehicles under the QR system, it has not been possible to check the fuel consumption of	2- As soon as the fuel is available as normal, arrangements will be made to check the fuel consumption of the vehicles in

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
			vehicles for the year 2022. 3- Although initial arrangements were made at the beginning of the year, it is currently suspended due to fuel prices and fuel scarcity.	this Division as per 3.1 of PA Circular No.30/2016.
9.6	Should have taken over the full ownership of the log books of leased vehicles after the lease period is over	Not complied (1). Complied (2,4).	1-Leased vehicles are not available. 3-The period of leased vehicles is not expired.	
10	Bank Account Management			
10.1	Should have prepared and certified the bank reconciliation statements on due date and submitted them for audit	Complied (1,2,3,4).		
10.2	Should have settled sleeping bank accounts brought forward in the year under review or the previous years	Complied (1,2,3,4).		
10.3	Should have acted in accordance with the financial regulations regarding the balances revealed and adjusted in the Bank Reconciliation Statements and settled those balances within a period of one month	Complied (1,2,3,4).		
11	Funds Utilization			
11.1	Incurring expenditure not exceeding the limit of provision made for the same	Complied (1,2,3,4).		
11.2	Reaching liabilities at the end of the year after utilization of the provision	Complied (1,2,3,4).		

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
	provided in accordance with F.R. 94 (1) not exceeding the limit of provision			
12	Advance Accounts of Public Officers			
12.1	Compliance with the limits	Complied (1,2,3,4).		
12.2	Should have done an analysis on outstanding loan balances	Complied (1,2,4).		
12.3	Should have settled the outstanding debt balance remaining for more than one year	Not complied (1,2,3). Complied (4).	2-. Arrangements have been made to take legal action upon being out of the Island.	
13	General Deposit Account			
13.1	Should have taken action for overdue deposits in accordance with F.R.571	Complied (1,2,3,4).		
13.2	Updating and maintaining Control Accounts for the General Deposit	Complied (1,2,3,4).		
14	Imprest Accounts			
14.1	Should have forwarded the balance of the cash book to the Treasury Operations Department at the end of the year under review	Complied (1,2,3,4).		
14.2	Should have been settled the actual interim imprest within one month of its completion immediate after according to F.R. 371	Complied (1,2,3,4).		
14.3	Should have issued the actual interim imprest not exceeding the approved limit as per F.R. 371	Complied (1,2,3,4).		
14.4	Reconciliation of imprest accounts balance with Treasury Books monthly	Complied (1,2,4).		
15	Revenue Accounts			

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
15.1	Repayment had been made after collection in accordance with the relevant regulations	Complied (1,2,4).		
15.2	Should have credited deposits directly collected to the deposit account without depositing into deposit accounts	Complied (1,2,4).		
15.3	Should have submitted balance revenue reports as per F.R.176 to the Auditor General	Not complied (2). Complied (1,4,3).		
16	Human Resource Management			
16.1	Maintaining staff within the approved cadre limit	Complied (1,2,3,4).		
16.2	Should have provided duty lists in writing to all staff members	Complied (1,2,3,4).		
16.3	Should have submitted all the reports to the Department of Management Services in terms of MSD Circular No. 04/2017 dated 20.09.2017	Complied (1,2,3,4).		
17	Providing Information to the Public			
17.1	Appointing an Information Officer in accordance with the Right to Information Act and Regulations and updating and maintaining a document of information	Complied (1,2,3,4).		
17.2	Information about the organization is provided through its website and should have made facilitation for the public to post commendations / allegations about the organization through the	Complied (1,3). Not complied (2).	2- The previous web page related to this section has been discontinued as the former State Ministry is not currently established.	Arrangements have been made by way of linking with the Information Technology Division of the Ministry of Agriculture to update relevant

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
	website or alternative channels.			information.
17.3	Should have submitted the reports twice or once a year as per sections 08 and 10 of the Right to Information Act	Complied (1,2,3,4).		
18	Implementation of the Citizens' Charter			
18.1	Should have formulated and implemented a Citizen / Client Charter in accordance with the Management Circular No. 05/2008 and 05/2018 (1) of the Ministry of Public Administration	(1) Complied (2) Not complied as action is not directly related with the public. (3) There is no unique charter for the fertilizer division as the Ministry underwent changes from time to time (4)Not complied	4-It is not applicable as per the duty assigned.	
18.2	Should have prepared a methodology by the institution according to paragraph 2.3 of the circular to monitor and evaluate the Citizen's / Client's Charter	(1) Complied (2) Not complied as action is not directly related with the public. (3) There is no unique charter for the fertilizer division as the Ministry underwent changes from time to time.	Not applicable as action is not directly related with the public.	
19	Preparation of Human Resource Plan			

No.	Applicable Requirements	Consistency Status (Applicable / Not applicable)	If not applicable, a brief explanation	Proper decision strategies that are proposed to prevent non-compliance in future
19.1	Should have prepared a Human Resource Plan based on the Public Administration Circular No. 02/2018 dated 24.01.2018 - Annexure 02	Complied (1,2,3). Not complied (4).	4- A HR plan has been prepared but not based on Annexure 02 Format according to Circular No. 02/2018.	4-Preparation for the year 2023 has been started.
19.2	Should have ensured at least 12 hours of training per year for each member of the staff in the above HR Plan	Complied (1,2,3,4).		
19.3	Should have signed annual performance agreements for the entire staff based on the format given in Annexure 01 of the above Circular	Complied (1,2,3). Not complied (4).		Arrangements have been made for signing the agreement for the year 2023.
19.4	Should have appointed a Senior Officer and assigned the responsibilities of preparation of Human Resource Development Plan, Development of Capacity Building Programs, Implementation of Skills Development Programs in accordance with paragraph 6.5 of the above Circular (referred to in 19.1)	Complied (1,2,3,4).		
20	Respond to Audit Paras			
20.1	Should have corrected the deficiencies pointed out in the audit paragraphs issued by the Auditor General for the previous years	Complied (1,2,3,4).		