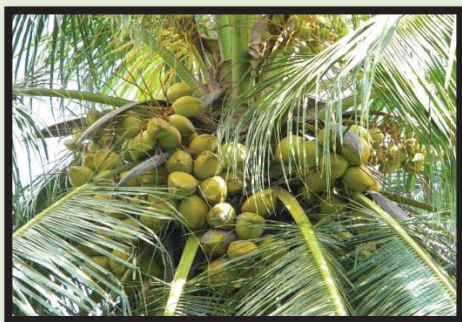


வார्षிக காரியஸாஹ வார்தாவ வருடாந்த செயலாற்றுகை அறிக்கை Annual Performance Report 2018



வடவிரி கர்மாவீன அமாவாஸா
வருந்தோட்ட கைத்தொழில் அமைச்சு
Ministry of Plantation Industries



Annual Performance Report 2018

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Message of the Hon. Navin Dissanayake, Minister of Plantation Industries

Sri Lanka which is known as “The pearl of the Indian Ocean” is a small island consists of a total land area of 65000 km². The inherited physical and climatic conditions as well as the plenty of water from the rivers scattered all over the island fertilize the land and support the plantation industry regularly.

Under such environmental conditions, our major plantation crops; tea, rubber and coconut are able to penetrate local and international market through the national economy. As well, the plantation sector that makes a significant contribution to the employment acts as a major economic force in the country at present and has established the viability of the plantation industry strengthening the rural plantation sector.

The development programmes of our Ministry have been implemented to uplift tea, coconut and sugarcane plantations with a rapid development plan, promote cashew cultivation in the country and in turn, to make direct contribution to the economic development of the country entering into local and international market. A well, the targets are being achieved strengthening the growers socially and commercially providing them knowledge, state-of-the-art technology and training required for all sectors and facilitating the use of modern laboratories and implementing long term and short term plans.

Accordingly, I avail this opportunity to thank the growers who make the main contribution to create a global competitive plantation economy with a social and commercial trend through the sustainable management using the knowledge, state-of-the-art technology and labour, all Heads of the institutions, officials, staff members related to the plantation sector, Secretary and all officials of the Ministry.

Navin Dissanayake (M.P.)
Minister of Plantation Industries



Message of the Hon. Vadivel Suresh, State Minister of Plantation Industries

The prime objective of our Ministry is to make a direct contribution towards the development of the country strengthening the economy by the plantation industry drawing special attention to Sugarcane and Cashew cultivations in addition to Tea, Coconut and Rubber plantations of our country while paving the ways in the plantation sector of Sri Lanka.

Tea plantation which is one of the major export crops is the main income source of the people in Upcountry and it is mainly expected to improve the income source of the people who undertake Coconut, Rubber, Sugarcane and Cashew cultivations in the plantation sector and it will be an immense contribution towards the employment of the country.

Our entire objective is to increase the contribution leading the plantation industry to a new development path using the labour of the workforce in the country gathering state-of-the-art technology, researches and labour contribution.

All our intention is to bring high export revenue to the country increasing the national production of the country by the plantation sector using state-of-the-art technology through new researches for cultivation and value addition in the plantation sector.

I extend my fullest cooperation and support to the Hon. Minister to reach towards the above purpose and I highly appreciate the support given by the stakeholders in the plantation sector, the Secretary and the officials of the Ministry, officials of the affiliated institutions.

Vadivel Suresh

State Minister of Plantation Industries



Message of Mr. J.A. Ranjith, Secretary of the Ministry of Plantation Industries

The annual performance report of any government institution coming under the Republic of Sri Lanka shows a wide review of the outcome of the entire functions performed during a year with the use of state resources.

Increasing the contribution towards the national product through enhancing the production, quality and productivity of the major plantation crops; tea, rubber, coconut and Sugarcane increasing the contribution towards the foreign exchange and increasing per capita income through promoting and encouraging small scale farmers and planters in the plantation sector are mainly coming under the scope of the Ministry of Plantation industries.

In addition, the scope of our Ministry has expanded by the Gazette Extraordinary No. 2103/33 dated 28.12.2018 bringing 25 institutions including the previous 14 institutions and the institutions related to sugarcane and cashew crops under the scope. This report elaborates the extent to which the performance indicators and targets have been reached in the year 2018.

I am pleased to mention that the leadership of the Hon. Minister and the guidance of the Hon. State Minister and the contribution and commitment of the staff of the Ministry and Heads and all the staff of all institutions coming under the Ministry in performing the functions successfully and effectively.

More progressive performance could be expected next year using experiences counted through the lessons learnt on the achievements, failures, challenges, especially decline in the production of tea and rubber due to climatic changes, international trends and impacts in the year 2018.

J.A. Ranjith

Secretary

Ministry of Plantation Industries

VISION

Achieving national prosperity through development of the plantation industry

MISSION

To enhance the productivity, profitability and sustainability of the plantation industry through ensuring an economically, socially and environmentally viable plantation

Strategic Development Objectives of Tea, Rubber and Coconut Sector

- **Enhancing productivity of plantation lands**
- **Increasing the quality of plantation crop based products to be able to compete in the world market**
- **Innovation and development of state of the art technology for plantation crop based industries**
- **Uplifting living standard of the plantation community**
- **Supply of high quality products to the local consumers**
- **Increase of foreign exchange earnings**
- **Retaining the cost of production at a low level**
- **Enhancing profitability of tea small holders and Plantation Companies**
- **Ensuring sustainable development through the environment conservation**
- **Promotion of intercropping and animal husbandry in plantation lands**



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Introduction



Performance report – 2018 of the Ministry of Plantation Industries has been prepared including the performance achieved by the plantation Sector and the ministry through the functions of Various divisions of the Ministry of Plantation Industries by handling all subjects related to tea, rubber and coconut and directing the affiliated institutions.

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

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

Institutions affiliated to undertake function of the Ministry

as per the Gazette Extraordinary No.1933/13 dated 21st September 2015

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

As per the Gazette Extraordinary No.2103/33 dated 28^{ed} December 2018 as well as following Institutions affiliated to undertake function of the Ministry

✎ Sugarcane Research Institute	✎ Janatha Estate Development Board
✎ Elkaduwa plantations Limited	✎ Kurunegala plantations Limited
✎ Sri lanka cashew corporation	✎ Gal – oya plantations (pvt) Limited
✎ Lanka sugar company (pvt) Limited	✎ Hingurana Sugar factory company
✎ Chilaw plantations Limited	✎ Sri lanka state planration corporation
✎ Kantale sugar company	

Tea Sector



Review

The total tea production in the year 2018 was 303.84 mn kg, registering a drop of 1.26% as against the previous year. This drop was caused by the unfavourable weather conditions affected to high grown and low grown areas of the tea small holdings sector and the agro-climatic zones of Udupussellawa. The contribution of tea smallholders to the total tea production is 75%. The made tea production of Regional Plantation Companies is 98.59 mn kg and it had dropped by 1.57% as against the previous year. However, the made tea production had increased by 0.2% from their own green leaf.

The average price per kg of made tea in January 2018 amounted to Rs.637.75 registering an increase of 6.8% compared to the outset of the year 2017. The average auction price per kg of tea in the middle of the year amounted to Rs.545.67, registering a drop of 10% compared to the total period of the previous year. The average price per kg of made tea at the end of the year is Rs.572.64. As per the price over the year, the average price of the year is Rs.581.93 per kg, registering a drop of 5.86% as against the previous year.

271.78 mn kg of the total tea production that is, 89% was exported during the year and 10.59 mn kg was re-exported. Among top 10 Countries which are tea exporters of Sri Lanka. Tea exports to Turkey, Russia, Iran, UAE and Azerbaijan have dropped by 5.72%, 8.39%, 12.78%, 29.82% and 14.02 respectively. However, the exports to Iraq, Libiya, Syria, China and Chile have increased by 9.71%, 17.89%, 37.58%, 1.18% and 6.24% respectively. The tea export income was Rs.237.7 billion registering a drop of 0.69% as against the previous year. The average F.O.B. price for tea exports was Rs.820.75 per kg, registering an increase of 1.65% as against the previous year.

Approval of the Cabinet of Ministers was obtained to levy a fixed CESS of Rs.10.00 per kg on tea exports. A Memorandum of Understanding (MOU) was signed with India For corporation in researches of tea plantation and a field study was conducted with JICA. Provisions were allocated for 02 special research projects of the Tea Research Institute and a special project for upgrading laboratories and infrastructure of the institute. Under the Smallholder Tea and Rubber Revitalization (STARR) Project, 737 hectares of tea replanting or 13% of the total target had been completed.

Overall Performance of the Tea Sector

Description	Progress		Targets
	Year 2017	Year 2018	Year 2019
Tea Production (Mn. Kg.)	307.72	303.84	310.00
Export Revenue (Rs.Bn.)	233.30	231.70	235.00
Export quantity (Mn. Kg.)	288.89	282.370	290.00
Re planting (Hectares)	677.60	1026.80	871.00
New planting (Hectares)	202.00	435.00	400.00
Average Sales Price per Kg. at Colombo Tea Auction (Rs.)	618.18	581.93	585.00

Tea Small Holding Sector

➤ Performance

Description	Year		
	2017	2018	2019 Targets
Production of tea small holders (Mn. Kg.)	232.417	228.126	237
Contribution to the total tea production (%)	75.5	75.5	76
Productivity (Kg / made tea /hectare)	1,995	1,958	2100

➤ Tea Production

Elevation	2017	2018	Variance (%)
High Grown (Mn. Kg.)	13.079	11.963	-8.53
Medium Grown (Mn. Kg.)	28.811	30.957	7.45
Low Grown (Mn. Kg.)	190.527	185.206	-2.79
Total (Mn. Kg.)	232.417	228.126	-1.85

Regional Plantation Companies and Government Institutions

➤ **Tea Production Mn. Kg. (By the own estates of the institution Companies)**

Category of Institution	Year		Variance %
	2017	2018	
Regional Plantation Companies	73,214	73,362	0.2
Public Sector	1,763	2,040	16.0
Cooperative Sector	327	314	-4.0
Private Sector	4,539	6,488	-43.0
Total	79,843	82,204	3.0

Tea Production

➤ **Total Made Tea Production (Mn. Kg.)**

Category of institution	Year		Variance %
	2017	2018	
Regional Plantation Companies	100,145	98,593	-1.55
Public Sector	7,302	7,760	6.27
Cooperative Sector	3,734	3,769	-0.94
private Sector	196,539	193,721	-1.43
Total	307,720	303,843	-1.26

➤ **Agro Climatic Zone wise (Mn. Kg.)**

Elevation	Year		Variance (%)
	2017	2018	
Nuwara Eliya	3,320,577	3,493,233	5.20
Western	41,802,867	43,819,819	4.82
Medium	45,307,159	47,085,945	3.93
Udapussellawa	5,624,545	5,420,767	-3.62
Uvas	27,620,231	25,732,768	-6.83
Low Growns	183,386,480	178,391,701	-2.72
Total	307,061,858	303,944,234	-1.02

➤ Elevation wise (Mn. Kg.)

Elevation	Year				Variance	
	2017		2018		Mn. Kg.	%
	Mn. Kg.	%	Mn. Kg.	%		
High Grown (High)	64,643	21.01	64,806	21.33	163	0.25
Medium Grown (Medium)	45,655	14.83	47,024	15.48	1,369	3.00
Low Grown (Low)	197,422	64.16	192,013	63.19	-5,409	-2.74
Total	307,720	100.00	303,843	100.00	-3,877	-1.26

➤ Cost of Production

Details	2017	2018	2019 Target
Cost of production per kg. of green leaf (Rs.)	71.65	68.31	68.00

Tea Market – Colombo Tea Auction

➤ Average sale price

Elevation	Year		Variance (%)
	2017 (Rs. /Kg.)	2018 (Rs. /Kg.)	
High Grown	601.30	572.06	-4.86
Medium Grown	563.11	521.66	-7.34
Low Grown	637.90	601.15	-5.76
Total Average	618.18	581.93	-5.86

➤ Quantity of sales

Elevation	Year		Variance (%)
	2016 (Rs. /Kg.)	2017 (Rs. /Kg.)	
High Grown	58.01	56.89	-1.93
Medium Grown	50.51	49.61	-1.78
Low Grown	190.72	184.81	-3.09
Total	299.24	291.31	-2.65

Tea Export

Description	Year		Variance (%)
	2017	2018	
Export Quantity (Mn. Kg.)	288.98	282.37	-2.29
Export Revenue (Rs.Bn)	233.30	231.70	-0.69
F.O.B Price (Rs.Mn)	807.44	820.75	1.65

➤ Data on Exports and Re-exports of Sri Lanka

Details	Orthodox Black Tea		Green Tea		Instant Tea		Total	
	Quantity (Mn. kg.)	F.O.B. Price (Rs./ Kg)	Quantity (Mn. kg.)	F.O.B. Price (Rs./ Kg)	Quantity (Mn. kg.)	F.O.B. Price (Rs./ Kg)	Quantity (Mn. kg.)	F.O.B. Price (Rs./ Kg)
2017								
Exports	273.67	789.36	2.40	1,538.90	2.12	1,250.13	278.19	799.35
Re-Exports	8.17	854.94	2.62	1,517.46	0.00	2,143.11	10.79	1,016.08
2018								
Exports	266.93	797.8	2.37	1,698.62	2.48	1,319.49	271.78	810.41
Re-Exports	8.34	892.75	2.25	1,802.58	0.00	1,753.90	10.59	1,086.20

➤ **Tea Export to 10 Main Destinations in the year 2018**

Country	2017		2018		Decrease / Increase	
	(Mn. kg.)	% of Total Export	(Mn. kg.)	% of Total Export	(Mn. kg.)	%
Iran	35,032,772	12.12	38,435,935	13.61	3,403,163	9.71
Turkey	37,815,700	13.09	35,634,255	12.62	-2,181,445	-5.77
Russia	33,379,977	11.55	30,580,653	10.82	-2,799,324	-8.39
Iran	27,418,910	9.49	23,914,223	8.47	-3,504,688	-12.78
Libya	11,609,461	4.02	13,686,442	4.85	2,076,981	17.89
UAE	15,785,266	5.46	11,077,796	3.92	-4,707,470	-29.82
Azerbaijan	12,271,107	4.25	10,550,857	3.74	-1,720,251	-14.02
Syria	7,399,616	2.56	10,180,344	3.61	2,780,728	37.58
China	9,903,199	3.43	10,020,245	3.55	117,046	1.18
Chile	7,096,964	2.46	7,540,045	2.67	443,081	6.24

Special activities carried out in the Tea Sector



Preliminary actions were taken to formulate Five-Year Plan for win to meet the challenges faced by the tea industry.



A project was implemented by the Kawasaki Kiko Co. Ltd. of Japan jointly with the Sri Lanka Tea Board and the Tea Research Institute to exchange the knowledge of Good Agricultural Practices including the mechanization in tea cultivation and to apply the knowledge practically.



It was planned to establish a Tea Promotion Centre in People's Republic of China to promote tea produced by Kalubowitiyana Tea Factory Limited.



Necessary actions were taken to make amendments to the Tea Control Act No.51 of 1957 and the Tea Small Holdings Development Act No.35 of 1975.



Actions were taken to table the Tea Research Board Act No.52 of 1993 in Parliament.



Necessary actions were taken to amend regulations for tea replanting and new planting subsidies under the Tea Small Holdings Development Act No.35 of 1975.



Since the tea exporters have faced with a number of difficulties due to the computation of CEES on a monthly basis at the rate of Rs.10/- per Kg. or 2.5% of the Colombo Tea Auction average prices which is higher, in calculation of CESS on bulk tea exports, approval of the Cabinet of Ministers was obtained to charge a fixed CESS Levy of Rs.10/- per Kg on bulk tea exports and the relevant Gazette Notification was published.



Preliminary actions were taken to enter into a Memorandum of Understanding (MOU) on International Research and Academic Cooperation between the Tea Research Institute of Sri Lanka and the Michigan State University of United States of America.



A Memorandum of Understanding was signed with India on 01.07.2018 to conduct researches to identify effective Bio Control Agents for pest and disease management related to tea cultivation in Sri Lanka.



After restructuring of the Tea Shakthi Fund, necessary actions were pursued to carry out its functions.

- ❖ A sum of Rs.12 million was allocated to the Tea Small Holdings Development Authority for payment of group insurance installments of the Welfare Division.
- ❖ Walahanduwa and Mahaweli factories that breached the contracted conditions were acquired by the Tea Shakthi Fund and necessary actions are already being taken to lease out the said factories.
- ❖ Necessary actions have been started to transfer the ownership of the lands Which were not transferred yet where the Tea Shakthi factories are located (Passara, Elpitiya, Raigam Korale, Walahanduwa, Aramanagolla Fertilizer Warehouse).

- ❖ On the order made by the Labour Tribunal, Bandarawela, the amount of Rs.06 million to be paid as compensations to the employees of the Keppetipola factory was deposited in the Labour Office, Haputale.



A pilot project as “Flood Resilience Programme” was implemented by the Ministry of Plantation Industries in collaboration with the International Labour Organization to improve disaster resilience of tea smallholders in Ratnapura and Kalutara Districts.



Necessary actions were taken to hand over Hiniduma Hills Tea Factory and Menikdiwela Tea Factory of Tea Shakthi Fund to Kalubowitiyana Tea Factory Limited.



Action were taken to lift the ban on import of Glyphosate weedicide for Tea plantation for a period of 36 months

Activities to be carried out in the year 2019 for betterment of the tea industry



Establishment of tea small holding model gardens and implementation of a programme in collaboration with Unilever Sri Lanka Ltd. for uplifting tea smallholders as small scale entrepreneurs. For the purpose, establishment of 26 model farms in 26 areas of sub-offices of the Tea Small Holdings Development Authority.



Establishment of a fund for a period of 04 years to encourage tea replanting and infilling.



Implementation of a programme in collaboration with the relevant institutions and Plantation Companies to meet the plant requirement for new planting, replanting and infilling.



The preliminary draft of the Legal Draftsman for making amendments to the Tea Control Act, No.51 of 1957 pertaining to the Sri Lanka Tea Board has been submitted for observations of the Sri Lanka Tea Board. As well, making amendments to the Sri Lanka Tea Board (Amendment) Act, No.13 of 2018 in respect of the appointment of a Working Director to Sri Lanka Tea Board.



Having identified the amendments of Tea Small Holdings Development Authority and Sri Lanka Tea Board, the observations sent by the Legal Draftsman for making amendments to Tea Small Holdings Development Law, No.35 of 1975 have been submitted. As well, taking action to finalize the revision of regulations for replanting and new planting of tea and submit it to the Legal Draftsman to pursue actions.



Approval of the Cabinet of Ministers is to be obtained to table the Tea Research Board (Amendment) Bill, No.52 of 1993 in Parliament.



Submission of the preliminary draft for making amendments to the National Institute of Plantation Management Act, No.45 of 1979 to the National Institute of Plantation Management for observations.



Rubber Sector

Review

The rubber production in the year 2018 was 82.56 mn kg registering a drop of 0.65% as against the year 2017. The increase in the global natural rubber supply has given rise to decline the price of rubber resulting in the drop of rubber price in Sri Lanka. As a result, growers not encouraged for tapping and in turn, the rubber production was not increased. Therefore, the productivity of rubber production was 809 kg per hectare which was 780.4 in the year 2018.

Rubber auction prices recorded for all 05 rubber categories of R.S.S. (Smoked) had dropped ranging from 15.6% to 19.35% as against the year 2017. The price of natural rubber declined due to the increase in the production of Thailand, Indonesia, Vietnam, China and Philippine among leading Natural Rubber Producing Countries compared to the year 2017 and it had affected to the rubber price of Sri Lanka.

The raw rubber production in the year 2018 was 82.56 mn kg of which 13.98 mn kg or 16.94% was exported. However, 20.74% of the production had been exported in the year 2017. The use of local raw rubber for value addition has increased. The total quantity of rubber used for value addition in the country was 135.23 mn kg registering an increase of 5.5% as against the previous year. The export revenue of raw rubber was Rs.5.09 billion and the export revenue through value addition was Rs.142.29 billion. The total export revenue was Rs.147.39 billion registering an increase of 10.87% as against the previous year.

Rubber New Planting Subsidy from Rs.150,000 to Rs.300,000 and Rubber Replanting Subsidy from Rs.175,000 to Rs.350,000 were increased. As well, a special training programme was initiated to reduce the tapper shortage. Under the Smallholder Tea and Rubber Revitalization (STARR) Project, a rubber new planting in 973 hectares including rubber new planting in Monaragala and Ampara districts and a rubber replanting in 842 hectares have been undertaken.

Overall Performance of the Rubber Sector

Details	Year		Targets
	2017	2018	2019
Rubber Production (Mn. Kg.)	83.10	82.56	84.30
Productivity (Kg. /Hectare)	809.00	780.40	871.00
Export Revenue (Rs. Bn.)	133.34	147.39	160.00
Replanting (Hectares)	1187.00	842.00	2700.00
New planting (Hectare/ Including STaRR Project)	1035.00	973.00	2244.00

Expansion of Rubber Cultivation

➤ Extent under Rubber (Hectares)

District	2017 (He.)	2018 (He.)
Ratnapura	27690.99	27858.06
Colombo	6495.15	6518.25
Kegalle	39311.34	39178.63
Kurunegala	3176.09	3189.19
Gampaha	4030.83	4027.13
Kandy	1898.79	1916.25
Matale	1321.53	1327.69
Nuwara Eliya	6.00	5.48
Kaluthara	29682.85	29759.63
Galle	6223.52	6243.50
Matara	4288.26	4292.88
Hambanthota	251.61	260.06
Monaragala	8359.51	8378.75
Badulla	2084.08	2094.19
Ampara	1731.86	1753.00
Puttalam	15.00	15.00
Vauniya	49.43	49.43
Anuradhapura	5.62	5.48
Polonnaruwa	3.03	2.74
Total	136,625.49	136,875.34

➤ **Extent of Rubber Lands**

Sector	Extent under Rubber (Hectare)		
	2017	2018	2019 Targets
Rubber Small Holding Sector	88,412	89,012	89,662
Corporate Sector	48,213	47,863	47,463
Total	136,625	136,875	137,125

Rubber Production

➤ **Category wise Rubber Production**

Category	Year	
	2017 (Kg)	2018 (Kg)
Sheet Rubber	41,522,977	41,280,150
Sole Crepe	1,476,453	1,438,769
Scrap Crepe	830,459	2,620,006
Latex Crepe	9,159,952	10,450,751
TSR	1,204,380	765,622
Latex & Other	28,875,912	26,005,000
Total	83,070,133	82,560,300

Productivity of the Rubber Sector

Year	Kg. / Hectare
2016	908.3
2017	809.0
2018	780.4

Rubber Market Price

➤ Local Rubber Market Price

Category	Year		Variance (%)
	2017 (Rs./Kg.)	2018 (Rs./Kg.)	
R.S.S. 1	337.27	281.64	-16.49
R.S.S. 2	330.48	266.58	-19.33
R.S.S. 3	324.50	263.11	-18.92
R.S.S. 4	311.53	251.26	-19.35
R.S.S. 5	295.79	249.63	-15.61

Rubber Export Revenue

Category	Year		Variance (%)
	2017 (Rs. Bn.)	2018 (Rs. Bn.)	
Raw Rubber	5.92	5.09	-14.02
Half finished	0.64	0.63	-1.56
Finished products	126.78	141.67	11.74
Total	133.34	147.39	10.54

Raw Rubber Exports

➤ Rubber Production and Raw Rubber Export

Year	Rubber Production (Mt.)	Quantity of Exports (Mt.)	Export of the Production %	Export Revenue (Rs. Mn.)
2017	83,070	17,230.3	20.74	5,920
2018	82,560	13,982.0	16.94	5,088

➤ Category wise Rubber Exports

Category	2017 (Mt.)	2018 (Mt.)	Variance %
Sheet Rubber	2,940	1,369	-53.44
Sole Crepe	1,406	1,328	-5.55
Latex Crepe	7,633	8,727	14.33
T.S.R.	899	554	-38.38
Latex & Other	4,352	2,005	-53.93

Value Added Rubber Products

Description	Year	
	2017	2018
Quantity Used for value addition (Mn.Kg)	128,142	135,238
Variance as against the corresponding period of the previous year (%)	-9.7	5.54

Global Natural Rubber Production

Country	2017 (Mn.Kg)	2018 (Mn.Kg)
Thailand	4429	4883
Indonesia	3629	3774
Vietnam	1095	1100
China	798	833
Malaysia	740	600
India	713	619
Cambodia	193	220
Philippine	102	111
Sri Lanka	83	82

Special activities carried out in the Rubber Sector

In order to enhance the productivity of rubber cultivation, rubber new planting subsidy was increased from Rs.150,000 per hectare to Rs.300,000 per hectare and rubber replanting subsidy was increased from Rs.175,000 per hectare to Rs.350,000 hectare.



Approval of the Cabinet of Ministers was granted to levy CESS on export of Centrifuged latex based on 60% of dry rubber content only.



Actions were taken to lift the ban on import of Glyphosate Weedicide for rubber plantation for a period of 36 months.



Implementation of Sri Lanka Rubber Industry Development Master Plan (2017-2026)

- ❖ Appointment of a Secretary General to the Rubber Secretariat set up for implementation of the Sri Lanka Rubber Industry Master Plan and commencement of its functions.
- ❖ Commencement of activities of 04 projects among the development projects related to the Sri Lanka Rubber Industry Master Plan.



Liquidation of Rubber Replanting Subsidy Fund and Rubber Control Fund

In terms of the Cabinet Memorandum, a liquidator was appointed for liquidation of Rubber Replanting Subsidy Fund and Rubber Control Fund and the accounts reports submitted by him were referred for observations of the Department of Public Finance and the Auditor General's Department. Report of the Auditor General in this regard has been tabled in Parliament.



Activities of the Association of Natural Rubber Producing Countries (ANRPC)

- ❖ The officials representing the Ministry, Rubber Development Department and Rubber Research Institute participated in the workshop on "Rubber Market Analysis and Research" held in Malaysia from 05.02.2018 to 08.02.2018.
- ❖ The officials of the Rubber Research Institute participated in the Seminar on "Rubberized Road – 2018" conducted in Thailand from 14.03.2018 to 16.03.2018.

- ❖ The officials representing the Ministry and Rubber Development Department participated in the Committee Meeting on Natural Rubber Price Stabilization held in Indonesia from 17.04.2018 to 19.04.2018.
- ❖ The officials representing the Ministry and Rubber Development Department participated in the workshop on “Towards Supply Chain Efficiency” held in Thailand from 19.06.2018 to 21.06.2018.
- ❖ The officials representing the Ministry and Rubber Development Department participated in the workshop on “Supply Demand and Modeling of Natural Rubber Industry” held in Philippines from 02.07.2018 to 05.07.2018.
- ❖ The officials representing the Ministry and Rubber Development Department participated in the Annual Meeting of the Association of Natural Rubber Producing Countries (ANRPC) held in Thailand from 08.10.2018 to 13.10.2018.



Enhancement of productions of rubber cultivation.

The Ministry prepared and implemented a Three-year Action Plan (2018-2020) with the coordination of the Rubber Development Department, Rubber Research Institute and Thurusaviya Fund for enhancement of productions of the rubber cultivation.



The Ministry appointed a Committee to establish rubber purchasing centres in collaboration with the Thurusaviya Fund and the members of the said Committee studied the Thurusaviya Societies and Group Processing Centres in Ratnapura, Monaragala and Kegalle districts and preliminary actions were taken to establish sales centres at the selected societies/ Group Processing Centres.



Regularizing Extension Services of Rubber Plantation

Provision of extension services was regularized to provide services for Regional Plantation Companies and private rubber plantations in extent more than 50 acres instead of providing direct extension services in the rubber small holding sector by the Extension Services Department of the Rubber Research Institute. and all rubber smallholders through Rubber Development Officers of the Rubber Development Department As well, action was taken to initiate a dialogue to exchange knowledge between Research Officers of the Rubber Research Institute and Development Officers of the Rubber Development Department.



Preliminary actions were taken to lease out Elpitiya Foam Rubber Factory belonging to Sri Lanka Rubber Manufacturing & Export Corporation Ltd.

Special activities to be carried out in the year 2019 for the rubber**Special Programme for enhancement of productivity of rubber plantation**

Taking steps given below to implement the Three-year Action Plan (2018-2020) prepared for enhancement of the productivity.

- ❖ Providing assistance to conduct research for mechanization of tapping.
- ❖ Establishment of model farms covering all rubber growing districts.
- ❖ Preparation of a performance appraisal method based on a weighted average with the purpose of regularizing the supervision of Extension Officers.

**Implementation of Sri Lanka Rubber Industry Development Master Plan (2017 - 2026)**

Rs.50 million is proposed to allocate for the year 2019 and an Action Plan is to be submitted for the purpose. In this context, 25 projects containing in the Rubber Industry Master Plan are to be implemented on priority basis.

**Regularizing extension services in the rubber sector**

Taking actions to take further necessary steps to regularize extension services of the rubber sector.



Launching a programme in coordination with the Rubber Development Department to improve rubber land utilization.



Performing the duty assigned as a member of the Association of Natural Rubber Producing Countries (ANRPC).



Performing the duty assigned as a member of the International Rubber Study Group.



Providing necessary guidance for expansion of rubber cultivation in Northern Province.



Activities related to the Sri Lanka Rubber Manufacturing & Export Corporation Ltd.

- ❖ Pursuing actions to lease out Elpitiya Foam Rubber Factory belonging to Sri Lanka Rubber Manufacturing & Export Corporation Ltd for 30 years.
- ❖ Addressing the issues related to the factories leased out to private investors.



Coconut Sector

Review

The coconut yield in the year 2018 was 2623 mn nuts, registering an increase of 7.1% compared to the previous year. The coconut yield increased from the third quarter of the year 2018 due to the satisfactory rainy conditions prevailed in major coconut growing areas at the end of previous year. In this context, the temporary ban on export of fresh nuts imposed from June 2017 was lifted from 31st August 2018.

The coconut price at Colombo Coconut Auction that was increasing from the beginning of previous year decreased continuously from the latter part of the second quarter. This was attributed by the gradual increase in the coconut yield of the country as against the previous year. The average coconut price at Colombo Coconut Auction in the year 2018 was Rs.45.55 per nut registering a drop of 6.3% compared to the previous year. Although coconut wholesale price declined by 3.2%, the average retail price in both years was equal.

The income from the export of coconut based products amounted to Rs.94.72 billion registering an increase of 3.86% as against the previous year. This was mainly attributed by the increase of the income from the export of coconut shell based products by 24.4% from Rs.12.69 billion to Rs.15.79 billion. It was significant that the desiccated coconut production which was dropped from the previous year had increased in the last 03 months of the year compared to the last 03 months of the previous year.

The infrastructure development of two projects for increasing the production of hybrid coconut seedlings and high yielding coconut seedlings was carried out successfully during these two years. Two projects for empowerment of small scale coconut growers and coconut product manufacturers were successfully implemented.

Overall Performance of the Coconut Sector

Details	Year		Targets
	2017	2018	2019
Coconut yield (Mn. Nuts)	2,449.53	2,623.10	2,900.00
Export revenue (Rs. Bn.)	91,198.13	94,722.62	105,000.00
Productivity (Nuts/Hectare)	5518.00	5,908.00	6,531.00
Coconut sapling production (Mn.)	3.43	2.37	3.00
New Planting (He)	15,121.00	8,198.00	9,250.00
Re Planting (He)	1,007.00	543.00	600.00
Under Planting (He)	7,817.00	4,006.00	3,000.00

Coconut Price

Price Category	Average price (Price per nut Rs.)		
	2017	2018	Variance %
Auction (Colombo)	48.62	45.55	-6
Wholesale	62.71	60.68	-3
Retail	70.70	70.76	0.1

Category wise Variance of Export Revenue

Product Category	Year		Variance %
	2017 Rs.Mn	2018 Rs.Mn	
Coconut kernal based	47,614.91	47,978.65	0.76
Coir fibre	4,560.08	4,560.50	0.01
Coir fibre finished products	26,019.75	26,048.54	0.11
Coconut shell based products	12,692.96	15,794.67	24.44
Other	310.43	340.26	9.61
Total	91,198.13	94,722.62	3.86

Export Revenue

Product	January to 31 st of December					
	Quantity (Mt. Tn)			Revenue (Rs. Mn.)		
	2017	2018	%	2017	2018	%
Coconut Oil (Mt.)	6,310.00	4,606.00	-27	3,815.56	3,019.96	-21
Virgin Coconut Oil (Mt.)	13,816.00	12,006.00	-13	10,590.29	9,528.19	-10
Coconut Water (Mt.)	3,945.00	5,047.00	28	686.26	723.20	5
King Coconuts	5,155,971.00	5,894,634.00	14	459.70	528.85	15
Fresh nuts (nuts)*	10,232,305.00	1,432,640.00	-	831.94	110.74	-
Bristol fiber (Mt)	24,068.00	2,025.00	-92	1,221.93	558.64	-54

* Export of fresh nuts has been banned to 31st August 2018

Registration of Stakeholders with the Coconut Development Authority

Category	Year 2017	Year 2018
Exporters	553	547
Brokers	16	17
Dealers (Coconut Estates)	257	237
Desiccated coconut manufacturers	50	46
Coir based products manufacturers	321	623
Buyers	88	62
Coconut oil manufacturers	82	123

Participation in International Exhibitions

Exhibition	Country	No. of Exporters participated
IPM 2018, International Trade Fair on Gardening and Horticulture	German	05
Food& Drink Expo, Exhibition on Food and Beverages	United Kingdom	06
SAITEX 2018 – Trade Fair related to Coconut Kernel	South Africa	04
Fine Food	Australia	05
International Plants Expo (IPM)	Dubai	05
SIAL Trade Exhibition on kernel	France	05

Special Activities carried out in the Coconut Sector - 2018

-  Since the price of coconuts soared due to the shortage of coconut in the country, 624,469 fresh nuts were distributed to consumers at a maximum retail price of Rs.65.00 in collaboration with the 'Kapruka' Societies in several areas of the country basically Colombo and suburbs.
-  A National Coconut Cultivation Promotion Week was implemented from 02.09.2018 to 07.09.2018 in parallel to the World Coconut Day for enhancement of the coconut Cultivation which an important to lives of the people in Sri Lanka and the nation economy of the country.
-  Entering into a letter of intent on 09.08.2018 for cooperation between the Ministry of Plantation Industries of the Democratic Socialist Republic of Sri Lanka and Chinese Academy of Agricultural Sciences.

-  Actions were taken to register coconut lands of more than 20 acres, 5-20 acres and ¼-05 acres in the areas to provide more effective service to the coconut growers.
-  The relevant government institutions were made aware of curbing fragmentation of coconut lands more than 04 hectares in extent without approval of the Tea, Rubber & Coconut Estates (Control of Fragmentation) Board and referring them for proper approvals.
-  The export of fresh nuts was regularized and actions were taken to meet the coconut requirement of local industries through the import of frozen coconut kernels.
-  Actions were taken to control the local coconut price using the Levy principle for edible oil strategically.
-  Facilitate the manufacturers to re-export coconut water for the coconut water industry for which the demand is increasing in the international market.

Activities to be carried out in the year 2019 for betterment of the coconut industry

-  Preparing a long term strategic plan for development of coir industry in collaboration with the International Natural Fiber Organization (INFO).
-  Formulation of a methodology containing formal criteria for grading coconut lands.
-  Action to be taken to promote the coconut board products as well as coordinate of the regulation activities related to coconut price



Overall Performance of the Sugarcane Sector

Details	Year		
	2017	2018	2019 Targets
Extent under Sugarcane (Hectares)	15040	16272	20,676
Sugarcane Yield (Mt.)	744,315	786,110	914,913
Sugarcane Productivity (Mt./Hectare)	54.8	58.01	59.09
Introducing new varieties	06	-	02

Special Policy Matters to be implemented in the year 2019 for betterment of the sugarcane and sugar sector

- ✎ Preparation of a programme methodology for improving inter-relationships between the Sugar Research Institutes and National Academies of Education.
- ✎ Regularizing and carrying out activities of the institutions proposed to liquidate and restructure in the sugar industry.
- ✎ Formulation of a formal and regulatory mechanism for sugar industry, sugarcane cultivation and research sector.

Oil Palm Sector

This Ministry makes recommendations to import seeds requested for oil palm cultivation under tariff concessions.

- ❖ New approved have not been granted to import oil palm seeds from January to 31st December 2018

Division wise Performance of the Ministry

Plantation Management Monitoring Division

Under the privatization drive, a number of 463 large scale estates in extent, managed by the Janatha Estates Development Board (JEDB) and Sri Lanka State Plantation Companies (SLSPC) have been leased out to 23 Regional Plantation Companies with effect from the year 1992. The role of this Division is to execute the powers entrusted with the Secretary to the Treasury as the Golden Shareholder of these RPCs, on behalf of the government. Accordingly, the following achievements have been made by the Plantation Management Monitoring Division.



Recovering lease rentals from the Regional Plantation Companies

The estimated arrears of lease rentals to be collected during the year 2018 is Rs.215.87 million. However, Rs.175.03 million has been recovered as at 31.12.2018. The estimated amount of lease rentals to be collected for the year 2018 is Rs.971.84 million of which Rs.696.24 million has been recovered as at 31.12.2018.



Financial Progress Review of the Regional Plantation Companies

Proper studying and analyzing of quarterly and annual accounts statements of the Regional Plantation Companies (RPCs) and thereby, instructing to the Companies to make rectifications where necessary, have been undertaken continuously and regularly. Moreover, a data base on the financial progress of the Plantation Companies is maintained and action has been taken to furnish the required details to the relevant sectors.



Monitoring of Timber Harvesting

Field inspections and other necessary activities have been carried out by this Division in respect of the timber felling in 35 estates managed by 05 Plantation Companies up to 31.12.2018. In addition, approval has been granted for removal of trees in other various occasions



Special Field Inspections

On the complaints of people, action has been taken to conduct and report 12 special field inspections for monitoring of sub-lease of the lands owned by the Plantation Companies to a third party and under-utilization of the plantation lands.



Release of lands for public purposes of the government

Actions have been taken to release estate lands for 184 various requests made to this Division up to 31.12.2018 as 115 requests for industrial parks, supply of water facilities, other infrastructure development and welfare activities, 45 housing projects, 06 schools, 09 religious places, 03 cemeteries and 06 playgrounds.

In terms of the policy decision to provide housing facilities and grant the possession of the occupied land to the plantation workers, approval has been granted to release estate lands to construct 130 houses in line with the Ran Surakum Housing Scheme implemented by the Ministry of Hill Country New Villages, Infrastructure and Community Development. In addition, actions are being taken to release lands for construction of another 253 houses of the same scheme and 14,000 houses to be built under the India-funded Housing Project.

As well, actions are being taken to release lands for resettlement of displaced families in 296 hectares of estate lands owned by 13 Plantation Companies in Galle, Matara, Kalutara and

Ratnapura districts affected by the earth slip in the year 2017 and for the village expansion projects.



Eviction of squatters in the government owned lands

Actions are being taken by this Division in respect of 423 cases of squatters and illegal constructions in the estates managed by 23 Plantation Companies.



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

Actions are being taken in respect of 15 sub-leases relating to 09 Plantation Companies up to 31.12.2018. A lease amount of Rs.2,057,008.00 payable to the General Treasury by 03 Plantation Companies that made sub-leases in the year 2017 has been recovered in this year.



Cadastral Surveying in the estate lands

Surveying in 158 estates owned by 21 Plantation Companies has been conducted up to 31.12.2018. It has been planned to complete the surveying by the year 2023 and to finish the erection of boundary poles by the year 2023.



Awareness Programmes for the management of Regional Plantation Companies

03 programmes in the tea and rubber sectors have already been conducted to exchange ideas of the estate management regarding the Good Agricultural Practices that can be adopted in the field of plantation and to formulate guidelines for the purpose and a programme has also been conducted to make all the Ministry officials aware of the Good Agricultural Practices.

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

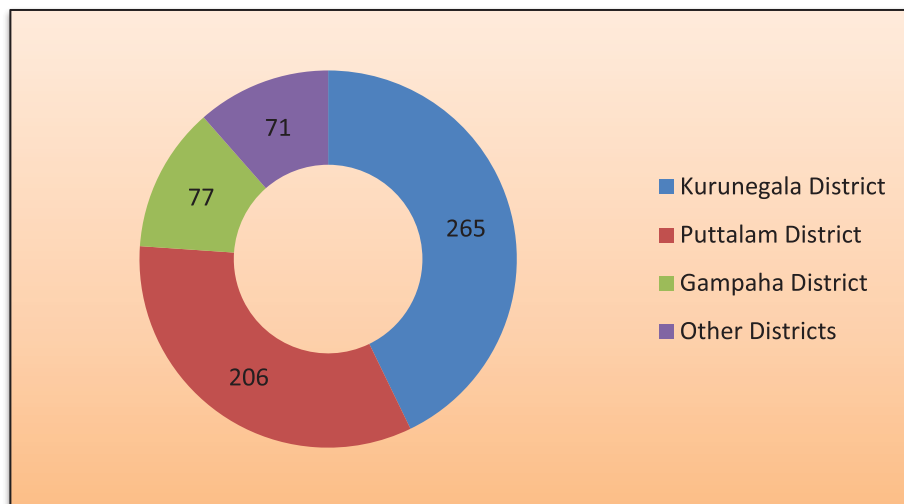
Physical Progress

No. of Applications received	Method of Transfer	Extent of land applied			Extent of land approved		
		Acres	Roods	Perches	Acres	Roods	Perches
138	Single Units	2,094	0	8.73	1,843	2	29.09
481	Other Transfers	8,559	1	22.75	6,285	2	3.59
619	Total	10,653	1	31.48	8,129	0	32.68

Receiving Applications

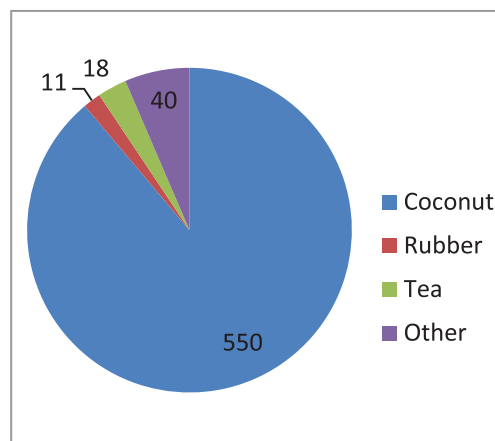
Description	Number
Applications received	619
Applications submitted to the Board of Directors	438
Applications approved by the Board of Directors	415
Applications rejected	11
Applications decided to submit for field inspections/ legal advices	8
Applications inapplicable to the Act	4

District wise applications



District wise applications

	No of Applications	Extent of land (applied)		
		Acres	Roods	Perches
Coconut	550	6025	2	19.9
Rubber	11	324	3	1.10
Tea	18	832	0	8.28
Other	40	471	0	3.2
Total	619	10653	1	31.48



Special Projects

Smallholder Tea and Rubber Revitalization (STaRR) Project

Project is being implemented under the funds of Sri Lankan government and International funds agriculture Development during 2016 – 2022. obtained progress in 2018 as follows.

Physical Progress – As at 31.12.2018



Tea Replanting

District	Extent of New planting Target-2017/2018 (ha)	Land Extent Identified (ha)	Permit issued (ha)	Upfront paid (ha)	Subsidy 1 Paid (ha)	Subsidy 2 Paid (ha)
Galle	822	981.66	666.00	508.64	159.49	58.96
Matara	1,015	1608.00	895.14	794.47	286.93	157.42
Rathnapura	1011	1,125.55	630.00	528.00	115.00	40.21
Badulla	430	576.23	255.90	201.67	56.98	24.24
Kandy	220	493.16	270.85	220.40	75.44	44.34
N'Eliya	150	299.05	164.25	128.72	43.86	15.13
Total	3,648	5,084.65	2,882.10	2381.90	737.7	340.3



Rubber New Plantation

District	Extent of New planting Target-2017/2018 (ha)	Land Extent Identified (ha)	Permit issued (ha)	Upfront paid (ha)	Subsidy 1 & 2 Paid (ha)	Subsidy 3 Paid (ha)
Monaragala	1,150	1,401	1,327.00	759	424.00	122
Ampara	1,200	534.57	343.03	245	18.69	0
Total	2,350	1,935.57	1,669.03	1,008	442.69	122

Financial Progress – As at 31.12.2018

Funding Source	Allocation (Rs. Mn.)	Progress	
		Expenditure (Rs. Mn.)	%
IFAD	900.00	699.17	-22.31
GOSL	500.00	163.24	-67.35
Total	1,400.00	902.91	-35.51



Farmer Training Programs for
Immature Crop Management at
Kalugollayaya - Siyambalanduwa



Seasonal Farmer Training Programs
at Badalkumbura



Tea Nursery in Rathnapura 2nd
IFAD Supervision Mission



Land Preparation for 2nd Subsidy
Payment

**Progress of the Development Projects provisions directly allocated
to the Ministry**

Financial Progress as at 31.12.2019

No.	Project	Total Estimate Cost (Rs.Mn.)	Target 2018 (Rs.Mn.)	Progress 2018 (Rs.Mn.)
1	Programme for Control of Weligama Coconut Leaf Wilt & Rot Disease (Since 2018)	140.00	58.00	42.57
2	Establishment of Sugarcane Nurseries (2014 – 2018)	139.10	10.00	8.54
3	Kapruka Fund (2018 - 2020)	108.00	30.00	24.70
4	Supervision of Plantation Management (2016 - 2018)	36.00	14.00	4.26
5	Development of a biochemical Approach to control the tea Shot hole -borer (2016-2018)	17.56	0.7	0.7
6	Identification of the Potential Pest and Disease Problem Rubber in Non-Traditional Areas to Develop Improved Management Strategies (2016-2020)	20.05	4.835	4.835
7	Production of genetically superior high yielding coconut planting material for National Replanting Programme (2017-2019)	138.20	36.40	31.13
8	Detailed Mapping on major pest attacks on Coconut (2017-2019)	37.70	10.00	8.80
9	Project for Training of Professional Rubber Tappers	26.00	9.00	9.00
10	Production of genetically superior high yielding coconut planting material for National Replanting Programme (2018)	25.00	25.00	22.597*
11	Implementation of Rubber Master Plan (Since 2016)	50.00	50.00	9.32
12	Project for Modernizing Coconut Processing Division of the Coconut Research Institute (2017 – 2018)	96.00	86.00	86.00
13	Project for upgrading the National Institute of Plantation Management (NIPM) training facilities towards the plantation sector development in accordance with the university college concept (2017-2019)	314.00	60.00	60.00
14	Project for Establishment of a Mechanism to Multiply and Disseminate Quality Planting Materials and Improved Seed Materials among Tea Smallholders (2017 – 2021)	86.00	19.85	12.65

No.	Project	Total Estimate Cost (Rs.Mn.)	Target 2018 (Rs.Mn.)	Progress 2018 (Rs.Mn.)
15	Project for Upgrading of Laboratory and Infrastructure in Tea Research Institute of Sri Lanka (2017 – 2019)	272.5	99.80	93.1
16	Project for Investigation on Adaptive Responses of Tea Plants to Climate Changes (2017 – 2021)	34.45	1.95	1.52
17	Developing a model estate for rubber at Dalton field to demonstrate how to meet the global competitiveness in plantation industries with locally available technology (2017-2021)	151.52	53.47	46.84
18	Project for modification of fertilizer recommendation systems of Hevea with reference to plant, soil and field parameters	27.8	18.25	18.25
19	Project for strengthening assistance to Tea Smallholders to improve productivity	250.00	250.00	18.03
20	Accreditation of Raw Rubber and Chemical Analysis Laboratory of Rubber Research Institute of Sri Lanka	19.00	18.00	18.00
21	Project for Establishment of “Wavili Saviya” Skilled Workforce	50.00	29.25	28.70*

*Including bills in hands

Physical Progress – as at 31.12.2018

	Project	Physical Progress
01	Programme for Control of Weligama Coconut Leaf Wilt & Rot Disease	4507 infected palms were marked. 4892 palms were removed 57 awareness programmes were conducted the Community and the government officers 1700 D x T saplings were distributed.
02	Establishment of Sugarcane Nurseries	- Construction of 4 agriculture wells were completed in kanthale area - Hot water plant was completed

	Project	Physical Progress
03	Kapruka Fund (2016 - 2017)	• 51 Kapruka Societies have been registered • 02 Trade Fairs have been conducted to promote Kapruka products • Revolving credits have been provided to 37 primary societies as direct investments to the Kapruka Fund. • 132 capacity building programmes have been conducted to the Coconut Development Officers, Development Officers and Kapruka Society leaders.
04	Plantation Management Monitoring Programme	• Equipment for conducting capacity building programmes was purchased • 03 training workshops on the tea sector, rubber sector and oil palm sector were conducted • Field inspections in 18 estates have been conducted under the supervision of the Regional Plantation Companies
05	Development of a biochemical Approach to control the tea Shot hole -borer (2016-2018)	• Researches on the attraction of Shot-Hole Borer to chemical substances have been identified • Sample analyses have been conducted • Specifications for purchasing of Respirometer were prepared and the bids have been invited by the Technical Evaluation Committee
06	Identification of the Potential Pest and Disease Problem Rubber in Non-Traditional Areas to Develop Improved Management Strategies (2016-2020)	• Surveying for identification of diseases that can be affected to rubber cultivation in Uva Province, is now at the final stage • 60% of the target for scientific detection of pathogens that cause the diseases in non-traditional areas has also been achieved
07	Production of genetically superior high yielding coconut planting material for National Replanting Programme (2017-2019)	• 1000 selected mother palms are being hand pollinated • Organic fertilizer is being applied to coconut palms to increase the absorption of plant nutrients from soil by improving the soil texture.
08	Detailed Mapping on major pest attacks on Coconut (2017-2019)	• 07 training workshops on surveying have been conducted for Field Officers of the Technological Service Category of the Coconut Cultivation Board. • 27,736 data was collected and 18,800 have been computerized

	Project	Physical Progress
09	Project for Training of Professional Rubber Tappers	The target of this project is to train 330 Latex Harvest Assistants of which 327 have already been trained
10	Production of Hybrid Coconut Seedlings to meet the requirement of Coconut Growers	- An extent of 160 acres owned by the Chilaw Plantations Ltd has been selected to establish the seed garden - Establishment of the seed garden and the infrastructure development in the extent of 160 acres is in progress
11	Implementation of Rubber Master Plan	- The Rubber Secretariat was established and the staff and physical resources have been provided. - One of the projects is being implemented and 03 projects are ready to be implemented.
12	Project for Modernizing Coconut Processing Division of the Coconut Research Institute	Construction of new building for modernization of the Coconut Processing Division of the Coconut Research Institute is in progress
13	Project for upgrading the National Institute of Plantation Management (NIPM) training facilities towards the plantation sector development in accordance with the university college concept	The building constructions are being done according to the target
14	Project for Establishment of a Mechanism to Multiply and Disseminate Quality Planting Materials and Improved Seed Materials among Tea Smallholders	- The establishment of mother-bush sites has been completed as 75% in Up-country, 86% in Mid-country, 89% in Uva and 98% in Low-country - The establishment of Green House in Up-country has been completed 90%.
15	Project for Upgrading of Laboratory and Infrastructure in Tea Research Institute of Sri Lanka	- Renovation of A,B,C,D official quarters were completed. - Construction has been started activity of 1st and 2nd quarters and water tank concrete slabs were completed. - Foundation has been completed of the 2nd quarters
16	Project for Investigation on Adaptive Responses of Tea Plants to Climate Changes	According to this project a machine imported from India for the purpose has been installed at the Tea Research Institute of Sri Lanka and the operation of the machine is being studied by an Indian Engineer.

	Project	Physical Progress
17	Project for Developing a Model Estate for Rubber at Dartonfield to demonstrate how to meet the Global Competitiveness in Plantation Industry with locally available Technologies	• A model garden has also been commenced for adopting Good Management Practices in the immature rubber plantation • Replanting of rubber in an area of 24.1 hectares is in progress • 85% of the maintenance of models for good management of rubber plantation (In an area of 30 hectares) has already been completed • 35% of the improvements to work environment of the factories has been completed
18	Project for modification of fertilizer recommendation systems of Hevea with reference to plant, soil and field parameters	• 70% of the target for activities such as selection of fields and samples, collection of samples, analysis of samples and purchase of Spectrophotometer has been completed
19	Project for strengthening assistance to Tea Smallholders to improve productivity	• Bids were invited for the equipment and the entire procurement process has been completed • The beneficiaries have been identified • 1456 Spray Machines have been supplied to the tea smallholders in Kegalle District
20	Accreditation of Raw Rubber and Chemical Analysis Laboratory of Rubber Research Institute of Sri Lanka	• The plan for modernization of the laboratory have been prepared and submitted to the Technical Evaluation Committee. • The relevant report is being studied by the Technical Evaluation Committee.
21	Project for Establishment of “Wavili Saviya” Skilled Workforce	• 337 workers were trained and 316 lands have been allocated for field activities • 48 field training programmes have been conducted • Equipment for field activities has been purchased

Special Development Activities

World Rubber Summit - 2018

World Rubber Summit was held on 07th and 08th may 2018 at the Taj Samudra Hotel and other Committee meetings were held on 9th 10th and 11th may 2018 at the same venue.

Physical Progress

- No of countries Participated to the Summit - 32
- No of stakeholders participated to the Summit ;
 - Local - 87
 - Foreign - 188
- No of committee meetings were conducted
- following 04 committee meetings were conducted of the International Rubber Study Group
 - Meeting of the Head of delegation
 - Meeting of the industry advisory panel
 - Meeting of the Statistical and Economic Committee
 - Strategic reviews Working group meeting
- No of resources persons attended
 - There were 42 guest speakers

Financial Progress

Allocation (Rs. Mn)	Expenditure (Rs.Mn)
10.00	3.73

Human Resource Management

Conducting Special Meetings

- Staff Meetings - 05
- Urgent Meetings called at special occasions - 01

Cadre Information – As at 31.12.2018

Serial No.	Designation	Service Category	Grade/ Class	Approved Cadre	No. of employees in service as at the date	No. of Vacant Posts
01	Secretary	S.L.A.S	Special	01	01	-
02	Additional Secretary	S.L.A.S	Special	03	03	-
03	Chief Finance Officer	S.L.Ac.S	Special	01	01	-
04	Senior Assistant Secretary	S.L.A.S	I	01	01	-
05	Agriculture Monitoring Specialist	Departmental	Contract	01	01	-
06	Finance Analyst	Departmental	Contract	01	-	01
07	Information Technology Specialist	Departmental	Contract	01	-	01
08	Director	S.L.A.S	I	04	04	-
09	Director	S.L.P.S	I	01	01	-
10	Chief Accountant	S.L.Ac.S	I	01	01	-
11	Chief Internal Auditor	S.L.Ac.S	I	01	01	-
12	Deputy Director/ Assistant Director	S.L.A.S	II/III	04	03	01
13	Deputy Director/ Assistant Director	S.L.P.S	II/III	03	03	-
14	Assistant Secretary	S.L.A.S	III	02	01	01
15	Assistant Director	S.L.P.S	Supernumerary	01	01	-

16	Accountant	S.L.Ac.S	II/III	03	01	02
17	Internal Auditor	S.L.Ac.S	II/III	01	-	01
18	Assistant Director/ Deputy Director	Departmental	III	02	02	-
19	Assistant Secretary(Non S.L.A.S)	-	-	01	01	-
20	Legal Officer	Departmental	III/II	01	01	-
21	Administrative Officer	P.M.A.S. - Supra	Supra	01	01	-
22	Translator	Translator's Service	II/I	02	01	01
23	Statistical officer	-	-	01	01	-
24	Development Officer	Development Officers' Service	III	503	417	86
25	Plantation Monitoring Officer	Development Officers' Service	I/II/III	30	05	25
26	Legal Assistant	Departmental	-	02	-	02
27	Public Management Assistant	P.M.A.S.	I/II/III	55	48	07
28	Project Assistant	Contract	-	15	04	-
29	ICT Assistant	S. L. I.C.T. Service	3-I/II/III	01	-	01
30	Coordinating Secretary to Secretary(Temporary)	-	Temporary	01	01	-
31	Video Cameraman	-	Temporary	01	01	-
32	Still Cameraman	-	Temporary	01	01	-
33	Camera Assistant	-	Temporary	01	-	01
34	Driver	Drivers' Service	III/II/I/Sp	35	33	02
35	KKS	Office Employees' Service	III/II/I/Sp	30	25	05
	Total			713	565	137

Staff Movements – As at 31.12.2018

Serial No.	Service Category	Recruitments	Transfers	Retirements	Resignations	Release for other Services
01	Staff Officers	02	03	-	-	-
02	Development Officers	06	05	-	01	-
03	Management Assistants	21	11	02	01	01
04	Driver	03	01	-	02	-
05	Office Employees' Service	-	02	-	-	02

❖ Action has been taken to recruit the relevant staff for the STaRR Project.

Training Programmes

➤ Participation in local training courses in the year 2018

Course	Venue/ Institution	Number of Participation
Official Sinhala Letter Writing	NIPM	25
Audit related training	NIPM	28
Land related training	Ministry of Plantation Industries	12
Payee Tax	Dept. of inland Revenue	06
Role and Responsible of Account Clerks	Skills Development Fund	02
Planning of procurement and Preparation of Bond documents	Skills Development Funds	01
Positive Thinking and Work place etiquettes	Skills Development Fund	02

06 days residential Tamil Language Training	National Language Education and Training Institute	06
English Language Training	SLIDA	15
Government Officers Duty, Responsibility and Accountability	Department of Immigration and Emigration	206
Attitude Development	Main Auditorium Sethsiripaya	200
Seminar on Frontiers in Agrochemicals	Institute of Chemistry	02
Workshop on SDG	NIPM	60
Toastmasters	SLIDA	02
Interpersonal Relationship	Rubber Development Department	28
Key to effective Leadership	Team coach International	01
Land acquisition issues	NIPM	45
DIPPCA	Miloda	01
AR & FR	Skills Development Fund	07
Orientation programme	Skills Development Fund	13
AR, FR, and IT	NIPM	110
Traffic haws and Technical Knowledge	Cultural Training School Kalutara	28
Office Management	Skills Development Funds	03
Losses Reporting	Skills Development Funds	01
English For Office use	Miloda	03

➤ Participation in foreign training courses in the year 2018

Course	Number of Participation	Country	Duration
IPM Exhibition - 2018	01	Germany	2018.01.20 - 2018.01.29
Training in Rubber Market Analysis and Research	01	Malaysia	2018.02.05 - 2018.02.08
14th Global Rubber Conference 2018	01	Cambodia	2018.04.05 - 2018.04.07
Sustainable Consumption and Production(SCP) Exposure Visit High Level Government Officials (Secretaries of Key Ministries)	01	Europe	2018.04.11 - 2018.04.19
International Programme on Management Auditing for the Public Sector Auditors	01	Malaysia	2018.04.22 - 2018.04.29
Meeting of Exxpert Group of NR Price Stabilization	01	Indonesia	2018.04.16 - 2018.04.20
23rd Session of FAO/IGG on Tea	01	China	2018.05.14 - 2018.05.22
Visit of Hon. Navin Dissanayake, Minister of Plantation Industries and Accompanying Delegation to China -2nd China International Tea Expo	03	China	2018.05.16 - 2018.05.20
World Tea Expo – 2018	01	USA	2018.06.11 - 2018.06.17
International Programme on Management	01	Thailand	2018.06.18 - 2018.06.23
2018 Seminar on Tourism Talents Cultivation for “Belt and Road Initiative” Countries	01	China	2018.06.22 - 2018.07.12
Knowledge Co-Creation Program – JICA	02	Japan	2018.06.25 - 2018.06.30
Workshop on Supply, Demand and Modeling of Natural Rubber Industry	01	Philippines	2018.06.30 - 2018.06.06

Course	Number of Participation	Country	Duration
Proposed visit of Hon. Navin Dissanayake, Minister of Plantation Industries & Delegation to Tokyo	02	Japan	2018.07.15 - 2018.07.20
2018 Seminar on Agricultural Production & Food Security for Foreign Officials under Belt & Road Initiative	03	China	2018.08.03 – 2018.08.23
International Programme on Planning, Implementation, Monitoring & Evaluation in Malaysia	01	Malaysia	12.08.2018 to 19.08.2018
3rd Annual Meeting of Coconut Industry Technology Innovation Strategic Alliance of Hainan	01	China	12.08.2018 to 18.08.2018
World Coconut Congress -2019	02	Philippines	12.08.2018 to 18.08.2018
48th APCC Cocotech conference and exhibition	01	Thailand	19.08.2018 to 25.08.2018
Seminar on the Improvement and Utilization of Biomass Energies for Developing Countries	03	China	23.08.2018 to 12.09.2018
Capacity Building Training Program	01	Malaysia	03.09.2018 to 09.09.2018
Proposed visit of Hon. Navin Dissanayake, Minister of Plantation Industries & Delegation to Poland, Lithuania, Latvia	03	Poland, Lithuania, Latvia	10.09.2018 to 18.09.2018
Capacity Building Training Program of SLAS Class officers	01	Malaysia	17.09.2018 to 23.09.2018
54th APCC Session	02	Malaysia	23.09.2018 to 29.09.2018
Workshop cum Study visit on Sustainable Oil Palm Cultivation & Processing	02	Malaysia	24.09.2018 to 30.09.2018
41st Assembly, 48th Meeting of Executive Committee, and Annual Meeting of other ANRPC Forums	02	Thailand	07.10.2018 to 14.10.2018

Visit of Hon. Navin Dissanayake, Minister of Plantation Industries SIAL France International Trade Fair	01	France	20.10.2018 to 24.10.2018
Seminar on Soyabean Production & Processing Technology & Institutional Capacity Building for Developing Countries	01	China	28.10.2018 to 20.11.2018
Seminar on Certificate & Accreditation Cooperation between China & Countries along the “Belt & Road” of 2018	02	China	05.11.2018 to 30.11.2018
Seminar on Development of Tea Processing and Tea Industry Promotion for Countries Under Belt & Road Initiative	01	China	09.11.2018 to 02.12.2018
INFO meeting & FAO Committee on Commodity Problems	01	Italy	10.11.2018 to 16.11.2018
ITEC- Labour & Employment Relations in a Global Economy	01	India	11.11.2018 to 01.12.2018

Internal Auditing

Activities carried out

Conducting Audit and Management Committee Meetings for guiding and evaluating the functions of the Ministry and the institutions coming under the Ministry.

Details	No. of Meetings
Ministry of Plantation Industries	02
Institutions related to the Tea Sector	02
Institutions related to the Rubber Sector	01
Institutions related to the Coconut Sector	02
Ministry	02

Conducting Audit inquiries and special investigations to follow up the functions of the Ministry and the institutions coming under the Ministry and strengthen the internal controls.

Institution	No. of Inquiries
Ministry of Plantation Industries	01
Tea Small Holdings Development Authority	02
Tea Research Institute	01

Answers to Audit Queries

No of received Audit Queries	No of answered Audit Queries as at 31.12.2018	No of didn't answer Audit Queries as at 31.12.2018
11	05	06*

* These Audit questions were to Tea Shakti Fund. Information was being collected from relevant divisions as at 31.12.2018. Answers were submitted as at 18.02.2019

Planning and Monitoring

➤ Submission of Project Proposals to Department of National Planning

- 06 project proposals for development and enhancement of the productivity of the tea, rubber, coconut and sugarcane sectors were submitted to the Department of National Planning of which 05 project proposals were recommended by the Department to obtain Treasury allocations.
- Submission of Cabinet Memoranda - 03 Cabinet Memorandums were submitted for the project recommended by the Department of national Planning and other development projects.

➤ Preparation of Review Reports on Auction Prices

- A report including auction prices of tea, rubber and coconut was prepared weekly and forwarded.

➤ Preparation and Submission of Progress Reports

- Monthly and quarterly progress reports were prepared and submitted as per the format of the Department of National Budget.
- Submission of monthly and quarterly progress reports to the Presidential Secretariat and the Department of Project Management and Monitoring.
- Reporting the progress of the plantation sector projects to the other Ministries and institutions.
- Preparation of hard copies and computerized presentation of quarterly and annual descriptive progress reports for the Progress Review Meetings.
- Reporting the information and data of the performance of the plantation sector and policy decisions were taken during the year to the Central Bank by twice a year

➤ Preparation of Ministry Publications

- Statistical Handbook of the Plantation Sector – 2016 was published and Statistical Handbook - 2017 was prepared and submitted for printing.
- Performance Report of the Ministry – 2017
- Progress Report of the Ministry – 2018 for the Budget Debate.

- Wawili Saviya Newspaper Supplementary was published. (To be issued along with the Dinamina Newspaper by every two months.)

➤ **Formulation of Action Plan**

- Formulation of Action Plan of the Ministry.
- Observing and reviewing the progress of the implementation of Action Plans of the affiliated institutions.

➤ **Implementation of the special development and projects proposed by the Budget Speech**

- Monitoring the physical and financial progress, coordination other issues of the implementing stages and take necessary action on released the imprest of the special development projects and projects proposed by the budget speech

➤ **Coordination of Foreign Delegates**

- Coordination of the plantation sector and foreign delegates relating to the technical assistance of the Asian Development Bank under the investment of funds for study of the tea sector of Sri Lanka.
- Providing information and representing the ministry of plantation industry to project of agriculture sector modernizing in Sri Lanka which prepared a nation agricultural policies and strategies for Sri Lanka on the provisions of the UN

➤ **Conducting Meetings**

- Implementation of Budget Proposals 2018 – 04
- Progress Review Meetings - 09
- Meetings on Special Development Projects
 - Meetings in the Ministry - 05
 - Meetings, outside the Ministry - 04
- Meetings on annual Action Plan and previous year progress Review - 12
- Smallholder Tea and Rubber Revitalization Project
 - Meetings - 06
- Discussions of ADB Delegates - 02
- Other Delegates meetings - 03

Submission of Performance Report of the Ministry in parliament

The Performance Report for the year 2017 was submitted to the Cabinet of Ministers on 29.03.2018 and tabled in Parliament on 05.06.2018.

Submission of Annual Reports of the Affiliated Institutions in Parliament

	Institution	Related years of the reports tabled in 2018
01	Rubber Research Institute	2016
02	Tea Research Institute	2016
03	Coconut Research Institute	2015 and 2016
04	Sri Lanka Tea Board	2015 and 2016
05	Thurusaviya Fund	2016
06	Tea Small Holdings Development Authority	2015 and 2016
07	National Institute of Plantation Management	2016
08	Coconut Development Authority	2016
09	Coconut Cultivation Board	2016
10	Kalubovitiyana Tea Factory Ltd.	2015/2016 and 2016/2017
11	Rubber Development Department	2016

Accounting

Financial Progress – As at 31.12.2018

➤ Ministry

Expenditure Head	Description	Allocation		Expenditure			
		Capital (Rs. Mn.)	Recurrent (Rs. Mn.)	Capital		Recurrent	
				Amount (Rs.Mn.)	Expenditure %	Amount (Rs.Mn.)	Expenditure %
135-1-1	Minister's Office	5.00	58.12	3.68	73.60	53.10	91.36
135-1-2	Administrative Affairs	15.92	450.71	13.53	84.99	425.15	94.33
135-2-3	Development Programmes	937.95	100.00	470.44	50.16	69.19	69.19
135-2-3	Projects	1400	-	876.84	62.63	-	-
135-2-4	Affiliated Institutions	2,313.00	2,516.48	1,768.88	76.48	2,424.19	96.33

➤ Affiliated Institutions

Institution	Capital				Recurrent			
	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Liabilities (Rs. Mn.)	Actual Expenditure (Rs. Mn.)	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Liabilities (Rs. Mn.)	Actual Expenditure (Rs. Mn.)
Sri Lanka Tea Board	83.00	50.00	33.00	83.00	190.00	165.80	13.11	178.96
Tea Research Institute of Sri Lanka	85.00	61.50	14.00	75.50	375.00	374.44	6.99	381.43
Tea Small Holdings Development Authority	850.00	617.00	233.00	850.00	373.48	373.48	-	373.48
Rubber Development Department	967.00	635.65	-	635.65	339.00	323.21	-	323.20
Rubber Research Institute	135.00	87.00	43.00	130.00	405.00	372.30	16.50	388.80
Thurusaviya Fund	8.00	3.40	4.60	8.00	20.00	20.00	-	20.00

National Institute of Plantation Management	32.00	30.95	1.05	32.00	50.00	50.00	-	50.00
Coconut Cultivation Board	810.00	699.00	111.00	810.00	448.00	448.00	-	448.00
Coconut Development Authority	130.00	117.93	13.00	130.93	145.00	145.00	-	145.00
Coconut Research Institute	90.00	53.50	36.25	89.75	250.00	236.93	-	236.93
Sugarcane Research Institute	90.00	48.60	0.68	49.28	260.00	238.25	21.75	260.00

Provisions approved for the year 2019

Institution	Capital (Rs. Mn.)	Recurrent (Rs. Mn.)
Ministry		
Minister's Office	0.95	9.30
Administrative Affairs	0.89	8.95
Development Programmes	5.26	142.50
Tea, Rubber and Coconut Estates (Control of Fragmentation) Board	684.80	-
Total		
Affiliated Institutions		
Sri Lanka Tea Board	25.00	65.00
Rubber Research Institute	40.00	140.00
Tea Research Institute	25.00	130.00
National Institute of Plantation Management	8.00	20.00
Tea Small Holdings Development Authority	285.00	140.00
Thurusaviya Fund	2.50	8.00
Coconut Research Institute	30.00	88.00
Coconut Cultivation Board	270.00	150.00
Coconut Development Authority	40.00	53.00
Sugarcane Research Institute	28.80	72.80
Sri lanka cashew corporation	28.80	16.80
Rubber Development Department	322.30	111.60
Total	1797.30	1155.95

Provisions allocated for Special Projects in the year 2018

Project	Allocation for 2018 (Rs. Mn.)
Smallholder Tea & Rubber Revitalization Project STaRR – (Foreign funded)	467.00
Programme for Control of Weligama Coconut Leaf Wilt and Rot Disease	20.00
Implementation of Rubber Master Plan	10.00
Kapruka Fund	10.00
Identification of the potential disease problems in rubber cultivations in non-traditional areas	1.8
Cadastral Survey in the Plantation Sector	30.00
Development of a biochemical approach to control the tea Shot-hole borer	146.00
Establishment of a mechanism to multiply and disseminate quality planting materials of newly developed tea cultivars and improved seed materials among tea smallholders	
Development/ Upgrading of laboratory and infrastructure in Tea Research Institute	
Investigation on adaptive responses of tea plants to climate changes	
High performance natural rubber with increased economic value	
Modification of fertilizer recommendations of heave with reference to plant, soil and field parameters	
Developing a model estate for rubber at Dartonfield to demonstrate how to meet the global competitiveness in plantation industries with locally available technology	
Upgrading the facilities of National Institute of Plantation Management in accordance with the university college concept	
Production of high yielding coconut seedlings for National Replanting Programme	
Detailed mapping on major pest attacks on coconut	
Providing assistance to enhance productivity in the productions of tea smallholders	
Project for Training of Professional Rubber Tappers	
Project for Establishment of “Wavili Saviya” Skilled Workforce	

Projects which are Expected allocation for 2019 budget

Project	Allocation for 2019 (Rs. Mn.)
Expansion of hostel facilities at the National Institute of Plantation Management (2019 – 2020)	75.00
Upgrading and Expansion of the Kiniyama seed garden to increase the Hybrid seed nut production (2019 – 2021)	14.5
Cadastral Survey in the Plantation Sector (2019)	100.00
Enterprise Resource Planning System for Coconut Development Authority (2019 – 2023)	40.00
Establishment of cost effective high performance modern smoke houses (2019 – 2022)	21.795
Establishment of predator mite producing laborites for the management of mite damage with leading involvement of private Sector (2019 – 2021)	12.32