

Non-Cabinet Ministry of State Plantation Enterprises Reforms

Annual Performance Report
2023

Message from the Hon. Minister of State Plantation Enterprises Reforms



I am pleased to issue a message for the maiden Annual Performance Report of the recently established Non-Cabinet Ministry of State Plantation Enterprises Reforms, in October 2023, which was founded to spearhead essential reforms within the plantation sector, aligning with the vision of the H.E. the President for a developed Sri Lanka by the year 2048.

It gives me immense pleasure to have laid a successful foundation for the Ministry's future over the past year. This progress has been made possible through the identification of unused and underutilized lands of State Plantation Enterprises and Regional Plantation Companies, along with the initiation of mapping the lands, assessing development potentials and preparing plans for its utilization. Additionally, significant strides have been taken in policy formulation and addressing long-standing issues such as the settlement of all outstanding statutory allowances for employees of the State Plantations Corporation, Janatha Estates Development Board and Elkaduwa Plantations Company Limited.

I extend my best wishes to all officers, including the Secretary to the Ministry, senior officers, and other stakeholders, including the chairpersons of the affiliated institutions, for their continued dedication and capability in this endeavor of implementing crucial reforms within State Enterprises in the plantation sector, aiming to optimize the usage of land and resources and to promote investing in these enterprises to fortify the national economy.

Ranjith Siyambalapitiya (M.P.)

Minister of State Plantation Enterprises Reforms

Message from the Secretary to the Non-Cabinet Ministry of State Plantation Enterprises Reforms



The Non-Cabinet Ministry of State Plantation Enterprises Reforms was established by Gazette Extraordinary No. 2355/09 dated 23.10.2023, with the objectives of introducing reforms for the optimal effectiveness of state plantation enterprises, identifying the potentials required for commercial plantation management, and preparing the necessary guidelines while ensuring the sustainability of both agricultural and non-agricultural sectors and fostering economic development for human resources engaged in those sectors.

Despite the various challenges faced in establishing this new Ministry, with the invaluable advice and guidance of the Hon. Minister Ranjith Siyambalapitiya, we have successfully provided efficient public services, with a focus on initiating a comprehensive mapping of the lands owned by state plantation enterprises and the lands leased to regional plantation companies and therefore, I take pride in our ability to formulate policy decisions and swiftly implement them within the prescribed framework in a short period of time.

In the year 2024, the Ministry has embarked on a series of special tasks aimed at improving various facets of the plantation sector. A primary focus lies in promoting the plantation sector of export-oriented commercial crops and promoting the value-added agricultural products by leveraging modern technology, and attracting investments from skilled local entrepreneurs for said purpose. Moreover, efforts are underway to maximize the productivity of underutilized and idle lands owned by plantation companies, with the overarching goal of increasing government revenue. Concurrently, the Ministry is diligently updating and revising lease agreements held by estate companies, adapting them to current needs while also forging new agreements where necessary. Additionally, the Ministry is actively engaged in formulating new policies, instituting essential reforms within its institutions, and meticulously preparing corresponding plans. Crucially, it is providing indispensable guidelines aimed at enhancing the efficiency and effectiveness of State Plantation Enterprises.

I highly appreciate the remarkable achievement of the Ministry staff in attaining exceptional performance within a brief span of time. This success is attributed to the unwavering dedication and contributions of both senior officials and the entire staff of the Ministry, along with the Chairmen, Boards of Directors, and all staff members of the Ministry's affiliated institutions namely Sri Lanka State Plantations Corporation, Janatha Estates Development Board, Kurunegala Plantations Limited, Chilaw Plantations Limited, Elkaduwa Plantations Limited, and Kalubowitiyana Tea Factory Limited

May we all find the strength and courage to excel, reaching new heights as we pursue the goals and objectives of our Ministry in 2024, to be instrumental in improving the local economy through our dedicated efforts.

Dr. M. M. S. S. B. Yalegama

Secretary to the Non-Cabinet Ministry of State Plantation Enterprises Reforms

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Non-Cabinet Ministry of State Plantation Enterprises Reforms

Organizational Profile

Introduction

Non-Cabinet Ministry of State Plantation Enterprises Reforms was established under the Gazette Extraordinary No. 2355/09 dated 23.10.2023 with primary objectives to increase the productivity of state-owned plantation enterprises and to boost the income generated by such institutions, as well as to introduce necessary reforms by providing guidelines to transform such institutions into fully-lucrative enterprises. Accordingly, the plantation enterprises coming under the purview of this Ministry are;

1. Kurunegala Plantations Ltd
2. Chilaw Plantations Ltd.
3. Janatha Estates Development Board
4. Kalubowitiyana Tea Factory Ltd
5. Sri Lanka State Plantations Corporation
6. Elkaduwa Plantations Ltd

Vision and Mission of the Ministry

Vision

To Optimize the Contribution from the State Plantation Lands to the National Development

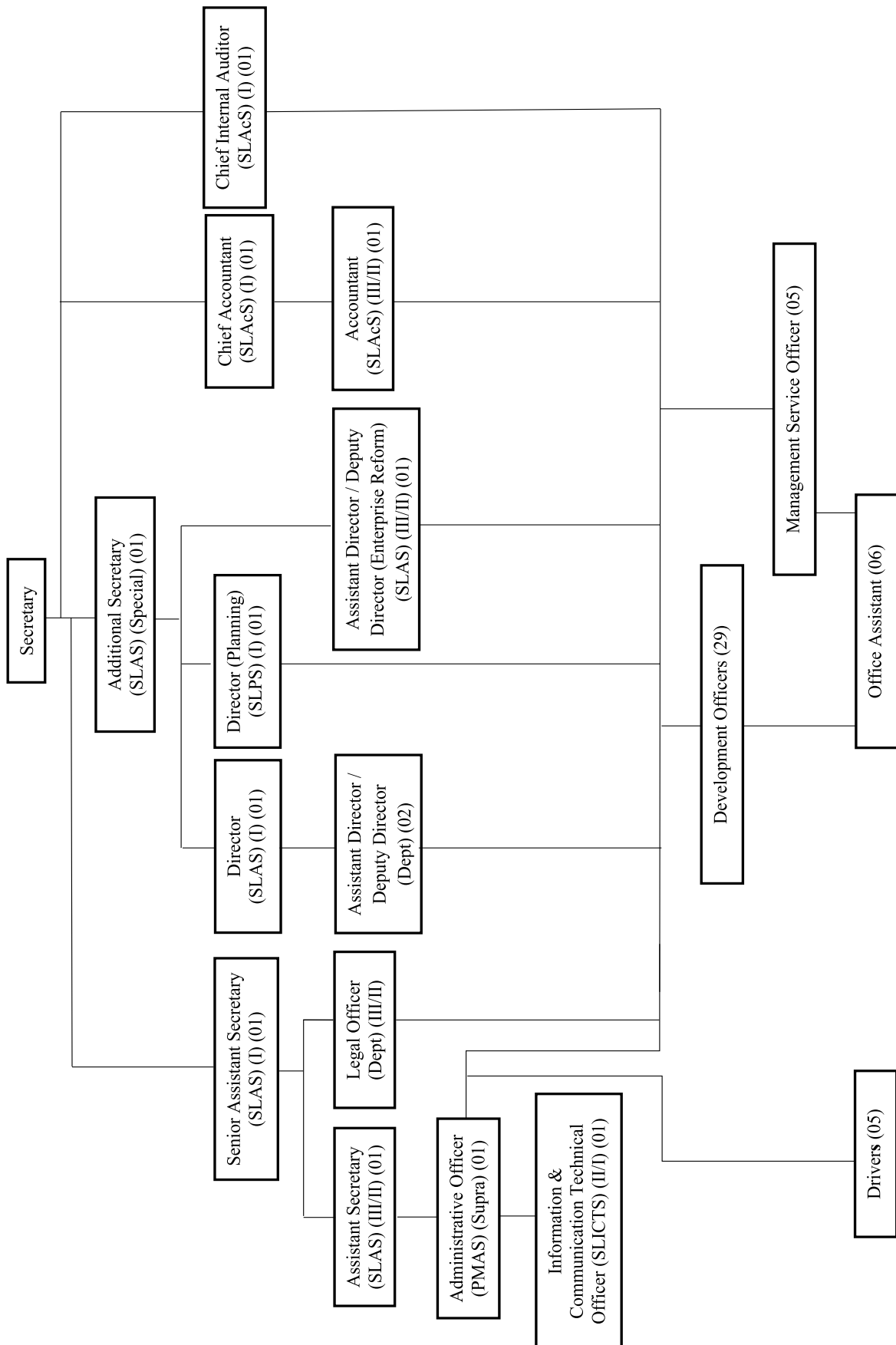
Mission

To introduce reforms that increase productivity of state plantation lands, ensure sustainable use of both agricultural and non-agricultural resources available in such lands, and enhance socioeconomic development of human resources employed in the sector.

Key functions performed by the Ministry

- ❖ Formulation, implementation, follow-up and evaluation of policies, programs and projects related to the subjects of Statutory Institutions and State Corporations coming under the purview of the Ministry of State Plantation Enterprises Reforms and its scope, in pursuant to the national policies implemented by the government.
- ❖ Delivering public services within the scope of the Ministry, in an efficient and friendly manner to the public
- ❖ Reformation of all methods and procedures through contemporary management techniques and modern technology to ensure the Ministry effectively fulfills its role while eradicating wastage and corruption.
- ❖ Increasing the productivity and revenue generation of the statutory bodies and state-owned corporations that are performing under the Ministry, by means of restructuring the state plantation enterprises and introducing the required reforms.
- ❖ Matters related to all other subjects assigned to the statutory bodies and state-owned corporations performing under the Ministry.
- ❖ Supervising the statutory bodies and state-owned corporations coming under the purview of the Ministry.

Organizational Structure of the Ministry



Progress and Way Forward

The Non-Cabinet Ministry of State Plantation Enterprises Reforms, established by Gazette No. 2355/09 dated 23.10.2023, was set up under directives of sourcing of all necessary human and other resources from the Ministry of Agriculture and Plantation Industries, and promptly, the Ministry was inaugurated at the *Setshiripaya* Phase II premises, notably, with the efficient recruitment of staff on assignment, permanent, and acting basis which stands out to be a significant achievement in overcoming initial challenges. Moreover, the Ministry promptly formulated work plans within its designated scope, made policy decisions, and diligently executed activities in alignment with the respective action plan to the fullest extent possible.

Performance of the year 2023

With the objective of executing the responsibilities and objectives entrusted to this Ministry while focusing on formulating pertinent policy decisions, following tasks were carried out in the year 2023, subject to the approval of Cabinet of Ministers

- ❖ Formulating vital guidelines for the close monitoring and effective management of State-Owned Plantation Enterprises.
- ❖ Determining the necessary staff for the Ministry and approving the organizational structure accordingly.
- ❖ Recruitment of the required number personnel to facilitate implementation of Ministry functions.
- ❖ Conducting a progress review for all the State Plantation Enterprises, and thereby identifying State Enterprises that are currently profitable or lagging behind, with necessary reforms subsequently identified for them
- ❖ Conducting a comprehensive review of local plantation companies to pinpoint their current problems and challenges, and initiating preliminary steps to address them
- ❖ Identifying the requirements and potential for commercial plantation management through active participation and mentoring for relevant stakeholders
- ❖ Developing a comprehensive land-use database, encompassing information of utilized, underutilized, and unutilized lands owned by state plantation enterprises and local plantation companies
- ❖ Taking actions to design a new website aimed at enhancing the efficient and effective communication to the public regarding the physical, financial, human, and technological resources, projects, programs, and activities of the Ministry, State Plantation Enterprises, and local plantation companies
- ❖ Making arrangements for a thorough mapping of lands owned by State Plantation Enterprises and lands leased to local plantation companies.

Financial performance

Due to the establishment of this Ministry took place at the end of year 2023, there was no Expenditure Head or financial provisions allocated for its operation and as per the instructions of the National Budget Department, the expenditure of this Ministry was managed under the Expenditure Head of the Ministry of Plantation Industries, which was abolished in terms of the Gazette Notification 2355/10 dated 23.10.2023.

Issues and challenges

During the establishment of this new Ministry, several challenges were encountered, including the swift assignment of staff, acquisition of necessary vehicles and other physical resources, establishment of office space, creation of a website, and meeting other essential requirements within a short timeframe to effectively deploy staff in their roles.

Future goals for the year 2024

One of the primary objectives of establishing this Ministry is to promote export-oriented commercial plantation sector through modern technology, foster value-added agricultural products, and boost export income which is envisioned to promote land utilization by empowering local entrepreneurs by leasing out to them the large-scale underutilized and dysfunctional lands, currently held by Plantation enterprises.

- ❖ Engaging eligible local entrepreneurs to invest in export-oriented commercial plantation industries, thereby optimizing the use of underutilized lands owned by respective plantation enterprises. by using such lands for cultivating export-oriented crops and value-addition with the use of innovative techniques.
- ❖ Formulating policies and guiding relevant institutions to implement enterprise reforms aimed at fostering sustainability and profitability of the Sri Lanka State Plantation Corporation, Janatha Estates Development Board, and Kalubowitiyana Tea Factory Ltd
- ❖ Formulating, implementing, providing guidance, following up and monitoring policies, strategies, programs, and projects for establishing a new institution dedicated to a sound land management of commercial plantations, with a focus on promoting exports and generating export revenue.
- ❖ Directing the State Plantation Corporation of Sri Lanka and the Janatha Estate Development Board, and as necessary the local plantation companies, to mark the outer boundaries of plantation lands belonging to them and conducting a comprehensive mapping with the objective of determining the extent of land owned by such institutions and identifying any existing underutilized and dysfunctional lands and subsequently surveying them.
- ❖ Developing an integrated mechanism for leasing-out plantation lands and managing contracts. Accordingly, rather than simply leasing out lands with a focus on maximizing lease revenue for relevant institutions, it is aimed to sustainably cultivating commercial crops using modern

technology and directing them towards export through value addition and thereby ultimately nurturing and empowering local entrepreneurs with skills and competency.

- ❖ Streamlining the administration of State Plantation Enterprises and facilitating clear guidelines aimed at enhancing their efficiency and productivity
- ❖ Establishing a mechanism ensuring the accurate implementation of lease agreements that Regional Plantation Companies enter with the State Plantation Corporation and the Janatha Estate Development Board
- ❖ Promoting the organizational capacity and human resources of the Ministry for efficiently managing the expenses of the Ministry and ensuring optimal execution of its responsibilities and tasks.
- ❖ Developing new policies to amend and update existing lease agreements, or where necessary, create new agreements with Regional Plantation Companies
- ❖ Enhancing the efficiency of all services, including information communication to the public and related parties, through the creation of a website infused with new technology and network for the Ministry
- ❖ Providing guidance in implementation of export-oriented commercial plantation programs and projects, which are identified based on the potentials of state plantation enterprises

State Enterprises coming under the purview of the Non-Cabinet Ministry of State Plantation Enterprises Reforms

1. Sri Lanka State Plantations Corporation
2. Janatha Estates Development Board
3. Kurunegala Plantations Ltd
4. Chilaw Plantations Ltd
5. Elkaduwa Plantations Ltd
6. Kalubowitiyana Tea Factory Ltd



Sri Lanka State Plantations Corporation



**JANATHA ESTATES
DEVELOPMENT BOARD**



Kurunegala Plantations Ltd.



Chilaw Plantations Limited



Elkaduwa
Plantations Ltd.



01. Sri Lanka State Plantations Corporation

Introduction

The Sri Lanka State Plantations Corporation was established in terms of the Sri Lanka State Plantation Corporation Act No. 4 of 1958, subsequently amended by Acts No. 12 of 1962 and No. 49 of 1979. It encompasses 16 estates covering a total area of 10,989.86 hectares

Vision

To be the Government - Owned Strongest Commercial Enterprise in the Plantation Sector.

Mission

To contribute a maximum to the Gross Domestic Product of the Country as well as to the well-being of the Plantation Worker families and neighboring villages by the proper management of the assets of Sri Lanka State Plantations Corporation through worker participation

Financial performance in the year 2023

Description	Target for 2023	Progress of 2023
Tea Revenue area (Hectare)	3881.15	3881.15
Rubber Revenue Area (Hectare)	29.72	29.72
Production cost of 01 kg of made tea	763.41	870.16
Net sales average of 01 kg of made tea	800.98	888.89
Production cost of 01 kg of rubber	714.50	1009.39
Average net sales of 01 kg of rubber	450.00	455.23
Total Expenditure (Rs. Mn)	308.611	124.103
Total Revenue (Rs. Mn.)	104.401	114.835
Profit (Rs. Mn)		- 92.673

(Source - Sri Lanka State Plantations Corporation)

Progress of Development Programs / Projects / Activities in the year 2023

- ❖ Out of the 160.93 hectares designated for the tea re-cultivation program initiated in the year 2022, an extent of 157.61 hectares have been completed
 - * The remaining area of 3.32 hectares is scheduled to be completed in the 1st quarter of 2024.
- ❖ Tea plantation covering 2.2 hectares has been established at the Walahanduwa estate, at a cost of Rs.8.13 million
- ❖ 10 hectares of coconut cultivation have been established at the Walahanduwa estate, with a total expenditure of Rs.11.53 million
- ❖ 08 hectares of Cinnamon cultivation have been established at the Walahanduwa estate, with a total expenditure of Rs.1.95 million
- ❖ The Gomara factory, upgraded in 2022 with modern technology to enhance the value chain, commenced its operations on 28th March, 2023

Development Programs / Projects / Activities in the year 2024

- ❖ Year 2022 - Further implementation of tea re-cultivation programme / new planting programme
- ❖ Year 2023 - Tea re-cultivation - first year maintenance - 36.16 ha
- ❖ Cultivation Year 2022 - second year maintenance - 57.15 ha
- ❖ Year 2022 - New Plantation of Tea - Second Year Maintenance - 30.12 Hectares
- ❖ Year 2023 - New Plantation of Tea - First Year Maintenance - 34.50 ha
- ❖ Year 2024 - New Plantation of Tea - 69.76 Hectares
- ❖ Year 2024 - Plantation of tea gap-filling plantations - 75.38 hectares
- ❖ Year 2024 - Nursery plants of tea – 3,000,000
- ❖ Development of underutilized lands by local entrepreneurs.

Walahanduwa Estate - Development Program / Project / Activities

- ❖ New plantation of tea, first year maintenance - 2.00 ha
- ❖ Coconut plantation, first year maintenance - 10.00 ha
- ❖ Cinnamon Cultivation, First Year Maintenance - 1.00 ha
- ❖ Year 2024 - New Plantation of Rubber - 10.00 ha
- ❖ Year 2024 - Tea re-cultivation - 8.00 ha
- ❖ Year 2024 - New plantation of cinnamon - 9.00 ha

02. Janatha Estates Development Board

Introduction

Established in the year of 1976 under the Land Reforms Act of 1972, the Janata Estates Development Board (JEDB) is managing 263 estates spanning 140,000 hectares, notably commemorating 109 years since the establishment of Sri Lanka's inaugural commercial tea plantation in 1867 by James Taylor at Lookandura Estate, which proudly houses the nation's longest tea factory.

The Janatha Estates Development Board oversees a collection of 18 estates across Sri Lanka, comprising 16 tea estates and 2 rubber estates, spanning approximately 20,000 hectares. Situated in key economic locales, including its primary office occupying 5 acres at Vauxhall Street which is a major economic hub of Colombo city and an additional 3 hectares on lease at Darley Road, Colombo, the Board holds diverse assets such as lands, plantation crops, tea factories, small power plants, and other economically valuable properties.

The Janatha Estates Development Board takes pride in its stewardship of the renowned Lookandura and Hanthane estates nestled located in the Central Highlands of Sri Lanka. The Board has garnered a high reputation for its signature 'Janavasama Jana Tea'. Additionally, the Hanthane Estate hosts a celebrated tea museum also.

Vision

To be the best Mid Grown - Orthodox Tea manufacturer in the region whilst achieving the highest net sale average to make the Organization one of the profitable and viable state- owned Institute

Mission

Whilst utilizing of available resources with utmost care and dedication by developing skills of personnel to achieve the desired goals with teamwork towards a sustainable progress in the industry and for the benefit of the country at large

Financial performance in the year 2023

Description	Estimated for 2023	Progress of 2023
Production		
Tea Production (leaves) - Total (Kg.)	7,693,810.00	4,537,562.70
Tea Production (Made Tea) - Total (Kg.)	1,647,822.00	992,827.00
Tea Yield per Hectare -YPH (Kg/Ha.)	590.67	349.45
Net Sales Average - NSA (Kg/Ha.)	833.35	518.76
Cost of Production - COP (Kg/Ha.)	1,096.09	648.05
Rubber Production (Kg.)	388,842.00	296,768.00
Rubber Yield per Hectare -YPH (Kg/Ha.)	733.42	559.75
Net Sales Average - NSA (Rs/Kg.)	450.20	461.49
Cost of Production - COP (Rs/Kg.)	428.48	438.93
Revenue (Rs.Mn.)		
Estate Revenue – Tea	1,373.21	758.11
- Rubber	175.05	138.93
Tea marketing income	985.05	417.51
Head Office Income	145.87	127.86
Additional income	385.44	95.91
Total income	3,064.63	1,538.33
Expenditure (Rs. Mn.)		
Estate Expenses – Tea	1,806.16	947.05
- Rubber	166.61	132.14
Marketing cost of tea	877.99	300.98
Head Office Expenses	273.93	210.41
Additional cost	-	-
Total cost	3,124.69	1,590.59
Profit (Rs. Mn)		
Profits of tea estates	-432.95	-188.94
Profits in rubber plantations	8.44	6.79
Other Miscellaneous Income Of Estates	385.44	95.91
Total operating profit of estates	-39.05	-86.23
Tea marketing profit	107.05	116.53
Head office profits	-128.06	-82.55
Total profit	-60.06	-52.25

(Source - Janatha Estates Development Board)

Progress of development programs/projects/activities in the year 2023

- ❖ 9.5% of the annual estimated amount for Tea re-cultivation (Rs. 72.82 million) has been completed, with Rs. 6.96 million spent on it.
- ❖ 31% of the annual estimated amount for Rubber re-cultivation (Rs. 56.60 million) has been completed, with Rs. 17.72 million spent on it.
- ❖ 29% of the annual estimated amount (Rs. 27.86 million) has been completed for tea nurseries, with Rs. 8.05 million spent on it.
- ❖ Total production: 992.82 MT of made tea and 296.76 MT of rubber were made
- ❖ From the sale of 686 Eucalyptus saplings, Rs. 53 Mn. were earned, and 1600 tree saplings were replanted.

Development Programs / Projects / Activities in the year 2024

- ❖ Re-cultivation of tea at a budgeted cost of Rs. 54.08 million during the year.
- ❖ Re-cultivation of rubber at a budgeted cost of Rs. 9.88 million during the year.
- ❖ Conducting tea nurseries at a budgeted cost of Rs. 21.50 million during the year.
- ❖ Re-cultivation of 52,800 Eucalyptus saplings and sale of 4,000 Eucalyptus saplings earning an income of Rs. 240 million.
- ❖ Development of underutilized lands by engaging local entrepreneurs.
- ❖ Overall, production targets were met for made tea amounting to 1764 MT and rubber amounting to 407 MT

03. Kurunegala Plantations Ltd.

Introduction

The Kurunegala Plantations Ltd was established in 1992 and later transformed into a state enterprise in 2005. Operating with financial stability, the institution manages 7 plantations covering a total area of 12,230.69 acres. Its agricultural focus includes the cultivation of coconut and rubber crops, alongside the production, processing, and sale of value-added products derived from these products.

Vision

To be the model plantation and agribusiness management company in the southeast Asian Region

Mission

To manage the plantation and agribusiness productively, profitably and sustainably through effectively harnessing natural, physical and human resources in an environment-friendly and socially responsible manner to the benefit of all stakeholders and the country at large.

Project progress as per Action Plan as on 31.12.2023

Description	Physical			Financial (Revenue)	
	Unit	Annual Estimate	Progress	Annual Estimate (Rs. Mn.)	Progress (Rs. Mn.)
Livestock Project	Kilos of milk	37,230	11,463	4.46	1.71
Coconut Oil Project	Liter	6,000	10,426	4.84	9.27
Sales Outlets	Quantity	5	5	20.02	73.53

Activity	Physical			Financial	
	Unit	Annual Target	Physical Progress	Annual Estimate (Rs. Mn.)	Financial Progress (Rs. Mn.)
Construction of new fences	Meters	16,400	16,752	27.51	20.28
Repairing of fences	Meters	28,370	43,694	4.83	4.62
Intercropping	Number of plants	3,348	3,027	16.60	17.01
Re-cultivation of coconut plants	Number of plants	4,810	5,708	5.65	4.86
Manuring matured crops	Number of trees	71,627	34,197	68.41	23.15
Digging new trenches	Meters	4,250	3,750	0.96	0.66
Covering old trenches with soil	Meters	2,820	3,620	-	
Mulching with coconut fronds	Number of trees	413,180	425,820	3.15	3.49
Digging pits for burying coconut husks	Number of pits	14,340	14,119	8.01	7.63

(Source - Kurunegala Plantations Ltd)

Cultivated area as on 31.12.2023

** The next stages of the related projects are currently underway

Crop	Physical		
	Unit	Annual Target	Progress
Coconut Under Cropping	Hectares	22.32	19.46
Gap filling of coconut cultivation	Number of plants	4,810	5,392
Coconut plant nurseries	Number of plants	36,700	22,000
Wood	Number of plants	4,350	4,350
Cinnamon	Number of plants	35,300	35,300
Mango	Number of plants	3,500	600 **
Turmeric	Hectares	5.67	1.21
Dragon Fruit	Number of plants	1,000	1,000
Lime	Number of plants	2,000	2,000
Cashew	Number of plants	320	320
Rambutan	Number of plants	500	500

(Source - Kurunegala Plantations Ltd)

Crop Production Information - Progress as on 31.12.2023

Crop	Physical				Financial		
	Unit	Annual Target	Progress	%	Annual Target (Rs.)	Progress	%
Coconut	Nuts	17,000,000	12,938,759	76	929,600,000	811,898,229	87
Rubber	Kilo	126,756	85,350	67	69,715,800	43,122,134	62
Cashew	Kilo	47,607	40,784	86	28,422,700	24,462,207	84
Mango	Kilo	36,235	44,051	122	16,280,750	15,522,586	95
Rambutan	Fruits	3,797,125	1,213,304	32	10,554,594	11,014,137	104
Cinnamon	Kilo	6,355	5,149	81	23,062,000	15,984,928	69
Pepper	Kilo	11,761	3,474	30	19,993,700	5,416,347	28
Avocado	Fruits	800	1574	197	40,000	124,321	310
Turmeric	Kilo	130,800	1936	1	18,270,000	699,854	4
Dragon Fruit	Kilo	7,424	6,154	83	2,969,600	2,837,818	95
Cocoa	Kilo	4,100	1860	45	1,968,000	1,122,005	57
Coffee	Kilo	100	110	110	100,000	214,215	214
Mangosteen	Fruits	10,000	225	2	120,000	5,625	5
Guava	Kilo	2,650	1496	56	419,500	331,682	68
Areca Nut	Nuts	140,000	47,229	34	290,000	219,248	76
Areca Nut	Kilo	119	52	44	101,150	68,800	68
Durian	Fruits	16,190	1,294	8	3,642,750	421,755	12
Guava	Plants	400	62	16	64,000	15,500	24
Banana	Kilo	2,500	1,145	46	187,500	229,590	122

(Source - Kurunegala Plantations Ltd)

Miscellaneous Income - As on 31.12.2023

Description	Physical			Financial (Revenue)	
	Unit	Annual Estimate	Progress	Annual Estimate (Rs.)	Progress (Rs.)
Sale of coconut trees	No of trees	6,750	3,793	44,060,000	14,490,751
Sale of Rubber tress	No of trees	2,000	2,574	7,000,000	26,682,680
Sale of wood	Meters	2,600	6,493	1,545,750	1,843,458
Sale of timber trees for wood	No of trees	2,794	258	29,896,000	8,014,687
King coconut sale	No of Fruits	3,600	3,745	93,000	220,575
Sale of coconut husks	No of Husks	8,500,000	5,337,456	28,600,000	12,680,049
Sale of Coconut shells/ Charcoal	No of Coconut shells	184,000	193,649	622,500	644,172
Sale of cattle	No of Cattles	18	20	2,164,500	2,660,246

(Source - Kurunegala Plantations Ltd)

Financial progress as on 31.12.2023

Description	Allocation for the year 2023 (Rs.)	Progress (රු.)	%
Capital	476,298,836	250,226,165	52
Recurrent	297,154,919	273,445,300	92

(Source - Kurunegala Plantations Ltd)

An income of Rs. 1,010.95 million and a pre-tax profit of Rs 534.43 million has been recorded as at 31.12.2023.

Other special programs implemented in the year 2023 for the betterment of the sector

- ❖ Implementation of necessary techniques to control the Whitefly
- ❖ Expansion of water supply systems
- ❖ Expanding the outlet network and retailing the company's products through them, including coconut ice cream
- ❖ Starting a project to extract cinnamon oil from cinnamon leaves.
- ❖ Constructing of 05 new guard houses and 01 quarters for officers-in-charge
- ❖ Undertaking necessary work to establish industries for the production of white coconut oil and fresh coconut oil
- ❖ Dodamgaslanda Estate has been awarded GAP (Good Agricultural Practices) certification for cinnamon cultivation by the Department of Export Agriculture
- ❖ Obtaining organic certification for processing organic coffee and cinnamon
- ❖ Dodamgaslanda Estate has been awarded GAP (Good Agricultural Practices) certification by the Department of Agriculture for Durian, Rambutan, Anoda, and Chilli cultivation



Expected activities for the development of the sector in the year 2024

- ❖ Initiation of a technical zone in the Oliyadeniya Division of Narammala Estate.
- ❖ Commencing the establishment of a factory at the head office premises to expand the production of coconut ice cream.
- ❖ Initiation of a coir production project in Katugampola Estate.
- ❖ Commencing a value addition project for cashew in Katugampola Estate.
- ❖ Establishment of a fruit drink manufacturing plant at Hiriala Estate.
- ❖ Establishment of a grain processing center at Kurunegala Estate.

Crop	Unit	Quantity
Intercropping in Coconut Cultivation	Plants	6,992
Coconut plantation	Plants	6,210
Coconut plant nursery	Plants	32,000
Planting timber trees for wood	Plants	3,550
Planting tea plants	Hectares	4.00
Planting of cinnamon trees	Plants	32,992
Planting Rambutan plants	Plants	2,600
Planting coffee plants	Plants	1,000
Planting Guava plants	Plants	2,000

(Source - Kurunegala Plantations Ltd)

- ❖ The following field activities are expected to be carried out.

Filed Task	Unit	Quantity
Construction of new fences	Meter	10,400
Repair of fences	Meter	22,850
Inter cropping	Number of plants	6,992
Planting coconut trees	Number of plants	6,010
Manuring mature crops	Number of trees	143,466
Digging new trenches	meters	5,000
Cover the old trenches with soil	meters	8,317
Mulching with coconut fronds	Number of trees	398,973
Digging pits for burying coconut husks	Number of pits	19,015

(Source - Kurunegala Plantations Ltd)

- ❖ An official residence for Assistant Estate Superintendent, 02 quarters for officers-in-charge officers, 05 guard houses and a parade shed are scheduled to be constructed.

04. Chilaw Plantations Limited

Introduction

Chilaw Plantations Limited was converted into a State Corporation under the Conversion of Public Corporations or Government Owned Business Undertaking into Public Companies Act No. 23 of 1987 and registered under the Companies Act No. 7 of 2007 and No. 17 of 1982 of the same Act. The Company registration number is PB 703.

Plantation assets including estates belonging to Janatha Estate Development Board were transferred to the Chilaw Plantations Limited under Gazette No. 718/16 and 11/6/1992. Currently it entails assets over Rs. 3,114 million

Vision

To maximize the contribution to the Sri Lankan economy through sustainable development of the coconut Industry.

Mission

Having utilized limited resources in effective and efficient manner to make sustainable development of coconut based industry and uplifting living standard of employees and general public through accepted policies.

Progress of projects related to Action Plan 2023 - 31.12.2023

Development Programmes/ Projects/Activities	Estimated Provisions (Rs.Mn)	Actual Cost (Rs.Mn)	Financial Progress (%)	Annual Physical Target (2023)	Physical Progress (%)	Earned Income (Rs. Mn)
Crop production information						
Coconut	591	544	92	14,710,000	80 (Nuts Mn. 11.7)	704
Cashew	43	47	109	162,200 Kg	Revenue is generated through the leasing of trees	34
Pepper	2	0.41	20.5			-
Rambutan	0.7	0.17	24.3			2.1
Cinnamon	3.5	1.6	45.7	1,000Kg	47	1.5
Dragon fruit	0.6	0.1	16.7	2,950Kg	50	0.6
Mango	0.48	0.14	29.2	350Kg	107	0.07
Banana	0.03	0.19	633	1,900Kg	3	0.008
Industry information						
Coconut oil	25	17	68	28,800Kg	60	15.38
Processed Cashew	20.7	13.3	64	5,300Kg	58	14.7
Special projects						
Integrated coconut manufacturing factory	255	All necessary preparations for implementation have been completed, and the approval from the relevant units are awaited				
Water Supply Project	100	Half of the project has been completed.				
Solar Power Generation Project (20 MW)		Agreements with investors have been signed, and are scheduled to commence soon. An investment of Rs. 8000 million will be made in this regard, and Chilaw Plantation Limited owns 18% share.				

(Source - Chilaw Plantations Ltd)

Financial progress - as on 31.12.2023

Description	Allocated Amount (Rs.Mn)	Financial progress (Rs. Mn)
Capital expenditure	581	118
Recurring expenses (excluding finance charges)	958	877

(Source - Chilaw Plantations Ltd)

By December 31, 2023, the company achieved a Total Revenue of Rs. 900 million and recorded a pre-tax profit of Rs. 302 million.

Cultivated Area

Crop	Cultivated area (Ha.)		
	Target for 2023	2023.12.31	
		Target (%)	Progress (%)
Coconut	47.00	100	91

(Source - Chilaw Plantations Ltd)

Progress of other special activities implemented in the year 2023

- ❖ The preliminary work of the 20-megawatt solar power project has been commenced which causes to increase the company's income. Contracts have been established with private entrepreneurs to execute this project, involving an investment of Rs. 8000 million and Chilaw Plantation Ltd. holds an 18% share in these contracts.
- ❖ Chilaw Plantations has successfully obtained both the SLS 1324 organic certificate for its cashews and the EU organic certificate necessary for European countries.

- ❖ In collaboration with private sectors, Chilaw Plantations has initiated the cultivation of 1500 acres of vegetables as inter-crops. (This includes the establishment of plantations for Eggplant, Pea Eggplant, Okra, Capsicum, Snake Beans, Luffa, Kakiri (Yellow Cucumber), and Tobacco)
- ❖ 100 acres of drip irrigation project has been completed so far and preparations are underway to complete another 400 acres.
- ❖ The commercial-level plantation nursery project is presently supplying 500,000 high-quality coconut plants to coconut growers across the island
- ❖ The production of coconut treacle has commenced and is ongoing, with high-quality finished products now available in the market.
- ❖ Carrying out activities related to starting the coconut triangle in Jaffna area
- ❖ Fostering the development of knowledge, skills, and attitudes among plantation workers and company employees through Programs like Shrama Abhimani. Ex: providing scholarships for the education of all school children/ offering assistance for self-employment, and granting one acre of land to estate workers for gardening initiatives.
- ❖ Chilaw Plantations undertake cultivation activities for landowners who are willing but unable to cultivate coconuts themselves.
- ❖ Measures have been taken to collect water reserves through the rehabilitation of reservoirs and lakes, thereby ensuring the quality of crops.
- ❖ Sale of various products from various coconut-related manufacturers through Chilaw Plantations outlets, with raw materials for these products supplied by the company itself.
- ❖ An integrated coconut production factory is anticipated to commence operations with the objective of introducing value-added products to the export market, redirecting the entire coconut production towards this endeavor, and generating an estimated foreign exchange income of approximately 5 million USD. All necessary preparations have been finalized and documentation has been submitted for approval to the relevant authorities.
- ❖ Elevating the workforce of Chilaw Plantation Ltd to a group enjoying higher allowances and amenities compared to the majority of the employees of the filed.

Special activities proposed to be carried out for the betterment of the plantation sector in the year 2024

- ❖ Two solar and wind energy projects are to be started in the northern region.
- ❖ It is expected to develop the new coconut cultivation in the new Coconut Triangle by expanding the plantation nursery project to the Jaffna district.
- ❖ It is anticipated that the value addition factory will commence production by July 2024, in collaboration with private entrepreneurs.
- ❖ The commencement of the new drip irrigation project is anticipated to supply water to coconut plantations, consequently enhancing productivity, and set to be implemented on 200 acres in 2024.
- ❖ Boosting the sapling production from the Kapruwana Seed Coconut Garden in the Kinyama estate region and distribute them to farmers to further increase production.
- ❖ For the advancement of the coconut industry,
 - Increasing the population of coconut trees
 - Improve productivity
 - Boost fruit yield per tree

With a strict focus on the objectives mentioned above, Good Agricultural Practices (GAP) will be implemented to attain them. The goal is to enhance coconut yield by 30% to 40% within the next year and to raise the number of coconuts per tree up to 70.

- ❖ In 2024, it is planned to commence intercropping 50 hectares of land.
- ❖ Special Project on Intercropping for Export

Chilaw Plantation Ltd has embarked on a new initiative to enhance land productivity by planting varieties of plants with higher market value and demand. Initially, the project intends to plant these crops across an area of approximately 300 acres.

- ❖ Expansion of sales network.

Currently, Chilaw Plantation Ltd has appointed approximately 50 sales agents to sell its products across the island. It's projected to increase that this number to 100 by the year 2024.
- ❖ To address the environmental challenges posed by prolonged dry weather and extreme temperatures, the following strategies will be adopted:
 - Renovation of ponds/reservoirs for rainwater storage
 - Use of moisture conservation methods
 - Establishment of modern irrigation systems

- ❖ Forest Management Plan:
In 2024, the forest management plan includes planting 10,000 teak saplings along with Mee, Hora, and Nedun wood saplings.
- ❖ Introducing 10 new products to the market.
Providing a higher share of dividends to the Treasury than all other institutions coming under the Non-Cabinet Ministry of State Plantation Enterprises Reforms.
- ❖ Initiation of eco-friendly tourism projects in the Unamuna, Palugaswewa, and Galwagara plantation divisions is underway.
- ❖ Transforming Palugaswewa estate into a model park

05. Elkaduwa Plantations Ltd

Introduction

Elkaduwa Plantations Ltd is a limited liability company established on July 23, 1993, under the Companies Act No. 17 of 1982, and subsequently re-registered under the Companies Act No. 7 of 2007. Initially established under the Privatization of Public Enterprises Act No. 23 in 1987, the company took over land previously managed by Sri Lanka State Plantations Corporation with the intention of converting it into a state company. The company operates as a sole shareholder company with the General Treasury being the golden shareholder. Originally headquartered at "Janavathu Piyasa," No. 320, T.B. Jaya Mawatha, Colombo 10, the head office was relocated to Rathwatta Estate in Matale, Ukuwela in November 2020, following a recommendation from the COPE Committee.

Currently, Elkaduwa Plantations Ltd oversees the management of several estates, including Bandarapola, Elkaduwa, Hunugala, Hapugaspitiya, Nalanda, Millawana, Ratwatta, and Salagama.

Vision

To be the most diversified Plantation Company in Sri Lanka.

Mission

While contributing to the national economy, providing best returns to all stake holders, quality products to the market, prompt payments to creditors, by adopting best management practices and scientific technology, through our competent, empowered, motivated & committed employees

Financial Performance for the year 2023

Item	Progress for 2023 (Rs. Mn.)
Turnover	447,593,687
Cost of sales	(393,057,489)
Gross Profit / Loss	54,536,197
Other income	105,006,140
Gains arising from changes in the value of biological assets	242,654,986
Administrative expenses	(72,520,333)
Other expenses	(1,545,208)
Financial expenses (net)	(13,234,292)
Tax cost	(6,136,738)
State grants	-
Other comprehensive income	-
Profit / Loss for the period	308,760,751

(Source - Elkaduwa Plantations Ltd)

Development Programs / Projects / Activities in the year 2023

Development Programs/Projects/Activities	Allocated provisions (Rs. Mn)	Total Cost (Rs. Mn)	Financial Progress (%)	Physical Progress (%)
Establishment of new tea plantations will take place within the existing 6 tea estates at a rate of 2 hectares per year, totaling approximately 12 hectares. This initiative is scheduled to be implemented during the North East Monsoon season of year 2023/24	16.2	0.09	0.56%	5%
Carrying out a grafted rubber cultivation in three estates, namely Hapugaspitiya, Millawana, and Nalanda, covering a total area of 23.84 hectares	-	-	*	72%
Proper maintenance of immature rubber plantations that have already been planted in the 04 estates of Hapugaspitiya, Millawana, Ratwatta, and Nalanda	12.2	8.7	71%	100%
Maintaining diligently a coconut plantation spanning 47.58 hectares in Millawana and Hapugaspitiya Estates	22.2	5.5	24%	50%
Carrying out commercial afforestation of planting 60,000 saplings across 110 hectares of plantation area in relation to 9 estates. (Scheduled to be completed in 2024.)	3.5	-	-	-
Proper maintenance of afforestation in the 09 estates, which currently has an area of 81.25 hectares.	21.0	6.5	30%	100%
Proper maintenance of immature cinnamon plantations in Rathwatta and Salagama estates	1.3	0.52	40%	100%
Starting a new clove plantation of 02 hectares in Hunugala Estate.	0.64	-	-	-
Proper maintenance of immature clove plantations spanning a cultivation area of 11.9 hectares in Bandarapola, Elkaduwa, and Ratwatta estates. (The immature clove cultivation has been meticulously maintained, cleaning of the surrounding fields has been commenced. Completion of this task is anticipated by the year 2024)	3.3	0.02	1%	10%
Proper maintenance of about 02 hectares of immature areca nut plantation in Bandarapola Estate.	0.41	0.40	97%	100%

Starting a new coffee plantation in Bandarapola and Elkaduwa estates with an area of about 02 hectares	-	-	*	100%
Starting a new durian plantation spanning approximately 1.5 hectares in Elkaduwa Estate.	-	-	*	100%
Starting a new cashew plantation in Nalanda Estate in an area of 8.4 hectares. (Operating during North East Monsoon in the year 2023/24)	5.4	1.6	29%	30%
Initiation of new Cardamom plantation covering 2 hectares in Elkaduwa Estate.	2.8	0.9	32%	100%
Commencing a new pepper plantation of 3.12 hectares in Bandarapola Estate.	1.2	-	-	-
The implementation of the Compost Project at Elkaduwa Estate, with a capacity to produce 100,000 kilos of compost per annum	2.9	-	-	-
Total	93.05	24.23	26%	60%

(Source - Elkaduwa Plantations Ltd)

* Carrying out through Shramdana and related activities

- ❖ Programs are currently underway to develop the Sembuwatta tourism project into a business unit with an annual net income target of Rs. 88 million, which will involve introducing new recreational and adventure activities, enhancing publicity through social media networks, establishing a special restaurant targeting high-end buyers, and upgrading the existing tourist bungalow with modern facilities are among the other initiatives. Currently, a revenue target of Rs. 40 has been achieved.
- ❖ By developing "Hulangala" and "One Tree Hill" tourist spots within the estates as new sources of income generation, the "Hulangala" Visitor Center has achieved a revenue target of Rs. 8.1 million, while the "One Tree Hill" Visitor Center has achieved a revenue target of Rs. 1.2 million.
- ❖ Strategic plans have been implemented to achieve the desired annual revenue target of Rs. 287 million from the sale of mature timber. As of now, a revenue target of Rs. 27.3 million has been achieved.

Development Programs / Projects / Activities in the year 2024

- ❖ The establishment of new tea plantations within the existing 06 tea estates is underway at a rate of 02 hectares per year, totaling approximately 12 hectares.
- ❖ Conducting transplanted rubber cultivation covering 30 hectares across 3 estates, namely Hapugaspitiya, Millawana, and Nalanda
- ❖ Establishing a new coconut plantation spanning 25 hectares in Millawana Estate.
- ❖ Commercial afforestation of planting of 60,000 trees across 110 hectares in 9 estates
- ❖ Sembuwatta tourism project aims to achieve an annual net income target of Rs. 120 million through various strategies, which includes introducing new adventure activities, extensive publicity through social media channels, establishing a special restaurant catering to high-end clients, and enhancing the existing tourist bungalow with modern amenities, which will result in developing the project into a fully-fledged business unit.
- ❖ Developing the existing "Hulangala" and "One Tree Hill" tourist spots as new sources of revenue generation and to develop them as projects generating Rs. 20 million annually
- ❖ Reactivating the Ratwatta Tea Factory, which is temporarily closed due to legal matters, and utilizing it for the tea production.
- ❖ Necessary arrangements are being made to cultivate cocoa bean as an inter-crop in an area of about 25 acres in collaboration with the Department of Export Agriculture.

06. Kalubowitiyana Tea Factory Limited

Introduction.

Kalubowitiyana Tea Factory Limited (KTFL) is a limited liability company incorporated under the Companies Act No; 17 of 1982 and re-registered under the new Companies Act No; 07 of 2007. The Company was established to produce Cut, Tear and Curl (CTC) Tea and commenced commercial operations on 1st August 1994. The initial capital was provided under the Indian line of Credit. The second tea factory at Derangala was established under the same line of credit and commenced its operations in March 2000. The third Tea factory is the Hiniduma Hills Tea Factory, was previously under the Tea Shakthi Fund, and was transferred to Kalubowitiya Tea Factory under a profit sharing agreement. The Company re-established this factory using its own funds and the Hiniduma Tea Factory commenced operations from 2012.

The latest addition to the Company is the Menikdiwela Tea Factory, which was previously owned by the Tea Shakthi Fund and located in Menikdiwela Village, Yatinuwara of the Kandy District. The Company used its own funds to re-establish this factory as well.

Kalubowitiyana Tea Factory's ISO 22000:2018 certified factories produce the highest quality fresh Ceylon Tea for the global market, adding significant brand value to Kalubowitiyana Tea Factory's credentials as the country's leading CTC tea producer. In addition to good manufacturing practices, Kalubowitiyana Ltd. has adopted internationally recognized best manufacturing practices including the Global GAP Framework, RA/UTZ standards, and guidelines, underlining its commitment to being a world-class tea producer.

Approximately 90% of the company's tea production is channeled to the Colombo Tea Auction through brokers, with a smaller portion being directly sold in the local market by the head office, factories, and sales department.

Vision

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

Mission

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

Financial performance for the year 2023 - (March 31, 2023 to January 2024)

Factory	Estimated Provisions (Rs. Mn)	Total Cost (Rs. Mn)	Total Revenue (Rs. Mn)	Financial Progress (%)	Physical Progress (%)	Net Income (Rs. Mn)
Kalubowitiyana	1,438.08	914.17	1,048	63.29	85.97	118.32
Derangala	442.06	269.13	227.27	47.19	57.29	(14.32)
Hiniduma Hills	433.59	150.25	130.60	29.94	36.42	(31.54)
Menikdiwela	246.28	137.39	98.57	38.98	53.30	(27.90)
Total						44.56

(Source - Kalubowitiyana Tea Factory Limited)

Development Programs / Projects / Activities in the year 2023

- ❖ In order to get quality leaves to the factories, raising awareness under the auspices of fertilizer companies about how to use fertilizers, choosing standardized tea plants for cultivation, cultivating, picking leaves, and pruning tea trees
- ❖ As a solution to the yellowing of the leaves and the production of low-quality leaves resulting from farmers not applying fertilizers due to price hikes of fertilizer prices, arrangements are made to provide fertilizer at a concessional price to farmers who supply leaves to the factories
- ❖ Under the B-60 project, a star system was introduced for suppliers who provide standardized leaves to the factories, along with the implementation of a program to evaluate these suppliers at the end of the year.
- ❖ Initiating a pilot project to explore the feasibility of using Glidiseria as an alternative fuel source aims to reduce the operational costs of fuel in factories and disseminating information about this initiative to small tea plantation owners and transport agents.
- ❖ A handbook was printed and distributed aiming at fostering the development of knowledge and positive attitudes among small tea estate owners who consistently supply leaves to the Kalubowitiyana tea factory

Development Programs / Projects / Activities in the year 2024

- ❖ Establishing a solar energy system for the Kalubowitiyana factory aiming to mitigate the rise in production costs attributed to high fuel prices in factory operations, and targeting reduction of the percentage of pollutants emitted into the atmosphere through fuel consumption.
- ❖ Installation of water treatment system for Kalubowitiyana factory.
- ❖ A WhatsApp Group for registered tea leaves suppliers to factories was established to impart modern technical knowledge on tea field maintenance and facilitate the exchange of necessary information among them.
- ❖ Arrangements for purchasing of trucks for transporting leaves to Kalubowitiyana and Hininduma Hills tea factories.
- ❖ At the Kalubowitiyana tea factory, installation of Vibro Screen machines allowing the grading of finished tea based only on the standard size corresponding to the grade of relevant finished tea, streamlining the grading process.
- ❖ Installation of CNC machine equipped with computerized technology for CTC cutter sharpening required in Kalubowitiyana Tea Factory.
- ❖ Establishment of a machinery system necessary for the production of CTC at the Derangala Tea Factory.
- ❖ In order to enhance the productivity and profitability of the Manikdiwela and Hininduma Hills Tea Factories, necessary steps are being taken to contract with a tea estate that provides a continuous supply of tea leaves, which will enable both the tea estate and the factory to operate under the same management.

General progress in export-oriented plantation industries carried out by State Enterprises coming under the purview of Non-Cabinet Ministry of State Plantation Enterprises Reforms

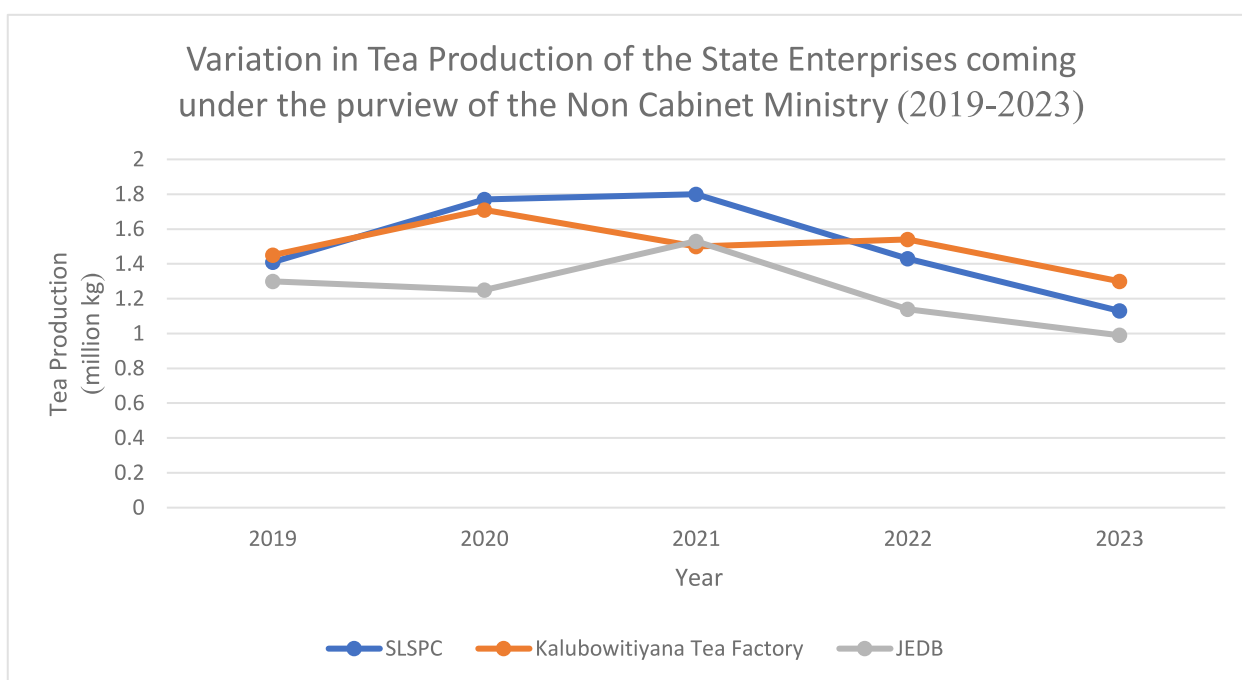
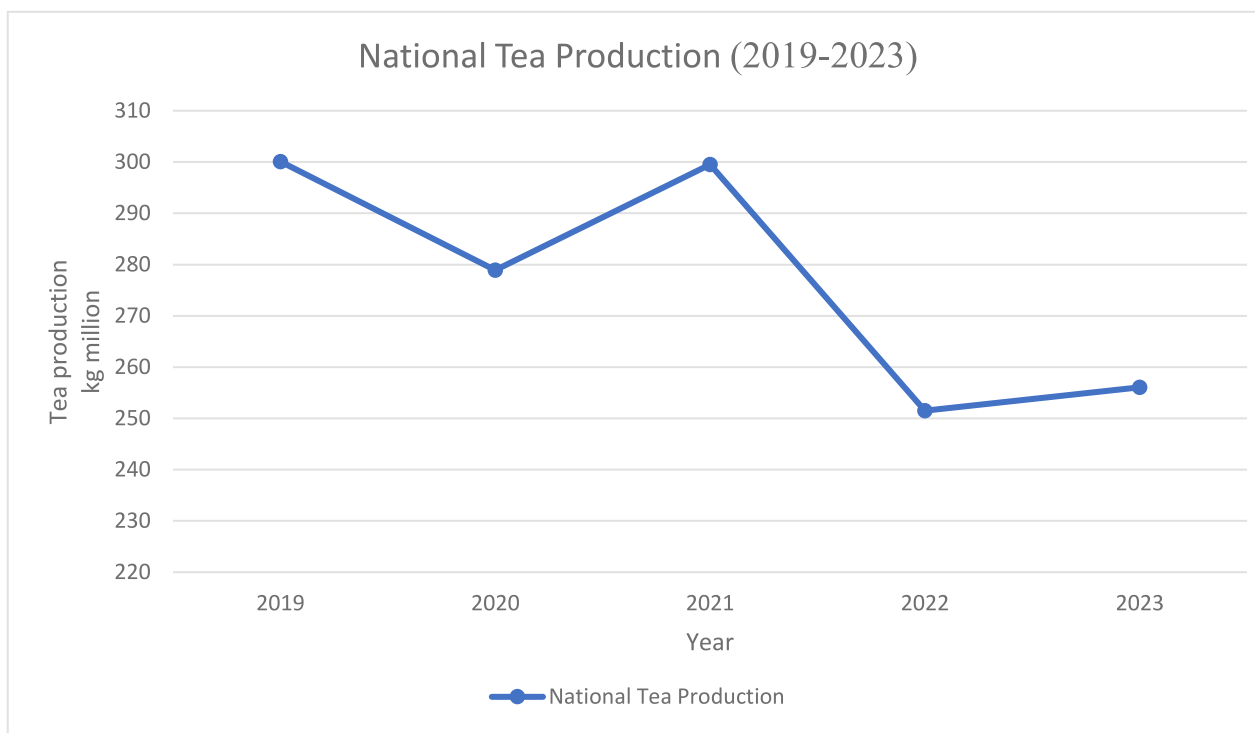
Tea Production

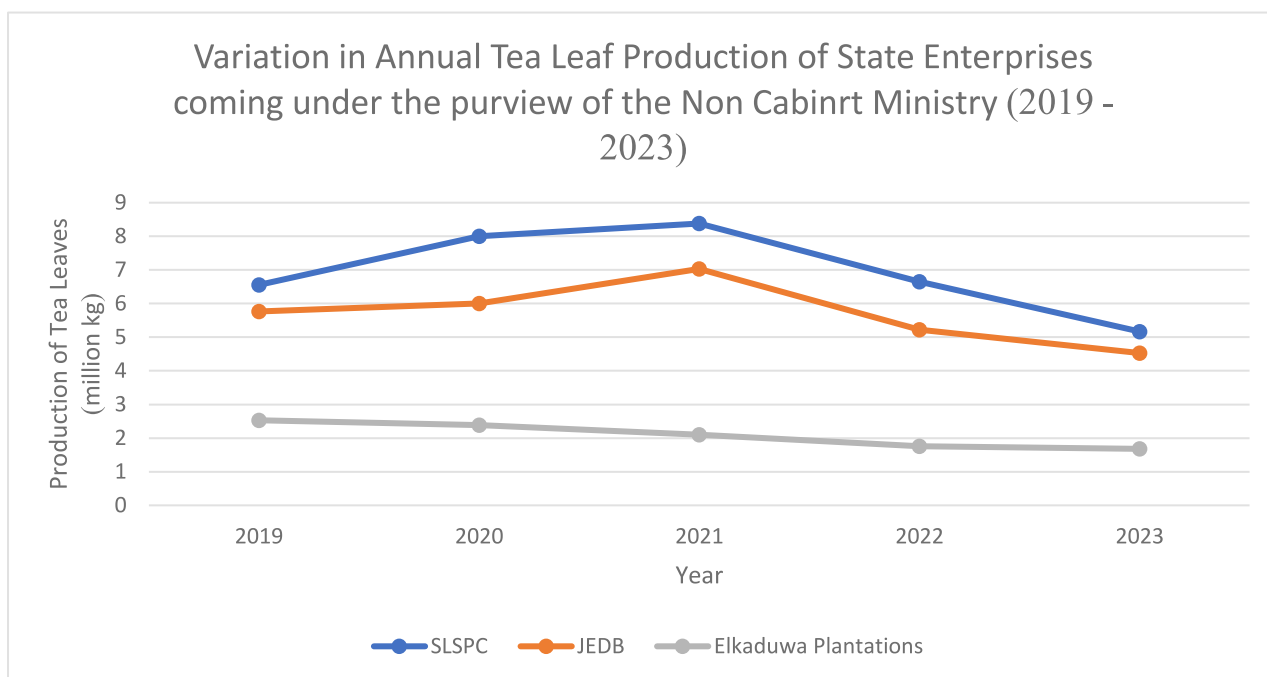
It has been 156 years since tea plantation was inaugurated by James Taylor at Lookkandura estate in 1867, which began as an 8-hectare (19-acre) tea plantation. Consequently, the first cultivated tea fetched a high price in the London tea market, gradually leading to its widespread adoption. Thus, commercial tea cultivation expanded rapidly from 1,094 hectares in 1877 to 89,100 hectares in 1890, and further to 155,520 hectares by 1900. With this rapid growth, tea became the most important plantation crop in the Ceylon economy. The area under tea cultivation continued to increase to 185,085 hectares in 1930, 223,074 hectares in 1940, and 241,986 hectares in 1970. By 1970, tea production had reached 201.2 million kilos. However, while tea production has now reached about 300 million kilos, the total export income from tea at the end of 2023 amounted to 1.31 billion USD, representing a slight increase from the value of 1.27 billion USD in 2022.

Progress of Tea Cultivation - (2017-2022)

Head	Unit	2017	2018	2019	2020	2021	2022
Production	Kg. Million	307.1	303.8	300.1	278.9	299.5	251.5
Total Cultivated Area	Thousands of hectares	201	200	200	266	267	267
Area of Leaves are Harvested	Thousands of hectares	193	193	193	266	267	267
Cost of Production	Rs./kg.	466.98	475.29	483.79	546.53	618.49	638.99
Re Cultivations	Hectares	944	1,027	638	812	1,123	1,239
New Cultivation	Hectares	225	435	296	430	696	476

(Source – Central Bank Report 2022)





Rubber Production

Among the export crops grown in Sri Lanka, the natural rubber plant, introduced to Sri Lanka by the British 148 years ago, stands as the second most cultivated crop in Sri Lanka. The rubber plant, native to the Amazon forest in South America, was introduced to Sri Lanka in 1876 by the Englishman Henry Wickham. Historical records indicate that in 1876, a portion of the first stock of rubber saplings to reach Asia was planted in Gampaha Henarathgoda Park, while the remainder was planted in Singapore. However, the outcome of the plants planted in Singapore remains undisclosed in historical records, leading to the belief that the rubber industry spread to all Asian countries from the planting material obtained from the plants in Gampaha Garden. Henry Wickham was knighted by the King of Britain for popularizing rubber in Asia. Historical accounts suggest that the yield from the plants brought from Brazil and planted in Sri Lanka in the first quarter of the 1900 was about 75 kg per hectare per year.

In 1909, the British established the world's first rubber research institute in Kalutara, Sri Lanka, to conduct tests on the utilization of latex obtained from the rubber plantation established in Henarathgoda.

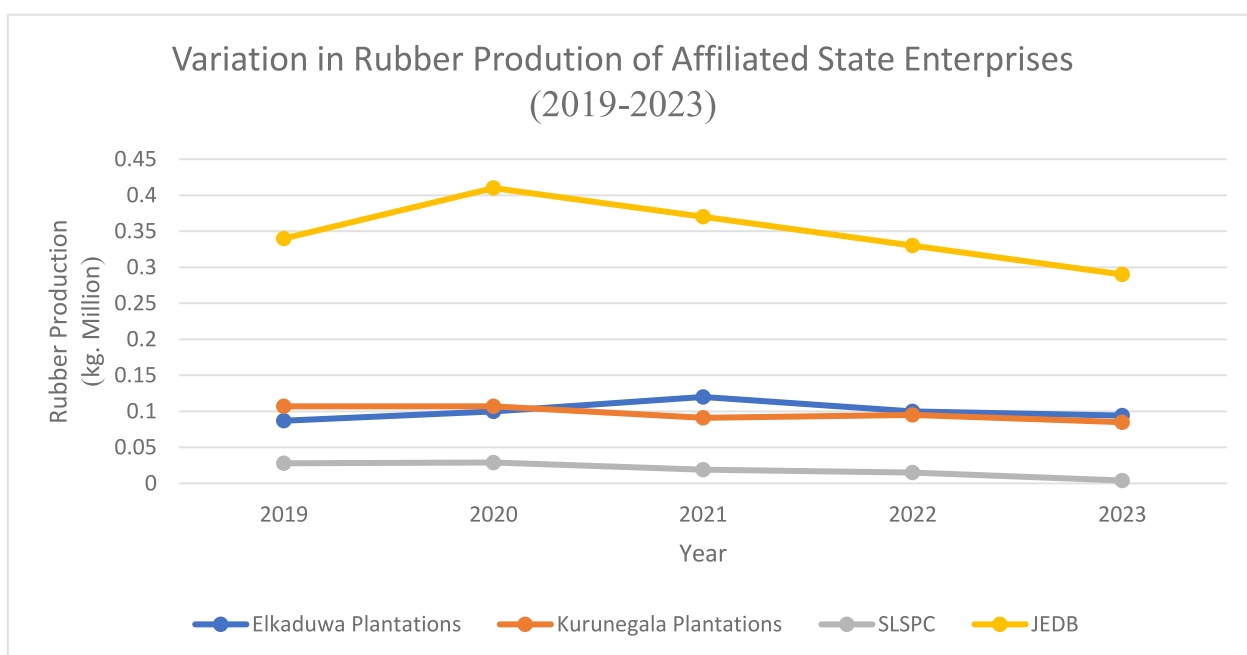
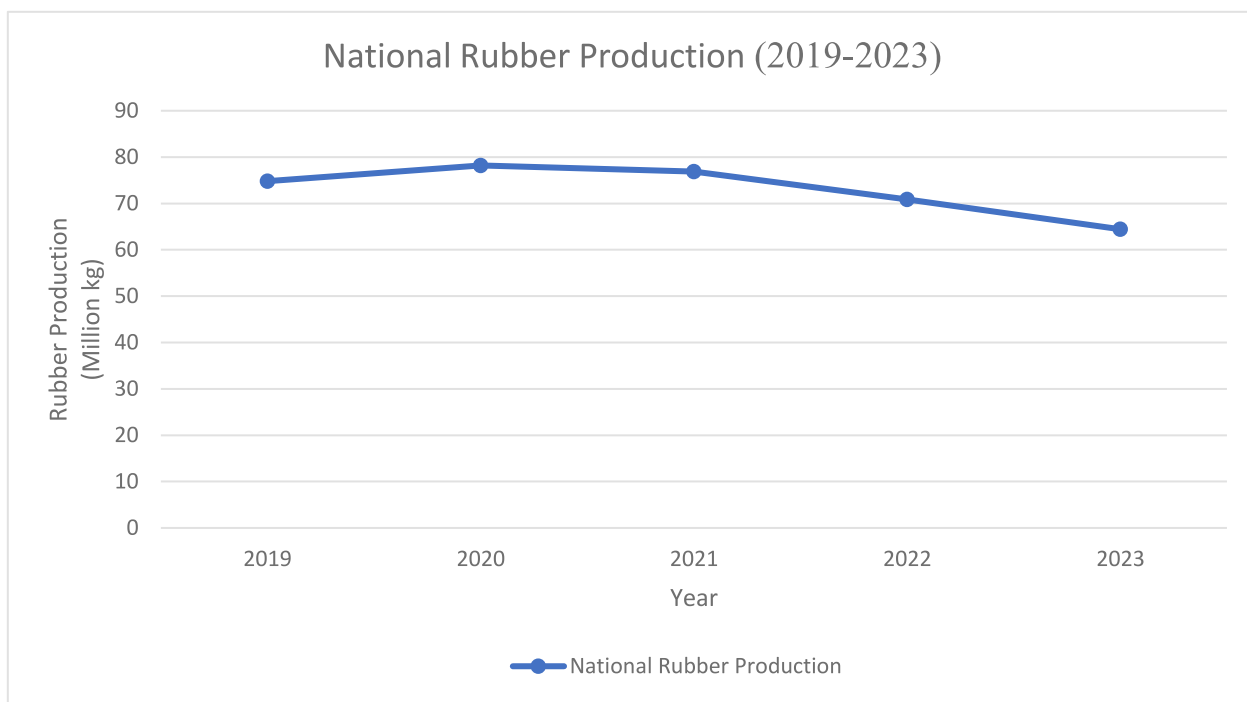
By the year 2023, the expansion of rubber cultivation encompassed 98,393 hectares of cultivated land, with a production volume of approximately 64,444 metric tons. Below is the contribution of the rubber sector to the GDP during the years 2019 to 2022.

Year	Percentage of rubber product contribution (%)
2019	0.2
2020	0.3
2021	0.2
2022	0.2

Progress of Rubber Cultivation - (2017-2022)

Head	Unit	2017	2018	2019	2020	2021	2022
Production	kg million	83.1	82.6	74.8	78.2	76.9	70.9
Total Area Cultivated	Thousands of hectares	137	137	138	138	139	139
Area of land producing latex	Thousands of hectares	103	107	114	121	113	107
Average Productivity	kg per hectare	809	774	658	649	679	665
Cost of Production	Rs./kg.	195.00	205.00	210.00	213.50	221.00	288.00
Re cultivation	Hectares	1,338	842	1,040	976	1,522	1,264
New Cultivation	Hectares	677	973	1,103	751	1,188	489

(Source – Central Bank Report 2022)



Coconut Production

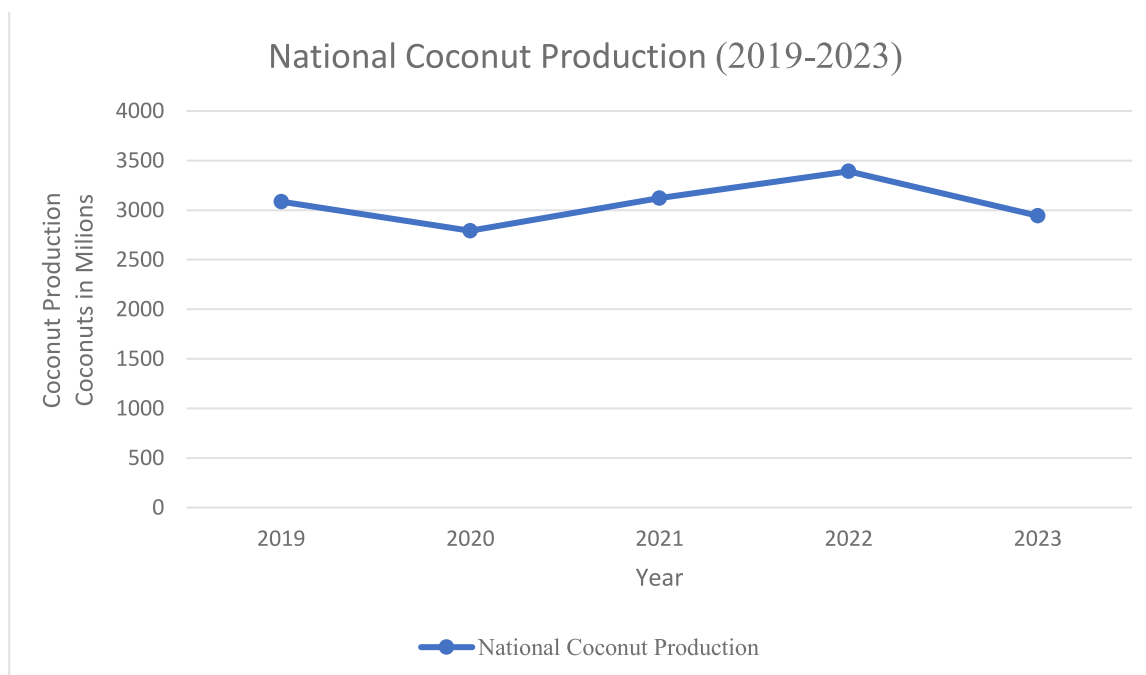
After 1948, plantation crops became the primary source of economic generation in Sri Lanka, with a substantial portion of the country's export revenue stemming from coconut and coconut-related products. Coconut cultivation requires an annual rainfall of about 1300-2300 millimeters, an average temperature of approximately 27°C, and soil containing salt. This cultivation is viable across all districts of Sri Lanka, with particularly successful outcomes observed in the coconut triangle covering Colombo, Kurunegala, and Chilaw. Furthermore, efforts are underway to establish a new Coconut Triangle in Jaffna, Mannar, and Mullaitivu..

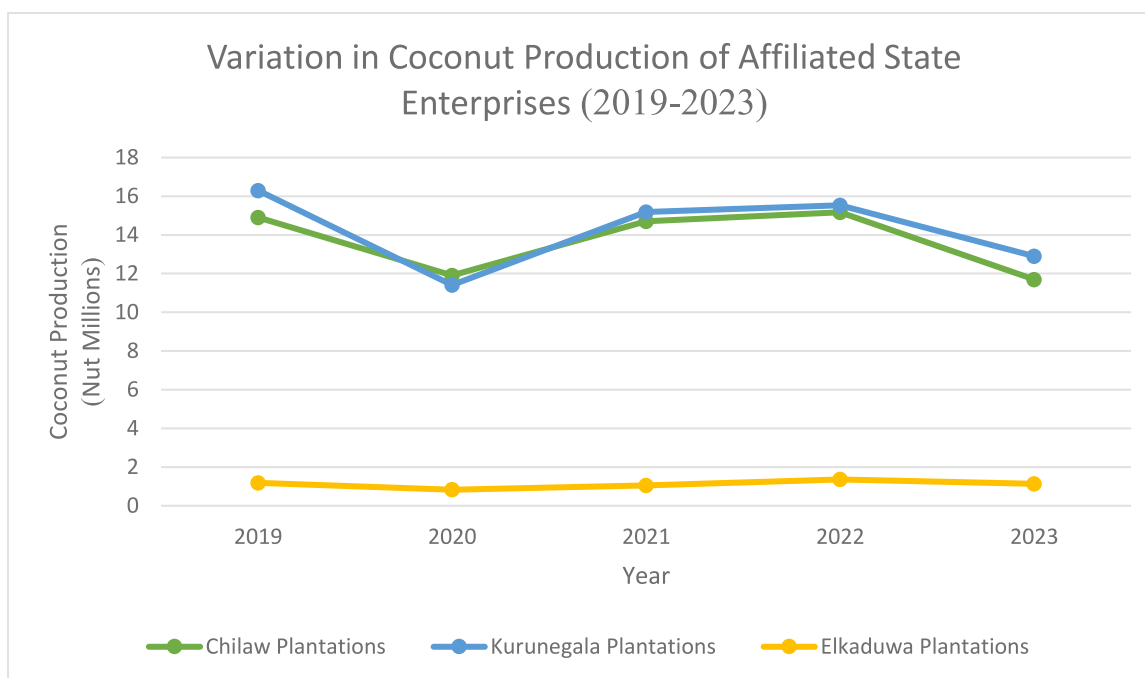
In the year 2023, the production capacity of coconut cultivation was reported to be 2,944 million coconuts. Additionally, in the same year, the export income from coconut and related products was reported as USD 700.47 million.

Progress of Coconut Cultivation - (2017-2022)

Head	Unit	2017	2018	2019	2020	2021	2022
Production	Nuts In Millions	2,450	2,623	3,086	2,792	3,120	3,391
Total Area Cultivated	Thousand hectares	452	499	503	505	505	505
Cost of Production	Rs per nut	16.69	18.84	18.33	21.81	26.96	27.21
Re-cultivation	hectares	8,824	7,548	5,931	5,333	4,709	5,481
New Cultivation	hectares	15,121	10,183	6,842	8,000	9,622	13,913

(Source – Central Bank Report 2022)





Minor Export Crops

Sri Lankan spices, derived from small plantation crops including cinnamon, pepper, coffee, cocoa, cardamom, and cloves, have garnered worldwide recognition under the label of 'Ceylon Spices'. Following this recognition, "True Ceylon Cinnamon" has been granted the Global Geographical Indication (GI) status, while "Kolonna Pepper" has gained a significant position in the world market, nearing the achievement of Global Index status.

Sri Lanka holds the distinction of being the premier producer of true cinnamon globally. Cinnamon is extensively cultivated in the Districts of Matara, Galle, and Rathnapura, while pepper is predominantly grown in Rathnapura, Kandy and Matale districts. Overall, minor crops cover an area of 122,605 hectares, contributing to an annual export income exceeding USD 500 million.

Among the state enterprises coming under this Ministry, the Sri Lanka State Plantation Corporation, Janatha Estate Development Board, Kurunegala Plantation Ltd, Chilaw Plantation Ltd, Elkaduwa Plantation Ltd have designated portions of their lands for the cultivation of these minor export crops.

Production of minor export crops - (2017-2022)

Crop	Unit	2017	2018	2019	2020	2021	2022
Coffee	MT	2,496	2,294	2,287	2,345	2,439	4,827
Cocoa	MT	471	413	548	612	658	1,221
Cinnamon	MT	22,341	20,398	20,352	20,866	22,872	23,764
pepper	MT	29,546	22,551	22,156	23,970	25,047	44,090
Cloves	MT	6,413	3,360	4,786	3,512	3,837	5,722
Cardamom	MT	113	86	69	86	104	690
Nutmeg and Mace	MT	3,545	4,180	5,119	2,751	2,818	3,618
Cashew nut	MT	1,600	1,602	2,400	2,450	1,225	Not Given.

(Source – Central Bank Report 2022)

Net Financial Progress (Profit/Loss Variance) of State Plantation Enterprises under the purview of the Ministry

