

Annual Performance Report for the year 2019
Ministry of Plantation Industries and Export Agriculture
Expenditure Head No 135

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Chapter 01 - Institutional Profile

Introduction

The year 2019 is an exceptional year regarding all matters such as the scope and functions of the Ministry as well as capital allocation and imprests.

Through the subjects and functions assigned to the Ministry of Plantation Industries by the Gazette No.2103/33 dated 28th December 2018, the functions of the Ministry were carried out during the year for the performance of the plantation sector in collaboration with the institutions brought under the Ministry by the same Gazette.

However, 2 out of the institutions assigned by the above Gazette were later attached to other Ministry. As well, the functions of the Ministry were expanded as the Ministry of “Plantation Industries and Export Agriculture” bringing new subjects and functions as well as 04 new institutions under the Ministry by the Gazette Extraordinary No.2153/12 dated 10th December 2019 published in line with the Cabinet reshuffle at the end of the year.

The year 2019 was also started by allocating financial provisions through a Vote on Account. Although financial provisions were allocated through the Budget since May in the year, allocations were not made for new development projects. Meanwhile, Rs.200 million from the development projects implemented after financial provisions were directly approved to the Ministry were freezed by the Department of National Budget. However, additional provisions could be allocated for 02 new projects that are completed during the year. The receipt of imprest was completely irregular from the beginning to the end of the year. As well, additional provisions were not received in the year 2019 for Rs.84.65 million remained as bills in hand in the year 2018 and it had to be adjusted by the provisions approved for the year. Therefore, the project estimates had to be revised. Since imprests were not received properly at the end of year 2019 even after the revision of the estimates, Rs.98.1127 million remained as bills in hand as at 31st December 2019.

The performance of the Ministry and the plantation sector achieved in the year 2019 by handling and evaluating programmes, projects and activities implemented in line with the human, physical and approved financial resources and Action Plans of the Ministry and the affiliated institutions and making required policy decisions for performance of the field while coordinating with stakeholders of the plantation sector.

1.2 Vision, Mission, Objectives

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

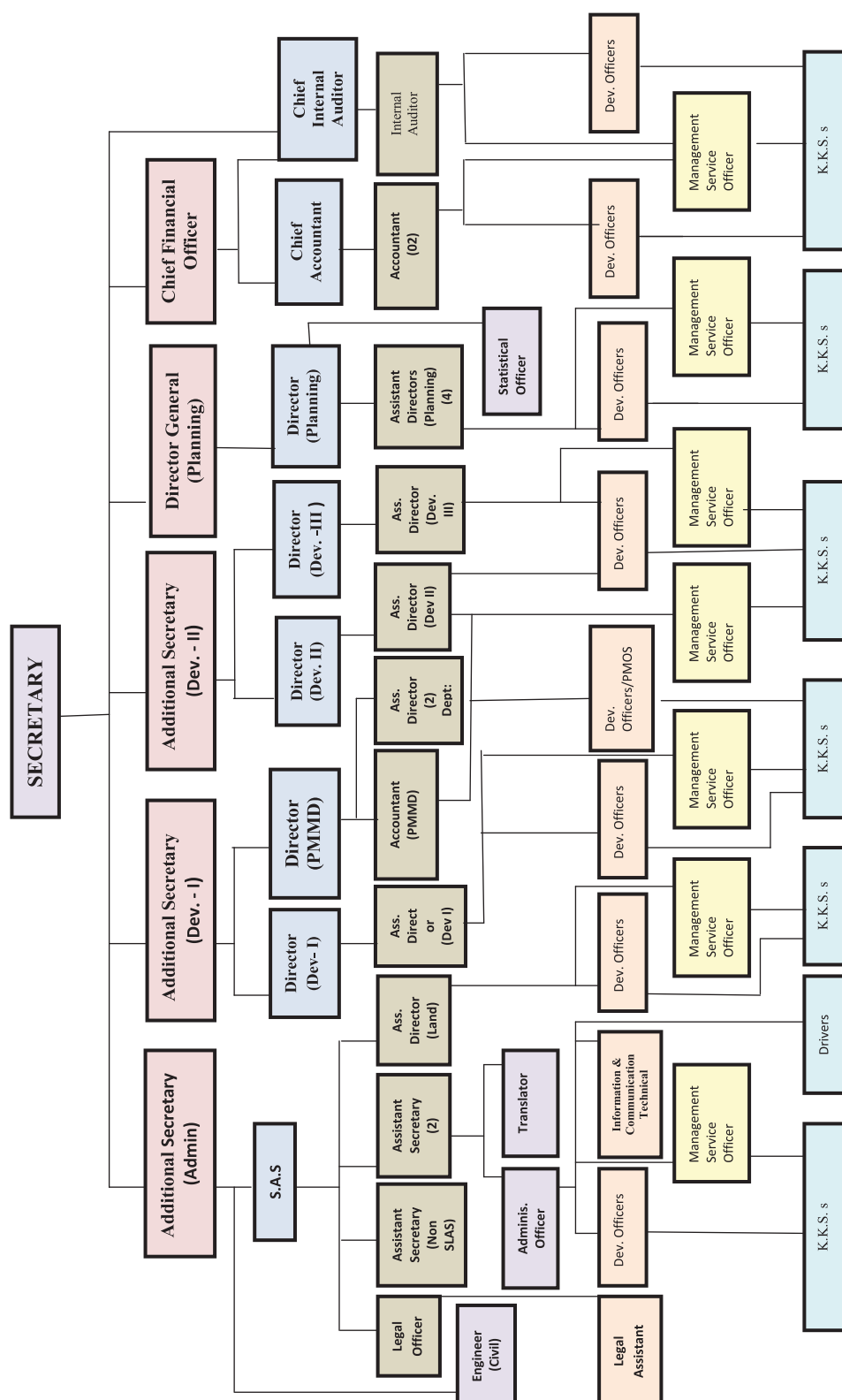
- ➔ Enhancing productivity of plantation lands
- ➔ Increasing the quality of plantation crop based products to be able to compete in the world market
- ➔ Innovation and development of state of the art technology for plantation crop based industries
- ➔ Uplifting living standard of the plantation community
- ➔ 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 smallholders and Plantation Companies
- ➔ Ensuring sustainable development through the environment conservation
- ➔ Promotion of intercropping and animal husbandry in plantation lands

1.3 Key Functions

**Duties and Functions assigned to the Ministry as per the Gazette
Extraordinary No. 2103/33 dated 28th December 2018**

- ➔ 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

1.4 Organizational Chart



1.5 / 1.6 Institutions affiliated to undertake functions of the Ministry

Institutions brought under the Ministry as per the Gazette Extraordinary No.2103/33 dated 28th December 2018

- ➔ Rubber Development Department
 - ➔ Rubber Research Institute
 - ➔ National Institute of Plantation Management
 - ➔ Sri Lanka Tea Board
 - ➔ Tea Small Holdings Development Authority
 - ➔ Tea and Rubber Estates (Control of Fragmentation) Board
 - ➔ Coconut Cultivation Board
 - ➔ Tea Shakthi Fund (Restructured)
 - ➔ Thurusaviya Fund
 - ➔ Coconut Development Authority
 - ➔ Coconut Research Institute
 - ➔ Tea Research Institute
 - ➔ Sri Lanka Rubber Manufacturing and Export Corporation
 - ➔ Kalubovitiyana Tea Factory Ltd.
 - ➔ Elkaduwa Plantations Limited
 - ➔ Gal – Oya Plantations (pvt) Limited
 - ➔ Sri Lanka Cashew Corporation
 - ➔ Lanka Sugar Company (pvt) Limited
 - ➔ Hingurana Sugar Factory Company
 - ➔ Chilaw Plantations Limited
 - ➔ Sugarcane Research Institute
 - ➔ Kantale Sugar Company
 - ➔ Kurunegala Plantations Limited
 - ➔ Janatha Estate Development Board
 - ➔ Sri Lanka State Plantation Corporation
- } These institutions have been affiliated to other Ministry

Following Institutions were also affiliated to the Ministry as per the Gazette Extraordinary No.2153/12 dated 10th December 2019

- ➔ Department of Export Agriculture
- ➔ Spices and Allied Products Marketing Board

1.7 Foreign Funded Projects

Serial No.	Project	Funding Agency	Estimated cost of the project	Project Period
01	Small Tea and Rubber Revitalization Project (STaRR)	International Fund for Agriculture Development (IFAD)	US\$ 65.4 (Local and Foreign Funds)	2016 - 2021
02	Agricultural Modernization Project	World Bank	Rs.Mn 8,794.50	2017 – 2021

Chapter 02 — Progress and the Future Outlook

Progress of the Tea Sector

Description	Progress		Variance (%)
	Year 2018	Year 2019	
Tea Production (Mn. Kg.)	303.84	300.12	-1.22
Export quantity (Mn. Kg.)	282.37	292.66	3.64
Export Revenue (Rs.Bn.)	231.70	240.60	3.84
F.O.B Price (Rs. / Kg.)	820.75	822.23	0.18
Re planting (Hectares)	1027	806.46	-21.41
New planting (Hectares)	435	295.57	-32.05
Productivity (Kg / made tea /hectare)	1958	1478	-24.51
Average Sales Price per Kg. at Colombo Tea Auction (Rs.)	581.53	545.02	-6.28

Data on Exports and Re-exports

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)
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
2019								
Exports	277.53	790.37	2.27	1,941.36	3.04	1,358.54	282.83	805.71
Re-Exports-	7.31	1050.61	2.48	2,029.78	0.04	1,291.17	9.82	1,298.38

Main Tea Export Destinations

10 Main Destinations	2018		2019		Increase / Decrease	
	Quantity (Kg.)	As a percentage of Total Export %	Quantity (Kg.)	As a percentage of Total Export %	Quantity (Kg.)	%
Turkey	39,087,245	13.36	35,634,255	12.62	-3,452,900	-8.83
Iraq	38,408,064	13.12	38,435,934	13.61	27,870	0.07
Russia	29,068,027	9.93	30,580,653	10.83	1,512,626	5.20
Iran	22,263,830	7.61	23,914,222	8.47	1,650,392	7.41
Libya	12,329,315	4.21	13,686,441	4.85	1,357,126	11.01
China	11,870,397	4.06	10,020,245	3.55	-1,850,152	-15.59
Azerbaijan	11,721,185	4.01	10,550,856	3.74	-1,170,329	-9.98
Syria	10,985,901	3.75	10,180,344	3.61	-805,557	-7.33
UAE	9,901,241	3.38	11,077,795	3.92	1,176,554	11.88
Japan	7,538,028	2.58	7,416,310	2.63	-121,718	-1.61

Progress of the Rubber Sector

Description	Progress		Variance %
	Year 2018	Year 2019	
Rubber Production (Mn. Kg.)	82.56	74.75	-9.46
Productivity (Kg. /Hectare)	774.00	666.10	-13.94
Export Revenue (Rs. Bn.)	147.39	159.17	7.99
Replanting (Hectares)	842.00	1,006.15	19.50
New planting (Hectare/ Including STaRR Project)	973.00	1,099.00	12.95

Quantities of Rubber Products

Category	Year/ Quantity	
	2018 (Mt.)	2019 (Mt.)
Sheet Rubber	41,280.2	37,376.4
Sole Crepe	1,438.8	2,103.8
Scrap Crepe	2,620.0	4,482.2
Latex Crepe	10,450.8	7,849.4
TSR	765.6	1,204.7
Latex & Other	26,005.0	21,733.4

Local Rubber Market Price

Type of Rubber	Year		Variance (%)
	2018 (Rs./Kg.)	2019 (Rs./Kg.)	
R.S.S. 1	281.64	288.48	2.43
R.S.S. 2	271.48	282.81	4.17
R.S.S. 3	263.11	272.68	3.64
R.S.S. 4	251.26	269.69	7.34
R.S.S. 5	249.63	253.46	1.53

Raw Rubber Exports

Year	Rubber Production (Mt.)	Export Quantity of Raw Rubber(Mt.)	Export of the Production (%)	Export Revenue (Rs. Mn.)
2018	82,560.3	13,981.5	16.94	5,088.3
2019	74,753.0	13,002.8	17.40	4,320.6

Category wise Rubber

Category	2018 (Mt.)	2019 (Mt.)
Sheet Rubber	1,368.00	2,106.30
Sole Crepe	1,328.00	2,003.60
Latex Crepe	8,727.00	6,541.20
TSR	554.00	882.70
Latex & Other	2,005.00	1,469.00

Progress of the Coconut Sector

Details	Progress		Variance (%)
	Year 2018	Year 2019	
Nut Production (Mn. Nuts)	2623	3086	17.6
Export revenue (Rs. Bn.)	95	106	11.5
Wholesale Price			
Big (Rs./ 1000 Nuts)	68,292	47,038	-31.12
Small (Rs./ 1000 Nuts)	53,068	36,740	-30.77
Auction Price (Rs./ 1000 Nuts)	45,551	27,550	-39.52
Coconut Oil Production (Mt.)	100913	44648	-55.75
Desiccated Production (Mt.)	24,625	44081	79.01
Coir Fibre Production (Mt.)	90398	42373	-53.12

Progress of the Sugarcane Sector

Details	Progress		Variance (%)
	Year 2018	Year 2019	
Extent under Sugarcane (Hectares)	16,272	17,498	-7.53
Sugarcane Yield (Mt.)	720,000	669,569	-7.00

Progress of the Cashew Sector

Details	Progress		Variance (%)
	Year 2018	Year 2019	
Cashew Production (Mt.)	8014	12000	49.74

Cashew Exports

Year	Quantity (Mt.)	Revenue (Rs. Mn.)
2017	59.04	143.51
2018	60.81	144.62
2019	47.40	93.57

Progress of the Export Agriculture Sector

Details	Progress		Variance (%)
	Year 2018	Year 2019	
Export Quantity of Spices (Mt.)	48,332	47,982	0.7 ↓
Export Revenue (Rs. Bn.)	64,590	63,496	1.7 ↓

Production of Export Agricultural Crops

Crop	Quantity		Variance (%)
	2018 (Mt.)	2019 (Mt.)	
Cinnamon	20,398	20,352	-0.2
Cocoa	413	547	32.44
Coffee	2,294	2,287	-0.3
Pepper	22,551	22,156	-1.75
Cardamom	86	69	-19.76
Citronella	58	43	-25.8
Nutmeg	4,180	5,119	-22.4
Arecanut	14,242	17,741	24.5
Betel	12,328	14,016	13.6
Ginger	14,752	13,785	-6.5
Turmeric	9,697	9,415	-2.9

Farm Gate Price (Annual Average)

Crop	Unit	2018 (Rs.)	2019 (Rs.)
Mace	01 Kg.	1495.23	2441.25
Cardamom	01 Kg.	2078.36	4307.44
Betel	1000 Leaf	3728.65	4350.94
Nutmeg	01 Kg.	428.51	469.59
Ginger	01 Kg.	349.09	230.30
Dried (Karunka)	01 Kg.	295.68	253.48
Cinnamon	01 Kg.	2018.70	1769.17
Pepper	01 Kg.	585.84	517.60

Sector wise Special activities carried out

Tea Sector

- ➔ A series of discussions was held with stakeholders of the tea industry to formulate Six-Year Strategic Plan to meet the challenges faced by the tea industry and the first draft plan was formulated and submitted.
- ➔ Approval of the Cabinet of Ministers was obtained for a Barter System prepared for the arrears to be paid to the National Iranian Oil Company in respect of the import of crude oil in order to avoid the difficulty faced in exporting Ceylon Tea to Iran.
- ➔ After having discussions for promotion of diversified tea and Handmade/ Artisanal Tea, the assistance was given to establish a formal association consists of the said tea manufactures and necessary arrangements were made to register the manufacturers with the Sri Lanka Tea Board.
- ➔ Under the JICA Verification Survey Project implemented jointly by the Tea Research Institute of Sri Lanka, JICA and the Kawasaki Kiko Co. Ltd. of Japan, output 01 has been completed. There under, the components such as the moisture content, total Nitrogen content, Crude Fiber content, Caffeine, Polyphenols in Ceylon Black Tea were analyzed by utilizing Tea Ingredient Analyzer and specific Parameters were established.
- ➔ The Tea Research Board Act No.52 of 1993 was amended and the Gazette No.2019/8 dated 18.06.2019 was issued.
- ➔ Necessary basic actions were taken to make amendments to the Sri Lanka Tea Board Law, No.14 of 1975, Tea Control Act No.51 of 1957 and Licensing of Produce Brokers Act No.9 of 1979.
- ➔ Approval of the Cabinet of Ministers was obtained to revise the Tea Promotion and Marketing Levy in terms of Section 13(1)(a) of the Sri Lanka Tea Board Law, No.14 of 1975 to generate funds for tea replanting and tea development activities and it was referred to the Legal Draftsman's Department to draft the relevant regulations.
- ➔ The Tea Commissioner was instructed to make the factory owners aware to stop the overpayment for green leaf deviating from the Regional Net Sales Average (NSA).

- ➔ Actions were taken jointly by the Sri Lanka Customs, Sri Lanka Tea Board and stakeholders in the private sector to investigate sternly and regulate the illegal import of tea to Sri Lanka as other substances (Eg: fish foods, plant material).
- ➔ Approval of the Cabinet of Ministers was obtained to use Rs.500 million from the Tea Promotion and Marketing Fund of the Sri Lanka Tea Board to implement a loan scheme with the assistance of banks to provide urgent working capital and also settle arrears by tea factory owners to growers and brokers to make supply chain is re-energized.

Coconut Sector

- ➔ A database was designed for calculation of coconut lands in line with the extent of lands.
- ➔ A mobile app was developed to provide an efficient extension service to the growers.
- ➔ Approval of the Cabinet of Ministers was obtained to release annually 200 litres of Glyphosate weedicide which was essential for the Programme for control of Coconut Leaf Wilt Disease, to the Coconut Research Institute.
- ➔ Steps were taken to conduct the Colombo Coconut Auction on an initially based price to stabilize the coconut price.
- ➔ Measures were taken to control the local coconut oil price using a Special Commodity Levy for the coconuts used for dietary purposes.
- ➔ A special logo was introduced to use on the pack in the sale of bottled coconut oil
- ➔ Approval of the Cabinet of Ministers was obtained to appoint a Steering Committee for development of the Coconut Sector..

Rubber Sector

- ➔ The rubber replanting subsidy was doubled to Rs.350,000/= per hectare and new planting subsidy was doubled to Rs.300,000/= per hectare
- ➔ The contribution was made for Activities of the Association of Natural Rubber Producing Countries (ANRPC).

❖ Represented at the workshop on “Rubber Market Analysis and Research” held in Malaysia from 25.02.2019 to 28.02.2019.

- ❖ The officials participated in the Committee Meeting on Natural Rubber Price Stabilization held in Thailand from 06.03.2019 to 08.03.2019.
- ❖ The officials participated in the seminar on “Supply Demand and Modeling of Natural Rubber Industry” held in Myanmar from 26.03.2019 to 29.03.2019.
- ❖ Represented at the workshop on “Towards Supply Chain Efficiency” held in Thailand from 28.05.2019 to 30.05.2019.
- ❖ Represented at the workshop on “1st Meeting of Working group on Sustainable Natural Rubber” held in Cambodia from 11.06.2019 to 13.06.2019.
- ❖ The officials participated in the Annual Meeting of the Association of Natural Rubber Producing Countries (ANRPC) held in Indonesia from 07.10.2019 to 12.10.2019.
- ❖ An official participated in the Committee Meeting of “Task Force on Alternative Mechanisms to Solve Rubber Price Production in Short Term Period” held in Thailand from 21.11.2019 to 22.11.2019.

➡ Activities of the International Rubber Study Group

- ❖ The officials participated in the Annual Meeting of the International Rubber Study Group and the World Rubber Summit held in Singapore from 18.03.2019 to 22.03.2019.
- ➡ A Three-year Action Plan (2018-2020) prepared by the Ministry for enhancement of the productivity of the rubber cultivation was implemented.
- ➡ A rubber purchasing centre was established in Egaloya with the coordination of the Ministry and in collaboration with the Thurusaviaya Fund.
- ➡ Approval has been granted to the Cabinet Memorandum submitted to lease out Elpitiya Foam Rubber Factory belonging to Sri Lanka Rubber Manufacturing & Export Corporation Ltd to a suitable investor and to hand over it to the Land Reform Commission and since a valuation report is required to pursue action, a request has been made to the Department of Valuation for the purpose.

Export Agriculture Sector

- ➔ Measures were taken to enhance the market share for organic spices in the international market through encouraging the organic cultivation. Good Agricultural practices and Good Management Practices were adopted to improve the quality of export crops and processing services support was given to increase the utilization of suitable technology.
- ➔ The investment assistance was given for conversion of export agriculture crops cultivations into organic cultivations for promotion of organic agriculture and the expenditure for the organic certification was borne by the government.
- ➔ Infilling plants were distributed free of charge to the Cinnamon and Pepper plantations with the purpose of enhancing the productivity.
- ➔ Necessary steps were taken to introduce harvesting methods enabling to retain the productivity high.
- ➔ 50% of investment assistance was given for raw material in Pepper, Cinnamon and Citronella plantations. Planting material for other export agriculture crops was distributed free of charge and plants for promoting arecanut cultivation were also distributed free of charge.
- ➔ Necessary actions were taken to introduce value added products for improving the quality of products and to promote the products in the field.
- ➔ Approval of the Cabinet of Ministers was obtained to suspend the import of spices to Sri Lanka especially for re-exports through various methods. Further, sub-sections (1) and (2) of section 22 A of Para 235 of the Customs Ordinance were amended through the Gazette No.2116/7 dated 26.03.2019 not allowing to the import of white Pepper, dried (Karunka), Nutmeg/ Mace, Turmeric and Cinnamon
- ➔ The re-export of Pepper, dried (Karunka), Cinnamon, Nutmeg, Mace, Ginger, Turmeric, Cardamom and Clove was banned by a Gazette Notification in the latter part of the year. Thereby, any re-export, business or service activity related to these spices was banned in the country.
- ➔ Initiatives have been taken to register Cinnamon and Pepper in the global indicator

Cashew Sector

- ➔ A special cashew cultivation programme was launched jointly with the army in the lands managed under the security forces.
- ➔ 350,239 plants were produced by the nurseries of the Cashew Corporation for cashew cultivation programmes.
- ➔ Research and development activities in respect of enhancement of the productivity of cashew lands and value addition were carried out in collaboration with the Agriculture and Plantation Management Faculty of the Wayamba University.
- ➔ Approval of the Cabinet of Ministers was obtained to acquire the ownership of the lands owned by the Cashew Corporation subject to the Lease Agreement of the Land Commissioner General.

Sugarcane Sector

- ➔ Approval of the Cabinet of Ministers was obtained to declare “Sugarcane” as a major plantation crop in Sri Lanka.
- ➔ Relevant activities were carried out to establish a new sugar factory in Athimale and actions are being taken to expand the extent of related sugarcane lands
- ➔ Actions were taken to expand sugarcane cultivation in Kilinochchi to produce Jaggery and Syrup.
- ➔ Providing Rs.5000 per 01 Mt. of sugarcane to the farmers was ensured continuously.
- ➔ A Steering Committee was established for development of sugarcane cultivation and sugar sector and drafting of new Sugar Act was initiated.
- ➔ Approval of the Cabinet of ministers was obtained to import Glyphosate to use for sugarcane cultivation.

Targets and Prospects 2020

Tea Sector

- ➔ Formulating and implementing an Action Plan for producing required plants for tea replanting and infilling in the years 2020/ 2021.
- ➔ Establishment of tea small holding model gardens and implementation of a programme in collaboration with Unilever Sri Lanka PLC for uplifting tea smallholders as small scale entrepreneurs. In this context, at the first stage, necessary actions are being taken to establish 05 model farms in Ratnapura district and a model farm in St. Joachim Estate of the Tea Research Institute of Sri Lanka.
- ➔ Signing a preliminary Memorandum of Understanding between the Sri Lanka Tea Board and Benny Tea Co. Ltd in China for the purpose of sale of Ceylon Tea in Republic of China.
- ➔ “Ceylon Tea” should be registered as geographical indicator to institute legal action to prevent the sale of other origin tea labeling as “Ceylon Tea” in foreign countries. It has not yet been registered in Sri Lanka for the purpose and actions are being taken by the National Intellectual Property Office to prepare required Acts and draft legislations. Appointment of a Technical Committee comprising all stakeholders to extend required assistance to expedite the works.
- ➔ In terms of the Cabinet approval, it is expected to take the following courses of action under the Tea Sector Revival and Modernization Programme.
 - ❖ To ban on tea imports with suitable flexibility and ban on re-exports of blended imported tea with “Ceylon Tea” at cheaper prices, when production reaches to a satisfaction level.
 - ❖ To pursue necessary actions with “Ceylon Tea” importing countries to increase their imports at least by 10% per year from the year 2020.
 - ❖ To inform Sri Lanka Customs and Sri Lanka Ports Authority to facilitate export of tea by adopting simple and export friendly procedures and practices.
- ➔ Registering commercial tea nurseries or tea seeds gardens with the Department of Agriculture in terms of the Seeds Act No.22 of 2003 (01st August 2003) with the purpose of maintaining a sustainable tea plantation using quality tea plants and drafting a guideline including activities to be followed for maintaining quality tea seeds nurseries and obtaining required approvals.

Coconut Sector

- ➔ Maintaining the annual coconut yield at a level exceeding 3000 mn nuts through the existing plantation.
- ➔ Taking actions to expand the certification of coconut oil mills.
- ➔ Developing a mechanism to collect waste coconut husks and coconut shells with the purpose of adding them to the coconut industry.
- ➔ Developing a legal framework to curb blending coconut oil and palm oil.
- ➔ Developing coconut lands as commercial units.
- ➔ Earning foreign exchange of Rs.130 billion through coconut based products by value addition, improving technology and increasing the market price as well as the international market for products.

Rubber Sector

- ➔ Improving rubber plantation units to economically productive units.
- ➔ Tapping in non-tapping rubber plantation units through subsidy services and improving them to economically profitable units.
- ➔ Implementation of alternative methods which includes creating and developing local market to make the price for rubber latex favourable.
- ➔ Paying special attention for control of pest diseases in rubber cultivation and coordinating required activities.
- ➔ Taking necessary actions to implement the programme already prepared for enhancement of rubber production and productivity.
- ➔ To finalize drafting of regulations made under the Rubber Replanting Act and publishing in the Gazette.
- ➔ Implementing a rapid programme for control of Pestalotiopsis disease spreading in rubber plantation.

- ➔ Making Sri Lankan contribution to the Task Force appointed by the Association of Natural Rubber Producing Countries for proposing strategies to increase rubber price within short period.
- ➔ Making amendments to the Rubber Research Act.
- ➔ Evaluation of the proposal made by the China Hainan Rubber Industry Group and pursuing actions.
- ➔ Since actions were taken to liquidate Rubber Control Fund and Rubber Replanting Fund, making amendments to the relevant Acts repealing the said sections in terms of the Cabinet Decision.
- ➔ Since funds were allocated for monthly maintenance of the Sri Lanka Rubber Manufacturing Corporation, regularizing the service of Competent Authority, coordination with the General Treasury and pursuing relevant actions to lease out Elpitiya Factory which is presently closed down.
- ➔ Coordinating activities related to the Association of Natural Rubber Producing Countries (ANRPC) and International Rubber Study Group and making further contribution to the activities carried out by the International Organizations.
- ➔ Taking actions to conduct a programme of the Association of Natural Rubber Producing Countries in Sri Lanka in second quarter of the year 2020.
- ➔ Representing the Ministry in respect of the activities of the Advisory Committee for rubber and plastic products of the Export Development Board and the rubber sector.

Cashew Sector

- ➔ Expanding the extent of new lands under cashew cultivation in potential growing areas.
- ➔ Providing training on technical methods for enhancing productivity to growers.
- ➔ Designing training programmes on Good Agricultural Techniques in collaboration with National Institute of Plantation Management to train farmers.
- ➔ Continuing research and development activities carried out in collaboration with the Wayamba University.

- ➔ Sale of 34 Mt. of cashew kernel based products and generating Rs.115 million through providing new equipment and technology to small and medium scale manufacturers for value addition, packing and stabilization through enhancing productivity of cashew processing industry.

Sugarcane Sector

- ➔ Increasing the yield by 10% and ENA production by 20% by enhancing the quantity of sugar derived through crushing sugarcane as against the year 2019.
- ➔ Expanding the capacity of sugar factories from 6550 Mt. to 7750 Mt. per day. It is expected to add the capacity of 1200 Mt. of Athimale new sugar factory for the purpose.
- ➔ Expanding sugarcane cultivation to 500 hectares in Kantale.
- ➔ Increasing local sugar production up to 70,000 Mt.

Export Agriculture Sector

- ➔ Taking courses of action to expand the extent of cultivated lands and especially, to double the extent of lands under the crops such as Turmeric and Ginger.
- ➔ Increasing the production of required plants for all planting programmes.
- ➔ Expansion of introducing required technical strategies to growers for enhancing productivity of plantations.
- ➔ Promoting required technical strategies to improve the quality of export agriculture crops products.
- ➔ Increasing foreign exchange earnings through certified value added products and enhancing total production.
- ➔ Securing the name “Sri Lanka” in the international spices market.

Planning Division

- ➡ Conducting a workshop for the officials of the Ministry and the affiliated institutions to make project proposals as per the new format introduced by the Department of National Planning to make project proposals.
- ➡ Implementation of proposed programmes and field support to Asian Development Bank assistance loan to implement Tea Sector Development Programmes.
- ➡ Releasing proposed programmes implemented for development of tea sector on loan grants of Asian banks and initiating to provide field assistance.
- ➡ Providing assistance of the Ministry to the programme funded by the European Union for Modernization of Agriculture Sector.
- ➡ Allocating provisions for at least 10 new projects to implement for development of the plantation sector from the latter part of the year 2020.
- ➡ Evaluating Action Plan of the companies in addition to the Departments, Boards, Authorities and Corporations coming under the Ministry.
- ➡ Expanding field activities of the development projects for which provisions are directly allocated to the Ministry.
- ➡ Expanding operational activities of two foreign funded projects coming under the Ministry.

Division wise Performance of the Ministry

Plantation Management Monitoring Division

»» Recovering lease rentals from the Regional Plantation Companies

This Division collects the lease rental from the Regional Plantation Companies to which government owned lands have been leased out and Rs.753.57 million has been collected as lease rental during the year.

Description	Amount (Rs.)
The estimated lease rental to be collected from the last quarter of 2018 to third quarter of 2019	1022.56
The arrears of lease rental in previous years recovered in 2019	160.53
Lease rental for the year 2019 recovered in the same year	593.04

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

Approval has been granted for 04 new sub-leases during the year. 02 Plantation Companies have collected Rs.664,701.99 as sub-lease rental for 04 sub-leases during the year.

»» Collection of Data on Financial Progress of the Regional Plantation Companies

The activities such as collection of data on quarterly and annual accounts statements published by the Regional Plantation Companies (RPCs), data storage, analyzing and submission on the requirements of the Ministry and Department of Public Enterprises are carried out continuously.

»» Monitoring of Timber Harvesting and reforestation of Regional Plantation Companies

After conducting field inspections, approval has been granted for all timber harvesting in estate lands managed by the Regional Plantation Companies on the recommendations, approvals and requests made by other related government institutions. As per the Forest Management Plan, approval has been granted to timber harvesting in 57 estates of 07 Regional Plantation Companies during the year and reforestation in 171.59 hectares has been undertaken.

»» **Special Field Inspections**

Reports have been prepared after conducting special field inspections in following 18 estates.

Plantation Company	Estates
Kahawatta Plantations	Houpe, Adana, Poranuwa, Akaralla, Imbulpitiya, Westhall, Queensberry
Mathurata Plantations	Highforest, Leadlesdale, Ragala, St.Lenads, Bramly, Mathurata
Namunukula Plantations	Pellawatta, Walpita, Pallegoda
Horana Plantations	Halwathura
Hapugasthenna Plantations	Hapugasthenna Rubber

»» **Granting approval to release lands for public purposes on requirements of the government**

During the year, approval has been granted to release 10.0652 hectares of lands as given below subject to approval of the Golden Shareholder based on recommendations and approvals of relevant institutions.

Matter	No. of plots of lands released	Extent of lands released (Hectares)
Ran Surakum Housing Project (No. of Houses) - 2019	110	2.2796
Ran Surakum Housing Project (No. of Houses) - 2017	42	1.2221
Indian funded Housing Project – Stage (i)	150	3.3
Indian funded Housing Project – Stage (ii)	150	3.0635
Schools, water projects and various development activities	04	0.2

»» **Eviction of squatters in the lands managed by Regional Plantation Companies**

Field inspections were conducted to evict squatters in the lands managed by the Regional Plantation Companies and those who illegally acquired the lands and legal actions have been instituted against 606 persons.

Planning Division

»» **Submission of Project Proposals to Department of National Planning**

- 10 project proposals for development and enhancement of the productivity of tea, rubber and coconut sectors were submitted to the Department of National Planning of which 01 project proposal was recommended by the Department to obtain Treasury allocations in the year 2019 and the remaining proposals are under discussions to submit for the Budget 2020.

»» **Submission of Cabinet Memoranda**

- 03 Cabinet Memoranda were submitted for the projects 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.

»» **Submission of Progress Reports**

- Preparation and submission of quarterly progress reports as per the format of the Presidential Secretariat.
- Preparation and submission of monthly and quarterly progress reports as per the format of the Department of Project Management and Monitoring.
- Reporting the progress of the plantation sector projects to other Ministries and institutions.
- 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 hard copies and computerized presentation of quarterly and annual descriptive progress reports for the Progress Review Meetings.

»» **Preparation of Ministry Publications**

- Performance Report of the Ministry – 2018 was prepared and tabled in Parliament with approval of the Cabinet of Ministers.

»» **Formulation of Action Plan**

- Formulation of Ministry Action Plan 2019 and formulation of the revised Action Plan.
- Formulation of Action Plans for the development projects of the Ministry for which provisions are allocated directly.

- Reviewing Action Plans of the affiliated institutions and undertaking operational activities of the progress of implementation.

»» **Coordination of Special Development Projects**

- Monitoring Action Plan of the Smallholder Tea and Rubber Revitalization project (STARR), progress review and following-up of the programmes, coordinating with other institutions for special activities.
- Coordinating with the Department of National Planning and Department of Development Finance in respect of a foreign funded project for development of sugarcane sector.
- Coordinating with the General Treasury in respect of Public-Private Partnership Project for development of cashew cultivation.
- Evaluation of Estimates 2020 and the Estimates of Vote on Account in respect of projects of the Ministry for which provisions are directly allocated and coordination with the Department of National Budget.

»» **Coordination of Foreign Delegates**

- Providing information and representing the Ministry of Plantation Industry to the 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**

- | | |
|--|------|
| • Progress Review Meetings - | - 08 |
| • Meetings on Special Development Projects | - 09 |
| • Meetings on annual Action Plan and previous year Progress Review | - 12 |
| • Meetings of Smallholder Tea and Rubber Revitalization Project | - 06 |
| • Discussions of ADB Delegates | - 03 |
| • Other Delegates meetings | - 01 |

Performing functions of Tea Shakthi Fund

»» A sum of Rs.13 million was allocated to Tea Small Holdings Development Authority for payment of Group Insurance installments of the Welfare Division.

»» Hiniduma Hills and Manikdiwela tea factories were handed over to Kalubowitiyana Tea Factory Ltd to substitute the loan amount of Rs.50.00 million obtained by the Tea Shakthi Fund from Kalubowitiyana Tea Factory Ltd and the interest thereon.

- »» Walahanduwa and Mahaweli factories were leased out to external parties by following formal procurement process.
- »» On the order of the Labour Tribunal, Bandarawela, a sum of Rs.2,058,496.00 was paid as compensations to 9 employees of Keppetipola Tea Shakthi Tea Factory.
- »» On the order of the Labour Tribunal, Nawalapitiya, a sum of Rs.3,821,000.00 was paid as compensations to 15 employees of Kothmale Tea Shakthi Tea Factory.
- »» On the order of the Labour Tribunal, Nawalapitiya, a sum of Rs.1,302,000.00 was paid as compensations to 06 check roll workers of the Mahaweli Tea Shakthi Tea Factory.
- »» On the concurrence of both party at a case hearing in Badulla Magistrate Court, a sum of Rs.651,000.00 as compensations was paid to 7 employees of Deniyaya Tea Shakthi Tea Factory.

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

»» **Receiving Applications**

Description	Number
Applications received	553
Applications submitted to the Board of Directors	448
Applications approved by the Board of Directors	431
Applications rejected	3
Applications decided to submit for field inspections/ legal advices	8
Applications inapplicable to the Act	6

Ministry of Plantation Industries and Export Agriculture

No. of Applications received	Method of Transfer	Extent of land applied			Extent of land approved up to 31.12.2019		
		Acres	Roods	Perches	Acres	Roods	Perches
113	Single Units	1758	3	19	1670	3	37.20
440	Other Transfers	7279	2	35.38	5507	0	30.45
553	Total	9038	2	14.38	7178	0	27.65

»» District wise applications

District	No. of Applications received
Kurunegala	232
Puttalam	170
Gampaha	48
All other districts except for above districts	103
Total	553

»» Crop wise applications

Crop	No of Applications	Extent of land (applied)		
		Acres	Roods	Perches
Coconut	461	7123	0	5.78
Rubber	10	199	1	12.10
Tea	28	1072	0	26.71
Other	54	644	0	9.79
Total	553	9038	1	14.38

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

Financial Progress as at 31.12.2019

Serial No.	Project	Financial Target 2019 (Rs.Mn.)	Revised Target (Rs.Mn.)	Financial Progress (Rs.Mn.)	Bills in Hand
01	Programme for Control of Weligama Coconut Leaf Wilt & Rot Disease (Since 2018)	35.00	42.00	38.42	3.30
02	Kapruka Fund (2018 - 2020)	28.50	17.22	5.40	11.82
03	Detailed Mapping on major pest attacks on Coconut (2017-2019)	11.00	6.67	6.67	-
04	Project for Establishment of “Wavili Saviya” Skilled Workforce	13.25	5.30	1.80	3.50
05	Programme for expansion of production and distribution of Predatory Mites to prevent Mite damage (2019-2021)	12.32	3.36	3.36	-
06	Identification of the Potential Pest and Disease Problem Rubber in Non-Traditional Areas to Develop Improved Management Strategies (2016-2020)	3.00	3.00	2.90	0.10
07	Production of genetically superior high yielding coconut planting material for National Replanting Programme (2017-2019)	19.00	17.50	17.50	-
08	Project for Training of Professional Rubber Tappers (2018-2020)	8.50	8.50	7.20	1.19
09	Developing a model estate for rubber at Darton field to demonstrate how to meet the global competitiveness in plantation industries with locally available technology (2017-2021)	11.80	10.03	9.63	-
10	Project for modification of fertilizer recommendation systems of Hevea with reference to plant, soil and field parameters (2017-2021)	3.05	3.05	2.27	-
11	Establishment of modern smoke houses with cost effective high performance (2019)	15.00	8.80	1.80	7.00
12	Project for development of Group Processing Centers (2019-2020)	1.53	1.53	0.11	1.38

Ministry of Plantation Industries and Export Agriculture

Serial No.	Project	Financial Target 2019 (Rs.Mn.)	Revised Target (Rs.Mn.)	Financial Progress (Rs.Mn.)	Bills in Hand
13	Project for Establishment of a Mechanism to Multiply and Disseminate Quality Planting Materials and Improved Seed Materials among Tea Smallholders (2017 – 2021)	20.80	14.90	5.60	9.30
14	Project for Upgrading of Laboratory and Infrastructure in Tea Research Institute of Sri Lanka (2017 – 2019)	162.7	44.53	6.70	37.83
15	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)	141.60	100.00	60.78	39.22
16	Project for Implementation of Rubber Master Plan (Since 2016)	20.00	20.00	10.67	2.50
17	Fixing of Name Boards to tube wells constructed to meet drink water requirements of tea smallholders (2019)	1.00	0.922	0.606	-
18	Project for strengthening assistance to Tea Smallholders to improve productivity (2019)	231.96	149.85	93.65	47.07
19	Production of hybrid coconut seedlings to meet the requirement of coconut growers	14.50	0.6	0.6	-
20	Project of Cadastral Surveying in lands of Plantation Companies (2018 – 2023)	100.00	91.97	56.33	35.37
21	Awareness programme for improving capacity of estate workers for production of high quality products through uplifting living standard of estate workers (2019)	4.00	4.00	0.595	-
Foreign Funded Projects					
01.	Small Tea and Rubber Revitalization Project (STaRR) 2016 - 20201	1,120.00	-	1,118.88	-
02.	Agriculture Modernization Project	1,300.00	-	1,300.00	-

Physical Progress – as at 31.12.2019

No.	Project	Physical Progress
01	Programme for Control of Weligama Coconut Leaf Wilt & Rot Disease	• 14,251 infected palms have been marked. • The number of infected palms had been increased due to the facts that the injection of palms was suspended due to Glyphosate ban and removal of infected palms was delayed by land owners due to the irregularity of receiving imprests to pay compensations for removed palms. However, it has been managed. • The No. of injected palms is 667. The No. of palms felled by Coconut Cultivation Board is 331. Removal of palms by land owners is 8459.
02	Kapruka Fund	• 01 awareness meeting had been held. • 02 Resources Centers were developed and equipment had been furnished to promote coconut based ventures. • Members of 11 societies have been mobilized to grant loans. • 04 exhibitions and weekly fairs have been conducted in selected areas.
03	Detailed Mapping on major pest attacks on Coconut	• 12,787 basic data has been computerized. • Data has been entered to the maps of 08 districts by GIS software. • 06 Tabs and 04 computers have been procured.
04	Project for Establishment of “Wavili Saviya” Skilled Workforce	• 11 field level training programmes and 19 field days have been conducted. • Relationships with 3929 coconut growers have been built by the work force. • 02 training programmes have been conducted at Lunuwila Coconut Development Training Center.
05	Programme for expansion of production and distribution of Predatory Mites to prevent Mite damage	• 04 buildings have been reconstructed for storage of Predatory Mites. • 06 Air conditioners have been purchased. • 19 laboratory equipments have been purchased.
06	Identification of the Potential Pest and Disease Problem Rubber in Non-Traditional Areas to Develop Improved Management Strategies	• Experiments of disease covers in Padiyathalawa nursery were completed. • A nursery was established for disease cover research in Darton Field. • A leaflet was printed and posters were designed to distribute disease information.

No.	Project	Physical Progress
07	Production of genetically superior high yielding coconut planting material for National Replanting Programme	• Works of drip irrigation in Ambakele seed garden were completed. • Works of Hose irrigation in Pallama seed garden were completed. • 97,145 hybrid seeds were produced and 20000 seedlings have been distributed.
08	Project for Training of Professional Rubber Tappers	• It was targeted to train 380 professional rubber tappers of which 378 have been trained.
09	Developing a model estate for rubber at Darton field to demonstrate how to meet the global competitiveness in plantation industries with locally available technology	• 80% of rubber replanting in 2427 hectares has been completed. • The factory has been painted. • 90% of wiring of the factory has been completed. • Floor of the factory has been tiled.
10	Project for modification of fertilizer recommendation systems of Hevea with reference to plant, soil and field parameters	• 120 samples have been collected. 1200 Parameters have been analyzed. • A database has been designed for fertilizer recommendation. • 02 soil masses have been prepared to be applicable to rubber growing districts of Kurunegala and Colombo. • Surveying in total land extent of 650 hectares including 07 estates has been finalized and 07 soil grades have been identified.
11	Establishment of modern smoke houses with cost effective high performance	• Constructions of 11 smoke houses have been completed.
12	Project for development of Group Processing Centers	• Electricity has been provided to the center where the electricity is needed. • Electric motors have been purchased.
13	Project for Establishment of a Mechanism to Multiply and Disseminate Quality Planting Materials and Improved Seed Materials among Tea Smallholders	• Mother bushes have been established as 66% in Upcountry, 70% in Central province, 63% in Uva province and 76% in Low-country.
14	Project for Upgrading of Laboratory and Infrastructure in Tea Research Institute of Sri Lanka	• Repairs to new rooms of Agronomy Division have been completed. • Quotations have been called for 11 laboratory equipments for laboratories of which 3 equipments have been purchased. • Construction works of water supply system have been completed. • Repairs in the Biological Laboratory have been completed.

Ministry of Plantation Industries and Export Agriculture

No.	Project	Physical Progress
15	Project for upgrading the National Institute of Plantation Management (NIPM) training facilities towards the plantation sector development in accordance with the university college concept	- Concrete works of the entire building have been completed. - Syllabus of NVQ Level 5 has been developed. - Plantation Project Management Courses have been initiated. - The relevant application to start courses up to degree level has been referred to the University Grants Commission.
16	Project for Implementation of Rubber Master Plan	- Memorandum of Understanding has been signed to implement Project No. 06 of the Rubber Master Plan. Improvement of the motorized tapping knife is in progress. - Green Belt stage of Six Sigma training pertaining to Project No.14 has been completed. - Agreements have been signed with Industrial Development Board for Project No.22.
17	Fixing of Name Boards to tube wells constructed to meet drink water requirements of tea smallholders	Name Boards have been fixed as 11, 20, 30 and 14 respectively in DS Divisions of Hanguranketha, Walapane, Kothmale and Ambagamuwa in Nuwara Eliya District.
18	Project for strengthening assistance to Tea Smallholders to improve productivity	4300 water motors have been distributed.
19	Production of hybrid coconut seedlings to meet the requirement of coconut growers	20% Hand Pollination programmes are implemented. 150 Green Kundira seedlings have been planted. 2000 seeds have been sown in nurseries. - Tenders have been called for Pollination Laboratory. - Tenders have been re-called for 1000 boundary poles. - Tenders have been called for Pollination Processing Machine.
20	Project of Cadastral Surveying in lands of Plantation Companies	- Surveying of 71 estates have been completed in 2019. - At present, surveying of 191 estates have been completed.
21	Awareness programme for improving capacity of estate workers for production of high quality products through uplifting living standard of estate workers	- It is conduct in Badulla and Nuwara Eliya District. - One programme has been conducted with the participation of estate workers in Badulla District.




Chief Accounting Officer / Accounting Officer/ Department head

Chapter 03 – Overall Financial Performance for the Year ended 31st December 2019

3.1 Statement of Financial Performance

ACA-F

Rs.

Budget (2019)		Note	Actual		
			2019	2018	
-	Revenue Receipts		-	-	ACA-1
-	Income Tax	1	-	-	
-	Taxes of Domestic Goods & Services	2	-	-	
-	Taxes on International Trade	3	-	-	
1,166,643,012	Non Tax Revenue & Others	4	753,578,967	871,317,082	
1,166,643,012	Total Revenue Receipts (A)		753,578,967	871,317,082	
-	Non Revenue Receipts				
2,596,966,00.00	Treasury Imprests		2,059,105,436	1,226,519,217	ACA-3
-	Deposits		12,887,672	22,749,181	ACA-4
8,000,000.00	Advance Accounts		16,313,535	15,279,148	ACA-5/5
15,504,000.00	Other Receipts		24,236,614	4,906,676,987	(a)
2,620,470,000.00	Total Non Revenue Receipts (B)		2,112,541,257	6,171,224,533	
3,787,113,012.00	Total Revenue Receipts & Non Revenue Receipts C =(A)+(B)		2,866,120,224	7,042,541,615	
	Less : Expenditure				
-	Recurrent Expenditure				ACA-2(II)
307,131,500	Wages, Salaries & Other Employment Benefits	5	302,614,092	284,765,608	
195,124,500	Other Goods & Services	6	189,101,248	176,631,555	
2,728,764,000	Subsidies, Grants and Transfers	7	2,584,477,587	2,510,203,764	
-	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	32,110	
3,231,020,000	Total Recurrent Expenditure (D)		3,076,192,927	2,971,633,037	
	Capital Expenditure				ACA 2(II)
22,448,000	Rehabilitation & Improvement of Capital Assets	10	10,321,223	9,204,323	
5,000,000	Acquisition of Capital Assets	11	3,805,452	3,386,358	
3,758,466,000	Capital Transfers	12	2,869,623,061	2,688,422,131	
-	Acquisition of Financial Assets	13	-	-	

Ministry of Plantation Industries and Export Agriculture

4,091,000	Capacity Building	14	4,090,789	4,641,464	
885,732,000	Other Capital Expenditure	15	506,970,573	427,730,073	
4,675,737,000	Total Capital Expenditure (E)		3,394,811,098	3,133,384,349	
62,000,000	Main Ledger Expenditure (F)		71,295,329	47,325,746	
42,000,000	Deposit Payments Advance		51,365,936	28,759,381	ACA-4
20,000,000	Payments		19,929,393	18,566,365	ACA-5/5(a)
7,968,757,000	Total Payments G=(D+E+F)		6,542,299,354	6,152,343,132	
(4,181,643,988)	Imprest Balance as at 31 st December 2019 H=(C-G)		(3,676,179,130)	890,198,483	

3.3 Statement of Financial Position

Statement of Financial Position As at 31st December 2019

ACA-P

Description	Note	Actual	
		2019 (Rs)	2018 (Rs)
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA-6	720,218,544	708,886,662
<u>Financial Assets</u>			
Advance Accounts	ACA-5/5(a)	38,467,296	34,794,669
Cash & Cash Equivalents	ACA-3	874,085	-
Total Assets		759,559,925	743,681,331
<u>Net Assets/Equity</u>			
Net worth to Treasury		35,927,733	(6,243,657)
Property, Plant & Equipment Reserve		720,218,544	708,886,662
Rent and work Advance Reserve	ACA-5(b)	-	-
<u>Current Liabilities</u>			
Deposits Accounts	ACA-4	2,539,563	41,038,327
Imprest Balance	ACA-3	874,085	-
Total Liabilities		759,559,925	743,681,331

Detail Accounting Statements in above ACA format Nos. 1 to 6 presented in pages from 34 to 35 and Notes to accounts presented in pages from 37 to 41 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.



Chief Accounting Officer

Accounting Officer

Name :

Designation : Secretary (Acg)

Date :

Ministry of Plantation
industries and Export
Agriculture

04/06/2020

Name :

Designation :

Date :



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

Name : P. S. M. Senadheera

Date : 04/06/2020
Chief Financial Officer
Ministry of Plantation Industries and Export Agriculture
11th Floor, Sethsinpaya Stage II
Battaramulla.

Anuradha Wijekoon

Secretary

State Ministry of Tea Industry Development
8th Floor, Sethsinpaya Stage II
Battaramulla.

3.4 Statement of Cash Flows

ACA-C

Statement of Cash Flows for the Period ended 31st December 2019

Description	Actual	
	2019 Rs.	2018 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	753,578,967	-
Profit	-	-
Non Revenue Receipts	2,083,340,050	7,042,541,616
Total Cash generated from Operations (a)	2,836,919,017	7,042,541,616
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	491,715,340	461,429,273
Subsidies & Transfer Payments	2,584,477,587	2,510,203,765
Finance Costs - Imprest Settlement to Treasury	600,000,000	
Total Cash disbursed for Operations (b)	3,676,192,927	2,971,633,037
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)	(839,273,910)	4,070,908,579
<u>Cash Flows from Investing Activities</u>		
Interest		
Dividends	-	
Divestiture Proceeds & Sale of Physical Assets	-	
Recoveries from On Lending	-	
Recoveries from Equipment		
Total Cash generated from Investing Activities (d)	-	
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	3,394,811,098	3,133,384,349
Total Cash disbursed for Investing Activities (e)	3,394,811,098	3,133,384,349

NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(d)-(e)	(3,394,811,098)	
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	(4,234,085,008)	-
<u>Cash Flows from Fianacing Activities</u>		
Local Borrowings	-	
Foreign Borrowings	-	
Grants Received	-	
Total Cash generated from Financing Activities (h)	-	
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	
Repayment of Foreign Borrowings	-	
Change in Deposit Accounts and Other Liabilities	(42,094,122)	47,325,746
Total Cash disbursed for Financing Activities (i)	(42,094,122)	47,325,746
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	42,094,122	3,180,710,095
Net Movement in Cash (k) = (g) -(j)	(4,276,179,130)	890,198,484
Opening Cash Balance as at 01st January	-	
Closing Cash Balance as at 31st December	-	-

3.5 Notes to the Financial Statements

Note	Expenditure	135-01-01	135-01-11	135-01-02	135-02-03	135-02-04	Total
Recurrent Expenditure							
5	Wages, Salaries & Other Employment Benefits	15,216,630	12,709,198	274,688,264	-	-	302,614,092
6	Other Goods & Services	17,282,691	13,899,960	157,918,597	-	-	189,101,248
7	Subsidies, Grants and Transfers	-	-	11,159,587	-	2,573,318,000	2,584,477,587
8	Interest Payments	-	-	-	-	-	-
9	Other Recurrent Expenditure	-	-	-	-	-	-
Total Recurrent Expenditure		32,499,321	26,609,158	443,766,448	-	2,573,318,000	3,076,192,927
Capital Expenditure							
10	Rehabilitation & Improvement of Capital Assets	1,263,801	1,030,713	8,026,709	-	-	10,321,223
11	Acquisition of Capital Assets	502,315	899,077	2,404,059	-	-	3,805,541
12	Capital Transfers	-	-	-	1,217,993,061	1,651,630,000	2,869,623,061
13	Acquisition of Financial Assets	-	-	-	-	-	-
14	Capacity Building	-	-	4,090,789	-	-	4,090,789
15	Other Capital Expenditure	-	-	-	506,970,573	-	506,970,573
Total Capital Expenditure		1,766,116	1,929,790	14,521,558	1,724,963,634	1,651,630,000	3,394,811,098

3.6 Performance of the Revenue Collection

Rs. ,000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
20.02.01.04	Lease rental received from the RPC	1,550,000	1,166,643	753,579	64%

3.7 Performance of the Utilization of Allocation

Rs. ,000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	3,222,000	3,231,020	3,076,193	95.0%
Capital	4,166,000	4,675,737	3,394,811	72.6%

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

Rs ,000

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
01	President secretarial	Environmental Conservation Program	-	10,790	10,634	99%
02	Ministry of Education	Vocational Training Program	-	14,346	14,336	100%
03	Ministry of Economic Affairs	Graduate salaries	-	2,740	1,974	72%

3.9 Performance of the Reporting of Non-Financial Assets

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2019	Balance as Per financial Position Report as at 31.12.2019	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	-	-	-	-
9152	Machinery and Equipment	-	720,218	-	100%
9153	Land	-	-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

Chapter 04 — Performance indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% - 90%	75% - 89%	50% - 74%
The Amount of tax received per year from ROC's		✓	
No. of Estates that complied cadaster survey			✓
No. of application to submit		✓	
No. of conducted progress review meeting	✓		
No. of approved action plans	✓		
No. of conducting training programme	✓		
No. of completed annual performance appraisals			✓
No. of updated personnel files		✓	
No. of answered Audit Queries	✓		
No. of conducted AMC meetings			✓
No. of submitted financial reports to the General Treasury	✓		
No. of cabinet memorandum submitted	✓		
No. of review strategies for implementing policies and programmes	✓		

Chapter 05- Performance of the achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0% - 49%	50% - 74%	75% - 100
02	Promotion of sustainable plantation sector	Maintaining a relative high level of new and replanting as well as infilling (Ha.)			75%
02	Promotion of sustainable plantation sector	A relative increase the productivity (kg/Ha.)			85%
02	Promotion of sustainable plantation sector	Area of implementation soil conservation methods (Ha.)		65%	
02	Promotion of sustainable plantation sector	Production and Certification of quality plants. (No. of certified nurseries)			85%
09	Ensuring sustainable plantation crop production and export pattern	Export promotion of value added products (units)			75%
09	Ensuring sustainable plantation crop production and export pattern	Number of new entrepreneurs who are exporting plantation crop based products.(units)		70%	
17	Sustainability of Nontraditional export market	The number of non-traditional markets where plantation products are exported. (No. of Counties)		55%	

5.2 Briefly explain the achievements and challenges of the Sustainable Development Goals

Achievements of the Sustainable Development Goals

- »» Officials of the Ministry and its affiliates have been made aware of the targets and indicators among the Sustainable Development Goals that can be developed in relation to the Ministry.
- »» This Ministry has provided views and proposals by participating in the workshops and meetings during the planning phase on implementation of SDG
- »» Paying greater attention to infilling in plantation crops and as well as paying more attention to promoting cultivation in non-traditional areas.
- »» Increased exporter's attention to promote the non-traditional export market and to improve the infrastructure required it.
- »» Increased incentives to research and facilities for value added products.

Challenges of the Sustainable Development Goals

- »» Distributions from climate change disasters and natural disasters
- »» Limitations of allocation for research incentives
- »» Impact of exports through disasters, political instability and economic crisis in globally.

Chapter 06 - Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess)
Senior	33	24	09
Territory	04	03	01
Secondary	594	471	123
Primary	66	64	02

6.2 Even though there were vacancies, duties have been done by the officer has been assigned based on acting to senior level position measures have been taken to fulfill the duties of the secondary level officers by delegating duties in the divisions where there were vacancies.

6.3 Human Resource Development

Name of the Program	No. of staff trained	Duration of the program	Total Investment (Rs'000)		Nature of the Program (Abroad/ Local)	Output/ Knowledge Gained*
			Local	Foreign		
Basic certificate course in Tamil Language	9	From 2019.04 to 04 months	135,000.00	-	Local	Increase the efficiency of the institution by increasing the knowledge of the subject matter of the office
Disciplinary Management and Disciplinary Procedure in Government Institutions	40	2019.05.27 and 28	158,763.00	-	Local	
Leading for the next Generation	1	2019.09.23	13,000.00	-	Local	
Diploma course in Government Procurement and Contract Management	1	2018 / 2019	25,000.00	-	Local	
Course in Tamil Language	45	2019	45,000.00	-	Local	

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Microsoft Excel – Advanced Analysis Tool	5	2019.07.11 and 12	85,000.00	-	Local	
Higher Certificate course in Transport Management	1	2019.07.26	45,000.00	-	Local	Increase the efficiency of the institution by increasing the knowledge of the subject matter of the office
Training course for officers in Development Officer's Service and Public Management Service	120	2019.08.08 and 09 2019.08.20 and 21	340,000.00		Local	
Payroll System	2	2019.09.04 and 05	36,000.00		Local	
Training workshop for Drivers	60	2019.09.19	29,000.00		Local	
Second Country Study Visit	1	2019.10.05 - 09		65,000.00	Foreign	
Training Course on Tea Production Technology for Sri Lanka	11	2019.11.05 – 2019.12.20		245,300.00	Foreign	

Chapter 07— Compliance Report

No.	Applicable Requirement	Compliance Status (Complied / Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied	-	-
1.2	Advance to public officers account	Complied	-	-
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Related	-	-
1.4	Stores Advance Accounts	Not Related	-	-
1.5	Special Advance Accounts	Not Related	-	-

1.6	Others	Not Related	-	-
2	Maintenance of books and registers (FR445)		-	-
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018 10	Complied	-	-
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied	-	-
2.3	Register of Audit queries has been maintained and update	Complied	-	-
2.4	Register of Internal Audit reports has been maintained and update	Complied	-	-
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied	-	-
2.6	Register for cheques and money orders has been maintained and update	Complied	-	-
2.7	Inventory register has been maintained and update	Complied	-	-
2.8	Stocks Register has been maintained and update	Complied	-	-
2.9	Register of Losses has been maintained and update	Complied	-	-
2.10	Commitment Register has been maintained and update	Complied	-	-
2.11	Register of Counterfoil Books (GA — N20) has been maintained and Update	Complied	-	-

03	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied	-	-
3.2	The delegation of financial authority has been communicated within the institute	Complied	-	-
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied	-	-
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied	-	-
4	Preparation of Annual Plans			
4.1	The annual action plan has been Prepared	Complied	-	-
4.2	The annual procurement plan has been prepared	Complied	-	-
4.3	The annual Internal Audit plan has been prepared	Complied	-	-
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied	-	-
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied	-	-
5	Audit queries			

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5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied	-	-
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019	Complied	-	-
6.2	All the internal audit reports has been replied within one month	Complied	-	-
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40 (4) of the National Audit Act No. 19 of 2018	Complied	-	-
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134 (3)	Complied	-	-
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Not Complied	This was due to increase in inspection activities of institution under purview of the Ministry and retirement of CIA from 31 st October 2020.	Necessary actions will be taken to achieve the targets set out in the next year.

8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied	-	-
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of 12 the circular and the details of the nominated officer was sent to the comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied	-	-
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied	-	-
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Not Complied	Practical delays in dealing with excesses and deficiency cannot be completed by the due date. But by June of the year all measures have been completed.	As government procedures must be followed for the removal of goods propose that a reasonable time period should be given for that.
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied	-	-

9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Not Complied	No properly informed about the reporting date	Relevant reports are being prepared
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied	-	-
9.3	The vehicle logbooks had been maintained and updated	Complied	-	-
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied	-	-
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied	-	-
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied	-	-
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied	-	-

10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied	-	-
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied	-	-
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied	-	-
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied	-	-
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied	-	-
12.2	A time analysis had been carried out on the loans in arrears	Complied	-	-
12.3	The loan balances in arrears for over one year had been settled	Not Complied	Their loan balances have not been settled due to the inability to find information and files on the relevant officer	From the information available so far has called for information on the credit balance from the institutions relevant officer worked with at his retirement.
13	General Deposit Account			

13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied	-	-
13.2	The control register for general deposits had been updated and maintained	Complied	-	-
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied	-	-
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied	-	-
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied	-	-
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied	-	-
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied	-	-
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied	-	-
15.3	Returns of arrears of revenue forward to the Auditor	Complied	-	-

	General in terms of FR 176			
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied	-	-
16.2	All members of the staff have been issued a duty list in writing	Complied	-	-
16.3	All reports have been submitted to MSD in terms of their circular 14 no.04/2017 dated 20.09.2017	Complied	-	-
17	Provision of information to the Public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied	-	-
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied	-	-
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied	-	-
18	Implementing citizens charter			

18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied	-	-
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied	-	-
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Not Complied	A Human Development Plan being drawn up with ideas and suggestions from all divisions.	The scope of the Ministry changes from time to time. Therefore, it is difficult to prepare a definite plan. If create a specific scope to the Ministry, the plan can be prepared properly.
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied	-	-

19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied	-	-
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied	-	-
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied	-	-