



# Performance Report

## 2017

### Ministry of Rural Economy

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# **01. Ministry of Rural Economy**

## **1.1. Vision**

Prosperous Nation through a Sustainable Rural Economy

## **1.2. Mission**

Livelihood development, development of livestock-farm products of high quality to match the local demand and promotion of prosperous, local producers capable of meeting the demands of the competition in the local and the international market successfully, aiming at raising the economic status of the rural population

## **1.3. Objectives of the Ministry**

- ❖ Provide financial support required for implementing rural livelihood development projects for economically uplifting the rural people and promotion of rural infrastructure facilities of small entrepreneurship development
- ❖ Raise livestock of high productivity for development of the livestock sector, and offer requisite technical guidance and assistance in order to ensure the hygienic quality of food
- ❖ Propagate animal feed of quality with a view to raising a healthy animal population and ensure an efficient veterinary health service capable of prevention and control of diseases affecting animals
- ❖ Propagate optimal utilization of animal gene resources of superior quality obtainable from livestock, towards generating a high capacity of production, and develop indigenous animal species
- ❖ Encourage the relevant partners to market animal-based products, process and add value to them, in order to set up a systematic marketing network

- ❖ Provide incentives towards achievement of the targeted growth in the production of milk, while strengthening the local dairy farmer
- ❖ Purchase agricultural products at the regional and village levels, store them and co-ordinate marketing of agricultural products, through the establishment of fully empowered National Agricultural Marketing Authority
- ❖ Establish Dedicated Economic Centres with the objective of retaining the prices of agricultural products at a sustainable level by linking wholesale traders and consumers with agricultural producers

#### **1.4. Role of the Ministry**

This Ministry has been formulated by amalgamating certain subjects of the former Ministries of Food Security, Rural Economic Affairs and Social Services, Welfare and Livestock.

Functions and responsibilities assigned to the Ministry of Rural Economy by the Gazette Extraordinary No. 1933/13 dated 21 September 2015 by H.E. Maithripala Sirisena, President of the Democratic, Socialist Republic of Sri Lanka, are spelt out below.

- ❖ Formulation of policies, programmes and projects within the scope of work assigned to the Departments and Statutory Institutions operating under the Ministry, relevant to the subject of Rural Economy, and implementation, follow up and evaluation of projects
- ❖ Implementation of Rural Livelihood Development Projects
- ❖ Formulation of Regional Development and Rural Development Policies and Strategic Development Policies
- ❖ Development of Rural Infrastructure Facilities and Small Enterprises
- ❖ Provision of financial assistance for Rural Economic Activities
- ❖ Provision of necessary facilities for enhancement of livestock products

- ❖ Animal Welfare and the related activities
- ❖ Taking steps necessary for Promotion of Livestock-based Products, their Propagation and Development
- ❖ Expansion of the Research Division of the Livestock Sector utilizing modern technology and taking measures for qualitative and quantitative development of products, based on the research findings
- ❖ Propagation of Scientific Breeding Methods for proliferation of the animal population and quarantine activities

The above functions assigned to this Ministry are implemented under 04 main Thrust Areas.

- ❖ Development of rural livelihoods for economic upliftment of the rural people
- ❖ Fulfillment of the local demand through the development of high quality livestock products
- ❖ Regularization of the market by setting up a systematic marketing network for marketing, processing and value addition of livestock products
- ❖ Producing local manufacturers capable of facing the competition within the local and the international markets, through co-ordination of purchase, storage and marketing of agro-products

### **1.5 Institutions which are under the purview of the Ministry**

The institutions operating under this Ministry for efficient execution of the functions assigned to it are as follows.

1. Department of Animal Production and Health
2. National Livestock Development Board
3. Milco (Private) Limited
4. Mahaweli Livestock Enterprises Limited
5. Sri Lanka Poultry Development Private Limited
6. Paddy Marketing Board
7. Dedicated Economic Centres



## 03. Human Resources Management

### 3.1. Composition of the Staff

The approved number of posts for this Ministry is 789. 654 officers out of them have been engaged in service as at 31.12.2017 and the vacancies that exist as at the said date is 135. The majority of the said vacancies is the vacancies in the Development Officers' Service and these posts have fallen vacant as a result of the decision made to reduce the number of officers who are in the service in order to engage the Development Officers, who are in the service at the Divisional level, more efficiently in service. Therefore, action has been taken to suppress 76 posts of Development Officers out of the 606 approved posts.

#### Ministry of Rural Economy –Approved Cadre

S/N	Post	Service	Class Grade	Salary Code	Appd. Cadre	Staff as at 31.12.2017
1.	Secretary			SL 4 -2016	01	01
2.	Additional Secretary	SLAS	Special	SL 3 - 2016	02	02
3.	Additional Secretary	SLAP&HS	Special	SL 3 - 2016	01	00
4.	Chief Financial Officer	SLAccS	Special	SL 3 - 2016	01	00
5.	Senior Assistant Secretary	SLAS	I	SL 1 - 2016	02	02
6.	Chief Accountant	SLAccS	I	SL 1 - 2016	01	01
7.	Chief Internal Auditor	SLAccS	I	SL 1 - 2016	01	01
8.	Director	SLAS	I	SL 1 - 2016	02	02
9.	Director (Planning)	SLPS	I	SL 1 - 2016	01	01
10.	Director	SLAP&HS	I	SL 1 - 2016	03	01
11.	Deputy/ Assistant Director (Planning)	SLPS	II/III	SL 1 - 2016	03	02
12.	Deputy/ Assistant Director	SLAS	II/III	SL 1 - 2016	02	02
13.	Deputy/ Assistant Director	SLAP&HS	II/III	SL 1 - 2016	04	03
14.	Veterinary Surgeon	SLAP&HS	II/III	SL 1 - 2016	04	04
15.	Accountant	SLPS	II/III	SL 1 - 2016	02	01
16.	Assistant Secretary	SLAS	II/III	SL 1 - 2016	02	01
17.	Civil Engineer	SLES	I/II/III	SL 1 - 2016	01	00
18.	Legal Adviser	Departmental	-	SL 1 - 2016	01#	01
19.	Legal Officer	Departmental	-	SL 1 - 2016	01	01
20.	Coordinating Secretary to the Secretary	Temporary	-	₦22,250/- P.AC.06/200 6 (i)	01	01

21.	Administrative Officer	PMAS	Supra	MN 7-2016	01	00
22.	Translator	Translator Service	I/ II	MN 6-2016	02	02
23.	Development Officer	Development Officer Service	I /II/III	MN 4-2016	606	514
24.	Development Assistant	Related Service	I /II/III	MN 4-2016	42*	20
25.	Program Assistant	Related Service	I /II/III	MN 4-2016	08*	02
26.	Human Resource Development Assistant	Related Service	I /II/III	MN 4-2016	01*	01
27.	Investigation Assistant	Related Service	I /II/III	MN 4-2016	01*	01
28.	Information Technology Assistant	Related Service	I /II/III	MN 4-2016	01*	00
29.	Legal Assistant	Related Service	I /II/III	MN 4-2016	01	00
30.	Technical officer	SLTS	I /II/III	MN3- 2016	02	00
31.	Information Technology Assistant	SLI&CTS	Class 3 I/II/III	MT 1- 2016	01	01
32.	Still Photographer	Departmental		MT 3- 2016	01#	01
33.	Still Photographer	Temporary	-	MT 1- 2016	01	01
34.	Video Cameraman	Temporary	-	MT 1- 2016	01	01
35.	Public Management Assistant	PMAS	I /II/III	MN 2-2016	32	27
36.	Driver	Driver Service	Special I /II/III	PL 3- 2016	30	30
37.	Video Camera Assistant	Temporary	-	PL 1- 2016	01	01
38.	Posts in the Office Employee Service	OES	Special I /II/III	PL 1- 2016	20	24
39.	Office Workers	Departmental	I /II/III	PL 1- 2016	01#	01
<b>Office Workers</b>					<b>789</b>	<b>654</b>

Posts marked as \* are posts which have been approved subjected to absorption into Development Officers' Service.

Posts marked as # are posts which have been approved personal to the person who is holding the post.

### 3.2. Transfers

During the year 2017, 48 officers have gone on transfer and while the number of officers who have been transferred to the Ministry was 12. The number of transfers has been increased due to releasing the officers as per the decision made to reduce the number of officers remaining at the Ministry in order to employ the Development Officers at the divisional level efficiently in performing the role of the Ministry.

Serial No.	Name and post	Date of transfer	Palce of transfer	Date of reporting for duty on transfer	Place of reporting for duty on transfer
1.	Mr. A. Nusri Development Officer	2017.01.02	National Productivity Secretariat		
2.	Mrs. A.R.J. Ferwina Development Officer	2017.01.02	Ministry of Home Affairs		
3.	Mr. A. Arudchandran Development Officer	2017.01.02	Department of fisheries and aquatic resources		
4.	Mr. N.K.P. Jayantha Development Officer	2017.01.02	Department of Cultural Affairs		
5.	Mr.K.N.P.C.P.K. Aberathna Driver			2017.01.02	Ministry of Finance
6.	Mrs. C. Sendanayake Translator			2017.01.02	Department of Educational Publications
7.	Mr. K.W.A. Kariyawasam Management Assistant I			2017.01.02	Ministry of Finance
8.	Mrs. M.N.F. Shahina Assistant Secretary (Administration)	2017.01.03	Western Provincial Council		
9.	Mrs. U.K.N.D.A. Samarasekara Accountant	2017.01.04	Base Hospital, Horana		
10.	Mrs. M.K. Karannagoda Management Assistant I	2017.01.06	Land Registry - Horana		
11.	Mr. J.A.S. Jayasinghe Assistant Director (Planning)	2017.01.09	Ministry of Internal Affairs, Wayamba Development and Cultural Affairs		
12.	Ms. K.A.G.P. Kodithuwakku Assistant Secretary (Administration)			2017.01.09	Department of Co-operative Development
13.	Mr. I.D.S.T. Karunathilaka Driver			2017.01.10	Department of Public Finance
14.	Mrs. A.G.P.P. Aberathna Management Assistant I			2017.01.10	Department of Motor Traffic

15.	Mr. Y. Sumith Wijesingha Driver			2017.01.11	Department of Fiscal Policy
16.	Ms. W.M.A.N. Kumari Development Officer	2017.02.01	Zonal Education Office - Chilaw		
17.	Mrs. V. Indumathi Development Officer	2017.02.01	Ministry of Foreign Employment		
18.	Mr. K.A.I. Kuruppu Development Assistant	2017.02.01	Presidential Secretariat		
19.	Mrs.W.M.V.C. Wanasuriya Development Officer	2017.02.01	Ministry of Home Affairs		
20.	Mrs. N.B.C.S. Menike Development Officer	2017.02.01	Ministry of Home Affairs		
21.	Mr. K.A.K. Karunarathna Development Assistant	2017.02.01	Presidential Secretariat		
22.	Mrs.N.P. De John Development Assistant	2017.02.06	Ministry of Home Affairs		
23.	Mrs.S.P. Sandya Lakshmi Management Assistant I	2017.02.17	Department of Registrar of Companies		
24.	Mr.K.H.L. De Silva Development Officer	2017.02.27	Ministry of Home Affairs		
25.	Mr. U.S.R.A. Bandara Development Officer	2017.03.01	Department of Railway		
26.	Mrs. G.D.D. Gamlath Development Officer	2017.03.06	Ministry of Home Affairs		
27.	Mrs. R.N. Damayanthi Development Officer	2017.03.06	Ministry of Home Affairs		
28.	Mrs. P.A.R. Prasadini Development Officer	2017.03.06	Ministry of Home Affairs		
29.	Mrs.H.M.M.P.K. Herath Development Officer	2017.03.06	Ministry of Home Affairs		
30.	Mrs. K. KalaiPriya Development Officer	2017.03.13	Ministry of Home Affairs		
31.	Mr. L.G.G. Tikiribanda Development Assistant	2017.03.17	Department of Export Agriculture		
32.	Mrs. M.M.U.K. Samarakoon Development Officer	2017.03.17	Ministry of Home Affairs		
33.	Mrs. M.M.G.H.K. Samarakoon Development Officer	2017.03.17	Ministry of Home Affairs		
34.	Mrs. H.M.N.N.K. Senevirathne Development Officer	2017.03.20	Ministry of Industry and Commerce		
35.	Mr. H.M. Mohomad Development Officer	2017.03.29	Department of Export Agriculture		

36.	Mrs. K.P.I. Aberathne Development Officer	2017.04.03	Ministry of Health, Nutrition and Indegenous Medicine		
37.	Mrs. S.D.R. Priyangani Development Officer	2017.04.03	Ministry of Home Affairs		
38.	Mrs. K.G.D. Jayamini Management Assistant III	2017.04.03	District Secretariat, Kalutara		
39.	Mr. M.W. Perera Karyala Karya Sahayaka	2017.04.17	District Survey Office, Rathnapura		
40.	Mr. K.M. Mohomad Development Officer	2017.04.17	Department of Export Agriculture		
41.	Ms. M.A.N.T. Manamendra Development Officer	2017.04.17	Department of Management Audit		
42.	Mr. D.V. Siriwardena Karyala Karya Sahayaka			2017.04.17	Sri Lanka Customs
43.	Mr. J.A. Chaminda Driver	2017.05.03	Ministry of Finance		
44.	Mrs. M. Sooriyaarachchi Development Officer	2017.05.08	Department of Export Agriculture		
45.	Mrs. M.R. Fazmina Development Officer	2017.05.08	Ministry of Women and Child Affairs		
46.	Mr. T.H.S. De Silva Karyala Karya Sahayaka	2017.05.15	District Court, Galle		
47.	Mrs. J.H.N. Gauthamadasa Management Assistant I			2017.05.16	Sri Lanka Customs
48.	Mrs. P.C.K. Rodrigo Management Assistant	2017.05.17	Ministry of Finance		
49.	Mrs. T.H.A.K.S. Dharmarathne Development Officer	2017.06.01	Ministry of Agriculture		
50.	M. Supakanthan Development Officer			2017.06.01	Ministry of Productivity and Management
51.	Mrs. K. Jeewakarunika Development Officer			2017.06.05	Department of Irrigation
52.	Mr. P. Raweendran Development Officer			2017.06.06	Ministry of Home Affairs
53.	Mrs. W.B.P.S. Bandara Development Officer	2017.06.12	Ministry of Home Affairs		
54.	Mrs. D.K.G.N. Jayasinghe Development Officer	2017.07.03	Department of Animal Production and Health		
55.	Mrs. S.D.D.P. Singhapura Assistant Secretary	2017.07.03	Department of Buildings		
56.	Mrs. S.D.N. Wijenayake Development Officer	2017.07.05	Department of Registration of Persons		

57.	Mrs. D.D.S.U. Dissanayake Development Officer	2017.07.17	Ministry of Agriculture		
58.	Mrs. D.M.D.S. Dissanayake Development Officer	2017.07.26	Ministry of Agriculture		
59.	Mrs. J.M.K. Jayasinghe Development Officer	2017.11.13	Department of Registration of Persons		
60.	Mrs. M.J.S. Priyadarshani Development Officer	2017.11.20	Ministry of Home Affairs		

### 3.3. Establishment Activities

Particulars of the establishment activities of the officers of the Ministry in year 2017

Serial No.	Description	Numbers Finalized
01.	Recruitment - Personal staff of Hon. Minister / Deputy Minister	08
02.	Promotions	07
03.	Retirements	06
04.	Getting new posts approved	03
05.	Preparation of recruitment procedures	02
06.	Releasing to other services	06
07.	Resignation	05

### 3.4. Awarding Loans

The loan amount granted to the officers of the Ministry within year 2017 is Rs. 26,227,328 /-

Serial No.	Types of Loan	2017		
		Number of Request	Number of Finalized	Value Rs.
1.	Distress Loan	150	150	18,127,328/-
2.	Recommendation of Property Loan	05	05	8,100,000/-
3.	<b>Total</b>	<b>155</b>	<b>155</b>	<b>26,227,328 /-</b>

### 3.5. Human Resource Development

Providing local and foreign training opportunities by the Ministry in order to improve knowledge, attitudes and skills of the officers.

#### 3.5.1. Foreign Trainings

Serial No.	Name of officer	Title of the Training	Post	Duration	Country
01.	Mrs. H.C. Kannangara	High Level Regional Policy Conference on Environment Human child Labor and animal welfare	Veterinary Surgeon	2017.01.26 to 2017.01.27	Nepal
02.	Mr. R.P.M. Pathiratna	The Project of Importation of 2000 Dairy Cattle	Additional Secretary Livestock	2017.04.03 to 2017.04.10	Newzeland
03.	Mr. C.N.S. Gamage	The Project of Importation of 2000 Dairy Cattle	Deputy Director (Livestock)	2017.04.03 to 2017.04.10	Newzeland
05.	Mr. A.H.P. Walpola	International Programme on Agri Value Chain Financing	Public Management Assitant	2017.05.22 to 2017.05.26	India
06.	Mr. G.G.R.L. de Silva	International Programme on Agri Value Chain Financing	Public Management Assitant	- do -	India
07.	M.M.N. dananjaya	International Programme on Agri Value Chain Financing	Development Officer	- do -	India
08.	Mr. G.T.M. Indika	2017 Seminar on Standarization and Product Develop of Dairy Product Processing “ One Belt One Road”	Veterinary Surgeon	2017.06.05 to 2017.06.26	China
09.	Mrs. D.M.N. Manphari	2017 Seminar on Standarization and Product Develop of Dairy Product Processing “ One Belt One Road”	Veterinary Surgeon	2017.06.05 to 2017.06.26	China
10.	Dr. Mrs. G.R. Rajapaksha	Visit Of Senior Trade Officials From Sri Lanka	Director (Acting) Livestock Development	2017.07.01 to 2017.07.05	Newzeland
11.	Mrs. K.A.R. Peris	Human Resource Development (JDS) - Hiroshima	Asst. Director	02 years from 2017.08.13 to October 2019	Japan

12.	Mrs. G.R. Rajapaksha	Regional Workshop for National Focal Points for Aquatic Animals	Director (Acting) Livestock Development	2017.12.11 to 2017.12.15	China
13.	Mr. C.N.S. Gamage	With Hon. Minister to participate in the Summit of the Trade Representatives	Deputy Director Livestock	2017.10.24 to 2017.10.29	Netherland
14.	Mr. Nihal Wedasinge	With Hon. Minister	Additional Secretary Livestock	2017.12.11 to 2017.12.17	Newzeland
15	Dr. Mrs. G.S. Sumanasekara	IDF World Dairy Summit	Project Director	2017.10.29 to 2017.11.03	Ireland

### 3.5.2 Local Trainings

Serial No:	Participation	Number of participants	Training Course	Duration
1.	For 100 Staff Officers of the Ministry and Institutions, which are under the purview of the Ministry	100	Training programme on procurement process	2017.03.16
2.	For 45 Staff Officers of the Ministry and Institutions, which are under the purview of the Ministry	45	Training programme on leadership	2017.03.24, 25
3.	For the staff of the Ministry	10	Training programme on Tamil language	From 9.00 a.m. to 12.00 noon of every Friday
4.	For the Staff Officers of the Ministry and other members of the staff	37	Various short term courses	Within the year
5.	For the entire staff of the Ministry	All the officers	Fellowship programme	2017.12.11

## 04.Vehicles

### 4.1. Used vehicles owned by the Ministry at the end of 2017

	<b>Jeeps</b>	<b>Motor Car</b>	<b>Cabs</b>	<b>Defender Jeeps</b>	<b>Vans</b>	<b>Motor bikes</b>
<b>01.</b>	CAA - 0024	KY – 4046	PD-2955	CAH-1634	NB-3395	XU -7010
<b>02.</b>	KW -9982	KO – 5114	PF-6980		251-0747	BBT-5614
<b>03.</b>	KX - 8136	KQ – 9375	PE-0010			TT -2974
<b>04.</b>	CAB - 6799	KX – 8612	PF-5883			
<b>05.</b>	KQ - 8444	KQ – 7500	PF-5884			
<b>06.</b>	KT - 8467	KX – 7664	PG-4008			
<b>07.</b>	CAU - 3194	KX – 7037	PG-2659			
<b>08.</b>	KY - 5292	KQ – 6416	JY-2948			
<b>09.</b>	CAF - 4619	KO – 4865	PA-1440			
<b>10.</b>	KX - 8135	KB – 8264	PA-1438			
<b>11.</b>	GF - 9312	KD – 0743	PF-6976			
<b>12.</b>	GF - 9288	KD – 0737	PD-8931			
<b>13.</b>	KO - 0024	JO – 6958	252-9655			
<b>14.</b>	64 - 3179	KP – 4164	PG - 1773			
<b>15.</b>	65 - 4043		PF - 8209			
<b>16.</b>	KA - 6702					
	16	14	15	01	02	03

The number of vehicles used by this Ministry in year 2017 is 51. Vehicle bearing No. CAU-3194 has been purchased to use as an official vehicle of Hon. Deputy Minister and the ownership of the vehicle bearing No. KQ-5408 used by the Deputy Minister has been transferred to the Department of National Budget.

## 05. Legal Affairs

Particulars on legal affairs

*Schedule of year 2017*

<b>Court</b>	<b>Number of cases remained as at 01.01.2017</b>	<b>Number of cases filed within year 2017</b>	<b>Number of concluded cases</b>	<b>Balance number of cases as at 31.12.2017</b>
Labour Tribunal - Embilipitiya	02	-	01	01
District Court - Embilipitiya	01	-	01	-
Magistrate Court- Embilipitiya	01	-	-	01
Labour Tribunal - Rathnapura	01	-	-	01
Magistrate Court- Homagama	01	-	-	01
Labour Tribunal - Bandarawela	02	-	02	-
District Court - Matale	06	02	03	05
Court of Appeal	01	-	-	01
Supreme Court	04	-	01	03
District Court - Anuradhapura	02	01	02	01

## 06. Financial Management

### 6.1. Recurrent and Capital Expenditure - 2017

Head : 154 – Ministry of Rural Economy

01 – Monitoring Programme

01 – Minister's Office

#### *Recurrent Expenditure*

Sub Project	Vote Head	Financing	Description of the item	Net provisions Rs.	Expenditure as at 31.12.2017 (Rs)	Balance Rs.
0	1001	11	Salaries and emoluments	11,800,000.00	11,601,090.92	198,909.08
0	1002	11	Over time and holiday pay	4,595,000.00	4,308,444.85	286,555.15
0	1003	11	Other allowances	7,400,000.00	7,128,871.65	271,128.35
0	1101	11	Local - Travelling expenses	1,480,000.00	1,236,302.99	243,697.01
0	1102	11	Foreign – Travelling expenses	2,000,000.00	2,000,000.00	-
0	1201	11	Stationary and office requirements	1,250,000.00	1,250,000.00	-
0	1202	11	Fuel	8,000,000.00	7,955,167.94	44,832.06
0	1203	11	Refreshments and uniforms	50,000.00	40,000.00	10,000.00
0	1301	11	Vehicles	4,000,000.00	4,000,000.00	-
0	1302	11	Machines and equipment	700,000.00	629,101.82	70,898.18
0	1303	11	Buildings and constructions	300,000.00	234,893.25	65,106.75
0	1401	11	Transport	1,000,000.00	998,817.96	1,182.04
0	1402	11	Post and communication	1,350,000.00	1,182,464.16	167,535.84
0	1403	11	Electricity and water	1,900,000.00	1,900,000.00	-
0	1409	11	Other	1,000,000.00	1,000,000.00	-
				<b>46,825,000.00</b>	<b>45,465,155.54</b>	<b>1,359,844.46</b>

#### Capital Expenditure

0	2001	11	Buildings and constructions	7,609,750.00	2,238,233.89	5,371,516.11
0	2002	11	Machines and equipment	200,000.00	-	200,000.00
0	2003	11	Vehicles	2,300,000.00	2,300,000.00	-
0	2101	11	Vehicles	43,000,000.00	39,848,572.86	3,151,427.14
0	2102	11	Furniture and office equipment	1,000,000.00	914,914.55	85,085.45
0	2103	11	Machines and equipment	1,000,000.00	979,030.00	20,970.00
				<b>55,109,750.00</b>	<b>46,280,751.30</b>	<b>8,828,998.70</b>

Head : 154 - Ministry of Rural Economy  
01 - Monitoring Programme

02 – Establishment and administrative services

**Recurrent Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure up to 31.12.2017 Rs.	Balance Rs.
0	1001	11	Salaries and emoluments	106,000,000.00	84,111,813.94	21,888,186.06
0	1002	11	Over time and holiday pay	3,000,000.00	2,370,742.73	629,257.27
0	1003	11	Other allowances	69,000,000.00	59,001,528.24	9,998,471.76
0	1101	11	Local - Travelling expenses	960,000.00	834,051.57	125,948.43
0	1102	11	Foreign – Travelling expenses	750,000.00	691,376.59	58,623.41
0	1201	11	Stationary and office requirements	3,000,000.00	2,854,980.27	145,019.73
0	1202	11	Fuel	4,200,000.00	4,200,000.00	-
0	1203	11	Refreshments and uniforms	100,000.00	100,000.00	-
0	1301	11	Vehicles	9,800,000.00	9,731,975.78	68,024.22
0	1302	11	Machines and equipment	500,000.00	500,000.00	-
0	1303	11	Buildings and constructions	24,000.00	1,640.00	22,360.00
0	1401	11	Transport	1,900,000.00	1,850,000.00	50,000.00
0	1402	11	Post and communication	3,000,000.00	2,968,108.05	31,891.95
0	1403	11	Electricity and water	6,465,000.00	6,365,611.75	99,388.25
0	1404	11	Rental and taxes of the local government institutions	110,650,000.00	109,012,511.75	1,637,488.25
0	1409	11	Other	5,150,000.00	4,898,384.75	251,615.25
0	1506	11	Property loan interest for the public employees	1,000,000.00	1,000,000.00	-
1	1409	11	Other – Purchasing of paddy	179,900,000.00	-	179,900,000.00
				<b>505,399,000.00</b>	<b>290,492,725.42</b>	<b>214,906,274.58</b>

**Capital Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure as at 31.12.2017 Rs.	Balance Rs.
0	2001	11	Buildings and constructions	43,747,000.00	26,927,893.21	16,819,106.79
0	2002	11	Machines and equipment	600,000.00	-	600,000.00
0	2003	11	Vehicles	2,000,000.00	2,000,000.00	-
0	2102	11	Furniture and office equipment	1,500,000.00	1,244,052.25	255,947.75
0	2103	11	Machines and equipment	1,500,000.00	1,500,000.00	-
0	2401	11	Trainings of the staff	3,500,000.00	1,928,279.30	1,571,720.70
				<b>52,847,000.00</b>	<b>33,600,224.76</b>	<b>19,246,775.24</b>

**Recurrent Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure as at 31.12.2017 Rs.	Balance Rs.
2	1503	11	Paddy Marketing Board - Public Institutions	<b>154,800,000.00</b>	<b>96,000,000.00</b>	<b>58,800,000.00</b>

**Capital Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure as at 31.12.2017 Rs.	Balance Rs.
2	2201	11	Paddy Marketing Board Public Institutions Increasing the capacity of the present stores and paddy mills	<b>390,000,000.00</b>	<b>150,000,000.00</b>	<b>240,000,000.00</b>

Head : 154 - Ministry of Rural Economy

02 - Development Programme

03 - Development Projects

**Capital Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure as at 31.12.2017 Rs.	Balance Rs.
1	2506	11	Establishment of Economic Centres	50,000,000.00	32,096,218.38	17,903,781.62
3	2506	11	Development of traditional handicraft villages	28,000,000.00	27,540,220.63	459,779.37
4	2506	11	Development of pottery villages	5,000,000.00	4,884,717.25	115,282.75
8	2506	11	<i>Kithul</i> development project	25,664,050.00	23,537,897.61	2,126,152.39
9	2506	11	Programme of promoting rural economy	604,434,000.00	278,155,340.10	326,278,659.90
10	2506	11	Establishment of economic centers	500,000,000.00	378,931,831.41	121,068,168.59
11	2506	11	Construction of two coolers	500,000,000.00	53,418,412.81	446,581,587.19
				<b>1,713,098,050.00</b>	<b>798,564,638.19</b>	<b>914,533,411.81</b>

\* Provisions of Rs. 425 M have been returned to the Treasury. Therefore, net provisions for year

2017 is Rs. 75 M.

Head : 154 - Ministry of Rural Economy

02 - Development Programme

05 – Livestock Development

**Recurrent Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure as at 31.12.2017 Rs.	Balance Rs.
0	1001	11	Salaries and emoluments	104,500,000.00	96,207,715.10	8,292,284.90
0	1002	11	Over time and holiday pay	1,600,000.00	1,376,819.08	223,180.92
0	1003	11	Other allowances	67,141,000.00	65,582,754.38	1,558,245.62
0	1101	11	Local - Travelling expenses	1,250,000.00	1,144,802.34	105,197.66
0	1102	11	Foreign – Travelling expenses	825,000.00	756,152.94	68,847.06
0	1201	11	Stationary and office requirements	1,500,000.00	1,500,000.00	-
0	1202	11	Fuel	2,500,000.00	2,273,235.45	226,764.55
0	1203	11	Refreshments and uniforms	50,000.00	49,550.00	450.00
0	1301	11	Vehicles	5,000,000.00	5,000,000.00	-
0	1302	11	Machines and equipment	200,000.00	200,000.00	-
0	1401	11	Transport	700,000.00	700,000.00	-
0	1402	11	Post and communication	950,000.00	824,641.37	125,358.63
0	1403	11	Electricity and water	1,150,000.00	682,079.08	467,920.92
0	1409	11	Other	1,500,000.00	1,500,000.00	-
0	1506	11	Property loan interest for the public employees	400,000.00	324,241.17	75,758.83
				<b>189,266,000.00</b>	<b>178,121,990.91</b>	<b>11,144,009.09</b>

Head : 154 - Ministry of Rural Economy

02 – Development Programme

05 – Livestock Development

**Capital Expenditure**

Sub Project	Vote Head	Financing	Description of the item	Net Provision Rs.	Expenditure as at 31.12.2017 Rs.	Balance Rs.
0	2001	11	Buildings and constructions	1,000,000.00	-	1,000,000.00
0	2002	11	Machines and equipment	300,000.00	-	300,000.00
0	2003	11	Vehicles	3,250,000.00	1,498,213.60	1,751,786.40
0	2102	11	Furniture and office equipment	2,000,000.00	1,126,800.79	873,199.21
0	2103	11	Machines and equipment	500,000.00	-	500,000.00
0	2401	11	Trainings of the staff	1,000,000.00	542,373.15	457,626.85
3	2506	11	Popularizing the consumption of fresh milk	45,000,000.00	36,327,037.38	8,672,962.62
4	2507	11	Establishing breeding farms	37,000,000.00 *	23,461,786.67	13,538,213.33
14	2506	11	Mid Term Livestock Development Programme	45,000,000.00	26,696,930.49	18,303,069.51
15	2506	12	Importing dairy cows	152,400,000.00	152,355,156.47	44,843.53
		17		15,000,000.00**	-	15,000,000.00
19	2506	11	Project of developing small and middle scale poultry farms	15,000,000.00	12,661,603.19	2,338,396.81
23	2506	11	Development of swine industry	10,000,000.00	2,987,000.00	7,013,000.00
24	2302	12	Granting loans	671,959,000.00	671,958,864.25	135.75
29	2104	12	Establishment of a Dairy Processing Plant at Badalgama (Sri Lanka/Denmark)	3,479,419,737.00	3,479,419,736.20	0.80
		17		300,000,000.00	299,632,008.79	367,991.21
30	2507	11	Empowerment through improvement of knowledge in order to popularize dairy products	4,000,000.00	-	4,000,000.00
31	2509	11	National food production programme	100,000,000.00	90,857,170.10	9,142,829.90

32	2507	11	Increasing the production of curd through the improvement of genes of the buffalo population in Sri Lanka	4,100,000.00	3,006,031.50	1,093,968.50
33	2506	12	Importing 20,000 dairy cows	1,429,080,263.00	1,420,097,289.50	8,982,973.50
		17		100,000,000.00	17,082,924.06	82,917,075.94
34	2506	12	Development of Co-operative Societies of small scale dairy producers	*** 400,000,000.00	-	400,000,000.00
		17		40,000,000.00	50,063.65	39,949,936.35
35	2506	11	Training the Artificial Insemination Technicians in order to enhance the productivity of the small scale dairy farms	10,250,000.00	5,800,742.00	4,449,258.00
36	2506	11	Providing high quality dairy cows to the farmers	**** 400,000,000.00	-	400,000,000.00
				<b>7,266,259,000.00</b>	<b>6,245,561,731.79</b>	<b>1,020,697,268.21</b>

\* Since the sub project of importing sheep has not been implemented under this, provision of Rs. 10 M has been returned to the Treasury.

\*\* Since this project has been completed, additional accessories have not been obtained. Therefore, the provision of Rs. 15 M has been returned to the Treasury.

\*\*\* Since lot of time has been spent for selecting Co-operative Societies proposed under this, the project was unable to be implemented after signing financial agreement. Therefore, the relevant provisions have been returned to the Treasury.

\*\*\*\* It has been informed by the Ministry of Finance and Mass Media not to utilize the provisions of Rs. 400M under this object code.

Recurrent Expenditure	Net Provision Rs.	Expenditure up to 31.12.2017 Rs.	Balance Rs.
01 - Minister's Office	46,825,000.00	45,465,155.54	1,359,844.46
02 – Administrative and Establishment Services	660,199,000.00	386,492,725.42	273,706,274.58
03 – Development Projects			-
05 – Livestock Development	189,266,000.00	178,121,990.91	11,144,009.09
	<b>896,290,000.00</b>	<b>610,079,871.87</b>	<b>286,210,128.13</b>

Recurrent Expenditure	Net Provision Rs.	Expenditure up to 31.12.2017 Rs.	Balance Rs.
01 - Minister's Office	55,109,750.00	46,280,751.30	8,828,998.70
02 – Administrative and Establishment Services	442,847,000.00	183,600,224.76	259,246,775.24
03 – Development Projects	1,713,098,050.00	798,564,638.19	914,533,411.81
05 – Livestock Development	7,266,259,000.00	6,245,561,731.79	1,020,697,268.21
	<b>9,477,313,800.00</b>	<b>7,274,007,346.04</b>	<b>2,203,306,453.96</b>

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**10,373,603,800.00      7,884,087,217.91      2,489,516,582.09**

Even though, physical progress has been achieved in capital projects, it has not been included in the financial progress due to the inability to pay the following bills relevant to the capital projects within year 2017.

<b>Name of the project</b>	<b>Value of the bills to be paid Rs.</b>
Construction of buildings 154-01-02-00-2001	6,060,000.00
Programme of rural economic promotion 154-02-03-09-2506	270,520,000.00
Construction of new economic centres 154-02-03-10-2506	121,070,000.00
Improvement of infrastructure facilities of the economic centres 154-02-03-01-2506	8,170,000.00
Programme of <i>Kithul</i> development 154-02-03-08-2506	1,350,000.00
Development projects implemented by the Livestock Division of the Ministry 154-02-05-04-2507	3,150,000.00
154-02-05-32-2507	470,000.00
154-02-05-03-2506	3,660,000.00
154-02-05-23-2506	650,000.00
154-02-05-19-2506	790,000.00
154-02-05-14-2506	5,930,000.00
Projects of the Paddy Marketing Board 154-01-02-02-2201	152,310,000

## **6.2 Audit Inquiries**

Number of audit inquiries remained in year 2016 - 07

Total number of audit inquiries received in year 2017 - 31

Number of audit inquiries for which answers have been sent - 37

Number of audit inquiries for which answers are to be sent - 01

### **Audit inquiries for which answers are to be sent**

Examining the audits of the financial statements and performance of Welisara Economic Centre.

## **07. Internal Audit Division**

The objectives of this division is to examine whether the activities of the Ministry including the Departments and Institutons under the Ministry are carried out with proper financial control and in lline with other administrative systems, rules and regulations improving the quality of the performance and ensuring the safety of the assets and to report the weaknesses of such procedures to the Management and following tasks have been performed for this purpose.

- Preparation of annual Internal Audit Plan
- Carrying out internal audit activities as per the Internal Audit Plan and submitting reports along with recommendations and suggestions.
- Maintaining a proper coordination with the instituions under the Ministry and the instituions related to audit activities.
- Conducting Management Audit Meetings coordinating all the instituions under the Ministry and erview relevant matters.
- Carrying out investigations of the institutions, which are under the purview of the Ministry.
- Conducting concurrent audits at the occasions where a the Chief Internal Auditor is appointed as a Project Auditor to the Project Management Committee for special foreign funded projects.
- Taking follow up action regarding the audit inquiries received by the Ministry from the Auditor General.

### **Tasks completed in year 2017**

An Audit Plan has been prepared for this Ministry and the instituions under this Ministry for the year 2017 and following queries and investigations have been done on the matters under that scope and other matters.

- Number of Audit Management Committee meetings held in year 2017 is 04.
- Number of quarterly reports audited and submitted covering the progress of all the divisions of the Ministry is 04.
- Number of investigations carried out on the matters of the Ministry and the instituions under the Ministry is 07.
- Number of internal audit queries submitted with the suggestions for the improvement of efficiency and productivity of the finance, human resources and development activities of the Ministry is 10.
- Number of field audit investigations carried out on the activities of the Ministry and the instituions under the Ministry are 16.
- The number of special inquiries assigned by the Committee on Public Enterprises is 05.

## 08. Performance Progress

The tasks of this Ministry are carried out in relation to the development of the livelihood of the rural population, meeting the domestic demand by improving livestock resources, creating a sales network for livestock productions, purchase of agri products, storing and product marketing coordination and implementing in local and international markets and the Ministry has made maximum contribution to the progress of these activities by meeting the targets.

Livestock plays an important role in the local economy due to its contribution towards food security and livelihood. Around one million families are engaged in this sector and the majority represents the rural sector. The Ministry has planned and implemented various programmes and projects related to livestock with the aims of presenting high quality livestock produce to the market, meeting the local demand and limiting the foreign currency spent on the import of livestock produces.

Further, prevention of animal diseases, providing technical leadership towards the research and development activities, providing expertise to the animal breeding activities are few of the tasks carried out by the Ministry and other tasks done covering the entire island are, training of trainers on animal husbandry, preparation of projects to improve the industry, economic evaluation and special development projects. Further relevant laws are prepared to facilitate the development of the livestock industry.

Among the programmes which are carried out to make aware the farmers on the ways of maintaining the animal husbandry as a profitable business, programmes are implemented to breed hybrid and non hybrid animal breeding methods compatible with various weather conditions. Further eco friendly land use skills to improve the fertility of the soil have also been introduced.

Financial aid for the implementation of projects on rural livelihood development has been provided and programme of infrastructure and livelihood development – 2017 in selected 10 districts has been implemented from among programmes aimed at rural infrastructure and small scale enterprises development. Further, Projects on construction/ fixing of cooling facilities near special economic centres in Dambulla and Keppetipola have been commenced with the objective of stabilization of the market price of agro products and minimize the post harvest loss.

Attention has been paid to improve self employment opportunities of the rural people, building a strong economy for Kithul industrialists and entrepreneurs, popularize Kithul products in the local and foreign market, minimize the issues and legal issues in relation to Kithul industry for diversification of Kithul products by developing the Kithul industry, which is commercially potential.

Further, projects have been implemented within this year, which are required to improve the livelihood of those who are engaged in handicrafts, through the development of traditional handicraft villages and pottery villages and expand the market opportunities for the products of this industry.

Co-ordination and operation of the special economic centres established with a view to facilitate the selling the products in rural areas as a strategy of increasing the sales of agro products are carried out by this Ministry and the number of economic centres that are in

operation at present is 15. Two special economic centres have been opened in Ampara and Kilinochchi districts within this year. There are three types of special economic centres and they are divided as wholesale centres centered in areas of agro production, centres for wholesale/retail distribution of agro products and essential food items, Retail centres centered in urban areas. Infrastructure facilities of the economic centres have been developed utilizing the budget allocations of year 2017 and Management Trust Fund.

One of the main tasks entrusted to the Ministry is conducting the national program for paddy purchasing. With the reopening of the Paddy Marketing Board in 2007, the government expected to establish a certified price for paddy with the aim of maintaining the income levels of the farmers in a stable condition, purchase paddy on the said certified price and to create a paddy market on fair prices for the consumers. Accordingly Paddy Marketing Board purchases, sells paddy and turn paddy into rice along with distribution of rice.

Accordingly, this Ministry is working under 4 major scopes and it has been able to perform with proper financial management in year 2017.

## 9. Programmes carried out by the Ministry in year 2017

### 9.1 Facilitation and Promotion of Liquid Milk Consumption

#### 9.1.1 Project on developing cattle sheds in order to increase the high quality dairy production

The disease known as Mastitis is one of the reasons that affect the high quality dairy production in the areas where dairy production is done in high scale in Sri Lanka. It is possible to minimize the cause of this disease by properly preparing the floor of the cattle shed.

Therefore, this programme has been implemented for the improvement of the floor of the cattle shed. A 50% of subsidy subjected to a maximum amount of Rs. 30,000.00 per farm is provided to lay concrete on the floor of the cattle shed.

It is targeted to develop 480 dairy farms at district level in Western, Sabaragamuwa, Central, South and Uva provinces under this programme. 460 projects out of the same have been completed by the end of year 2017.

#### 9.1.2. Development of small scale farms

The main objective of this project is to enhance the productivity of the small scale dairy farms and it increases the price of processed milk and thereby improves the living standard of the dairy farmer.

50% of subsidy subjected to an amount of Rs. 60,000 is provided by this project for the inputs required for the production of milk with high quality such as obtaining milk collecting equipment, dairy cows of high breed, machines for grass cutting. Further, these projects are implemented through the Provincial Department of Animal Production and Health and 360 beneficiaries have been targeted for year 2017. Action has been taken to provide relevant benefits to 328 beneficiary farms out of the same.



### **9.1.3 Project on distributing dairy cows for woman headed families with a view to eradicate poverty**

The majority of those who are engaged in the field of livestock is small scale dairy farmers and most of those who contribute are women. Empowerment of the said women helps the eradication of poverty as well. Therefore, a dairy cow of high breed will be provided based on 50% of subsidy subjected to a maximum of Rs. 60,000 for the dairy farms operated by women in the districts of Jaffna, Kilinochchi, Kurunegala, Polonnaruwa, Kaluthara, Moneragla, Matara, Matale, Rathnapura and Batticaloa.

100 beneficiary farms have been targeted for year 2017 under this project, which is implemented through the Provincial Department of Animal Production and Health and provisions have been issued for 79 women headed beneficiary farms.

### **9.1.4 Empowerment of milk collecting network**

Even though, the milk production has already been increased, the unavailability of a strong milk collecting network is one of the main obstacles. Therefore, establishment of milk collecting centres in the areas, where milk production is high, is carried out through the collaboration of the Ministry and Milco Company. In order to establish 03 milk collecting centres in year 2017, 03 milk coolers with the capacity of 5000l have been provided to Milco Company (Pvt) Ltd under this programme.

## **9.2. Programme of establishing breeding farms**

### **9.2.1. Establishment of breeding farms**

Breeding farms have been established Island wide with the objective of overcoming the dearth of dairy cows of high breed. Accordingly, it has been planned to establish 200 breeding farms within year 2017 and Rs. 20 Million has been allocated for this purpose. The construction of 207 breeding farms has been completed successfully by the end of the year. Purchasing of animals suitable for breeding and construction of cattle sheds have been done under this programme and an amount of Rs. 20.7 Million has been spent for this purpose.

#### ***Number of Breeder Farms in year 2017***

<i>Province</i>	<i>Number of breeding farms</i>	<i>Amount spent</i>
<b><i>Central</i></b>	<i>36</i>	<i>3.6</i>
<b><i>Eastern</i></b>	<i>09</i>	<i>0.9</i>
<b><i>Northern</i></b>	<i>30</i>	<i>3.0</i>
<b><i>North-Central</i></b>	<i>24</i>	<i>2.4</i>
<b><i>North-Western</i></b>	<i>43</i>	<i>4.3</i>
<b><i>Sabaragamuwa</i></b>	<i>08</i>	<i>0.8</i>
<b><i>Southern</i></b>	<i>16</i>	<i>1.6</i>
<b><i>Uva</i></b>	<i>31</i>	<i>3.1</i>
<b><i>Western</i></b>	<i>10</i>	<i>1.0</i>
<b><i>Total</i></b>	<b><i>207</i></b>	<b><i>20.7</i></b>



Breeding farms which were operated during the past years

### 9.2.2 Provision of equipment for conservation of grass to the suppliers of Milco Company

An amount of Rs. 05 Million has been allocated for this project for year 2017 and under this project several districts with the potential for producing silage were selected and these provisions have been provided to 50 beneficiaries. Action has been taken under this project to purchase the equipment required for making silage with 50% contribution of the beneficiary and with the maximum contribution of the Ministry of Rs. 100,000/- (Total amount of is Rs. 200,000/-) per beneficiary.



### 9.2.3. Importing sheep for National Livestock Development Board for the improvement of the sheep industry of Sri Lanka

An amount of Rs. 10 Million has been allocated for this project in year 2017 and it has been planned by the National Livestock Development Board to import 25 male sheep and 100 female sheep suitable for breeding by following the formal procurement process. However, this project had to be updated for year 2018 due to the technical issued, which arised when implementing the same.

### 9.3. Mid Term Livestock Development Programme (Northern Province)

In view of the vast potential for developing the livestock sector in the Northern Province, arrangements have been made to enhance the supply of services in this field through establishment of veterinary offices and infrastructure facilities. The activities undertaken during the period under review are as follows.

<i>Activity</i>	<i>Physical Progress</i>	<i>Financial Progress</i>
Construction official quarters of the Veterinary of Manthai West, Mannar District (Continues amount)	100 %	1,837,709.72
Construction of bachelor quarters in Mankulam Mulathivu, Mulathivu District. (Continues amount)	100 %	2,980,303.74
Construction of the two official quarters of the Livestock Training School, Ariyanagar Kilinochchi. (Continues amount)	100 %	2,107,425.40
Construction of official quarters of the veterinary of Madu, Mannar District.	50 %	3,091,491.63
Construction of official quarters of the veterinary of Pudukuduirippu Mulathivu, Mulathivu District.	95 %	7,200,000.00
Construction of official quarters of the veterinary of Thunkunai Farm in Mulathivu District.	95 %	9,480,000.00
Purchasing office equipment for the Office of the Veterinary, North Province, School of Animal Husbandry and Animal Farms.	100 %	5,938,051.58



Two Official Quarters of the School of Livestock,  
Kilinochchi



**Official quarters of the Veterinary of Manthai West, Mannar District**

#### **9.4. Cattle Importation Programme**

This programme has been completed in year 2016 and 03 meetings of the steering committee have been held for reviewing the operational activities of the project within year 2017 and relevant sectors have been instructed.

#### **9.5. Programme of developing small and medium scale poultry farms**

Directing new entrepreneurs towards the field of poultry and encouraging the entrepreneurs who are already engaged in the same are done under this programme and it is also expected to popularize the production of eggs, chicken and animal food as well as chicks. It is expected to promote the production of chicken and eggs enabling the consumption of 3 eggs per week and 10kg of chicken per year by a single person.

1,722 farms have been established under the project of establishing small scale farms within year 2017. In addition, concurrently to the programme of eradicating poverty, 10 chicks each have been provided to 100 beneficiaries in the Veterinary Division of Puttalam District in North Western Province and 330 beneficiaries in Puttalam District as a special programme with the view to establish small scale poultry farms and provisions of Rs. 8.337 Million has been utilized for this purpose.

Provisions of Rs. 5.062 Million has been utilized within this year for the establishment of 12 animal food productin plants, 20 small scale meat processing centres, egg incubators and a training programme to make the beneficiaries in the Western Province aware has also been conducted.



Animal food mixtures and chicken processors provided under concession of 50% in year 2017 under the project of developing small and medium scale poultry farms.



Mr. A.M.G. Atapattu of Veterinary Division, Wariyapola

Mr.D.M.J. Dissanayake of Veterinary Division, Kobeigane



Mr. K.M. Karmel of Veterinary Division,  
Kobeigane



Mr. A.P.M. Paudar of Veterinary Division,  
Kobeigane

## 9.6. Programme of Swine Development

73 small scale swine farms in Western, North Western, Central, Eastern, North Central, Northern and Southern Provinces have been developed so as to be environmental friendly utilizing provisions of Rs. 3.637 Million within year 2017.

Even though action has been taken to import adult animals by the National Livestock Development Board with the investment of Rs. 6 Million out of the provisions of this year, the market for pork has declined. Therefore, the said task had to be reviewed again and action is being taken to import frozen sperms of the swines of high breed instead of importing breeding swines. Further, it is expected to import the said sperms by utilizing the provisions of year 2018.



## 9.7. Establishment of a new dairy processing plant at Badalgama

It has been decided to establish a new milk factory within the Siringapatha Farm at Badalgama owned by the National Livestock Development Board instead of the milk factory located at Narahenpita, Colombo owned by the Milco (Private) Limited. This project is implemented with the assistance of the Government of Denmark and 78% of the construction of milk factory, 95% of the construction of administrative office, 80% of the construction of canteen, 85% of the construction of waste water management unit have been completed and the 95% of the activities relating to the establishment of the power generation unit has also been completed by the end of year 2017. Provisions of Rs. 299 Million, which have been granted as local funds for the reimbursement of the tax amounts that should be borne by the Sri Lankan government as per the agreement when importing machines and building material for the project. 32 containers of machine parts and building material with the value of Rs. 2,169 Million for the construction of the factory have been imported during the period under review, that is within year 2017.



## **9.8. Empowerment of Dairy Extension Services through Improvement of Knowledge**

Under this project opportunity is available for ten officers to attend 06-week training on dairy farming at the Agriculture University of the Government of Belarus. Draft of the Memorandum of Understanding between Sri Lanka and the Government of Belarus has already been prepared.

The Cabinet Memorandum with regard to this agreement has already been submitted and the observations of the Ministry of Finance have been received. Further, action has been taken to obtain the nominations of the Veterinary Surgeons, who are suitable for the participation in the training, at provincial level.

## **9.9. National Food Production Programme**

The national programme of food production implemented at national level with a view to improve the living standard of the rural community is being implemented through the Ministry under three sectors.

### **9.9.1. Empowering Small-scale Dairy Farms**

This project is implemented to encourage quality milk production at small scale dairy farms utilizing provisions available under the National Food Production Programme. 50% of subsidy is provided to each beneficiary subjected to a maximum of Rs.60,000. 433 projects have been implemented through Provincial Departments of Animal Production and Health and 400 projects have been implemented through Milco (Private) Limited in year 2017 under this project. Rs. 50.00 Million has been utilized for the said purpose.



### 9.9.2. Strengthening Small-scale Goat Farms

This project is implemented with the objectives of uplifting the living standards of beneficiaries engaged in small scale goat rearing and increasing the production of local goat milk and mutton to improve the nutrition level of the people. The project investment is Rs.20.0mn for the establishment of 330 farms. A sum of Rs.60,000 has been provided for each beneficiary to purchase one male animal and 04 or 05 female animals. By the end of the year 321 projects have been completed under this project and Rs.19.152 mn has been spent for this purpose.



### 9.9.3. Programme of developing small scale poultry farms

Under this project, which is implemented with a view to improve the nutrition level of the public by contributing to the development of poultry production at household level, 10 chicks of 01 month are provided per beneficiary. Beneficiaries should make the poultry house and the food required for the chicken should be provided by the beneficiaries as their contribution. There is a huge demand for this and 7911 poultry farms have been established Islandwide in year 2017 and provisions of Rs. 29.629 Million have been utilized for this purpose.





### **9.10. Increasing the curd production through improvement of genes**

Buffalo farming in Sri Lanka is done using the methods of loose, free stall and tie - stall and it is possible to enhance the productivity of the buffaloes by improving the genetic composition. Artificial insemination has been difficult to due to the difficulty in detecting the heat in buffaloes by nature. Therefore, providing a stud bull of high breed on concessionary basis to the farmers of some selected districts with a view to increase the curd production through improvement of genes is done under this project.

Under this project, a stud bull on 50% of concession subjected to a maximum of Rs. 80,000 is provided 50 farms of 10 selected districts, 5 farms from each district. An amount of Rs. 4.1 Million had been allocated for this purpose.

48 farms have been benefited in year 2017 and Rs. 3.473 Million has been spent for this purpose.



### **9.11. Importation of 20000 dairy cows**

A project on importation pregnant dairy cows of high breed from Australia and Newzealand is implemented with a view to increase the production of fresh milk at local level. It is expected to establish farms with efficient and high quality milk production Islandwide by providing these dairy cows to the entrepreneurs engaged in medium and large scale dairy cow farming. It is also expected to provide the calves of first generation, which are born from these animals, to the small scale dairy farmers and get their contribution for the improvement of local breed.

Under this programme, 5000 dairy cows have been imported from Newzealand and Australia in yeat 2017 and they have been provided to the investors in the five districts of Kurunegala, Badulla, Nuwera Eliya, Matale and Kandy. The daily milk production of these farms in the month of December is 22000 l.



### **9.12. Training the Artificial Insemination Officers for the increase of the production**

It was planned to train 50 Artificial Insemination Officers and accordingly selected officers have completed the training under two stages at the Artificial Insemination Centre of the Department of Animal Production and Health located in Polonnaruwa. Further, purchasing the equipment required to artificial insemination facilities after the training has been done within year 2017.

### **9.13 Role performed by the Development and Planninf Division of the Ministry in the year under review**

Financial aid required for the implementation of the rural livelihood development projects for the upliftment of the economy of the rural people has been provided and rural economic development projects implemented by the Development and Planning Division of the Ministry with the utilization of local funds in the year under review. In addition, the programme of rural infrastructure and livelihood development – 2017 has been implemented in 10 selected districts utilizing the provisions received on the approval of the Cabinet of Ministers. Further, a project of constructing/ fixing cold stores in close proximity to the Economic Centres of Dambulla and Keppetipola with a view to stabilizing the market price for the agro products and minimize the post harvest loss, has been commenced. Construction of new Economic Centres in Vauniya and Batticaloa has been commenced strengthen the existing network of Special Economic Centres.

## 9.14 Rural Economic Development Projects

### 9.14.1 *Kithul* Development Project

There is a great demand for *Kithul* industry, which is commercially potential, at local and foreign level. *Kithul* development project is successfully implemented in the districts of Kalutara, Rathnapura, Badulla, Galle and Matara. Attention has been paid to improve the opportunities of the rural people for self employment, build a strong economy for the *Kithul* industrialists and entrepreneurs, popularize *Kithul* products in local market as well as foreign market, diversification of products associated with *Kithul* and minimize the market issues and legal issues in relation to the *Kithul* industry through the development of this industry.

Various steps have been taken to strengthen *Kithul* industrialists and entrepreneurs identified in 58 Divisional Secretary's Divisions of 12 districts where *Kithul* industry exists, provide technology, introduce new products and increase the level of income by encouraging them to make products of high quality. A convenient methodology has been introduced for the registration of *Kithul* industrialists identified at the level of Divisional Secretary's Divisions and provide identity cards for them

Priority has been given in the year under review for the development of *Kithul* industrialists and various programmes have been implemented under this project to establish stall for selling *Kithul* products, improve *Kithul* treacle, jaggery and *Kithul* products, popularize products of high quality and standard in the market.

The intervention for the development of *Kithul* industry is as follows;

- ❖ Conducting exhibitions for popularizing the products of *Kithul* industrialists and entrepreneurs
- ❖ Providing funds for the construction of sale centres for selling *Kithul* products
- ❖ Making the *Kithul* industrialists aware of the possibility of tapping *Kithul* palms in forest reserves
- ❖ Providing financial assistance for the development of the entrepreneurs associated with *Kithul*
- ❖ Conducting training programmes for *Kithul* industrialists, providing goods and equipment of them
- ❖ Encourage the *Kithul* wood craftsmen

Provisions of Rs. 25 Million of local funds have been granted for the project of Kithul development in year 2017. Development activities performed for 2100 beneficiaries in 58 Divisional Secretary's Divisions of 12 districts.

**Project on development of Kithul Villages - 2017 (According to Divisional Secretary's Divisions)**

<b>District</b>	<b>Divisional Secretary's Divisions to which benefits have been provided</b>	<b>Number of beneficiaries</b>	<b>For the training on technology (Rs.)</b>	<b>For the provision of equipment (Rs.)</b>	<b>Other (Rs.)</b>	<b>Total provisions (Rs.)</b>
<b>Galle</b>	Niyagama, Neluwa, Nagoda, Thawalama	73	80,000	885,000	-	1,179,905
<b>Matara</b>	Pasgoda, Pitabeddara, Malimbada, Welipitiya, Thihagoda, Athuraliya, Kumburupitiya	363	200,000	2,455,000	15,000 (Providing Kithul plants)	2,710,050
<b>Kalutara</b>	Walallawita, Agalawatta, Ingiriya, Bulathsinghala	186	100,000	1,300,000	-	1,428,865
<b>Kurunegala</b>	Polpithigama, Rideegama, Mawathagama, Kotawehera	84	100,000	1,020,000	-	1,141,032
<b>Matale</b>	Yatawatta, Laggala Pallegama, Ambangangakorale, Matale	133	100,000	1,415,000	10,000 (Providing Kithul plants)	1,556,430
<b>Polonnaruwa</b>	Lankapura	30	20,000	300,000	50,000 (Providing Kithul plants)	377,630
<b>Badulla</b>	Haldummulla, Soranathota, Haputale, Ella, Passara, Uvaparanagama, Mahiyanganaya, Rideemaliyadda, Badulla	311	190,000	4,260,000	300,000 (Mobile stalls)	4,847,941
<b>Kandy</b>	Delthota, Ududumbara, Pathadumbara, Udunuwara, Ganga Ihalakorale, Yatinuwera, Theldeniya, Pasbagekorale, Nawalapitiya, Minipe, Poojapitiya	375	240,000	4,670,000	5,000 (Providing Kithul plants)	5,016,330
<b>Rathnapura</b>	Kiriella, Kalawana, Ayagama, Kuruwita, Balangoda, Rathnapura, Eheliyagoda	241	175,000	2,055,000	50,000 (Mobile stalls)	2,517,010
<b>Nuweraeliya</b>	Kothmale, Hanguranketha	144	90,000	1,480,000	70,000 (Providing Kithul plants)	1,673,815
<b>Kegalle</b>	Mawanella, Aranayaka, Yatiyanthota, Rambukkana	140	120,000	2,300,000	-	2,469,895
<b>Hambanthota</b>	Okewela	20	20,000	20,000	-	40,825
<b>Total</b>	<b>58</b>	<b>2,100</b>	<b>1,435,000</b>	<b>22,160,000</b>	<b>500,000</b>	<b>24,959,728</b>

Progress of the Kithul development project implemented in the year under review as at 31.12.2017 is as follows.

***Progress of the project on development of Kithul villages - 2017***

<i>District</i>	<i>Financial Progress (Rs.)</i>	<i>Physical Progress</i>
<i>Galle</i>	<i>1,172,100</i>	<i>09 training programmes have been conducted for 125 beneficiaries and equipment has been provided. 02 sales exhibitions have been conducted. Project is completed</i>
<i>Matara</i>	<i>2,695,000</i>	<i>16 training programmes have been conducted for 360 beneficiaries and equipment has been provided. Project is completed</i>
<i>Kalutara</i>	<i>1,428,360</i>	<i>08 training programmes have been conducted for 180 beneficiaries and equipment has been ordered. Project is completed</i>
<i>Kurunegala</i>	<i>1,140,432</i>	<i>06 training programmes have been conducted for 132 beneficiaries and equipment has been purchased. Project is completed</i>
<i>Matale</i>	<i>1,440,000</i>	<i>10 training programmes have been conducted for 135 beneficiaries and equipment has been provided. Project is completed</i>
<i>Polonnaruwa</i>	<i>350,200</i>	<i>07 training programmes have been conducted for 135 beneficiaries and equipment has been provided. Project is completed</i>
<i>Badulla</i>	<i>4,846,235</i>	<i>12 training programmes have been conducted for 335 beneficiaries and equipment has been provided. Project is completed</i>
<i>Kandy</i>	<i>5,000,880</i>	<i>20 training programmes have been conducted for 375 beneficiaries and equipment has been provided. Project is completed</i>
<i>Rathnapura</i>	<i>2,517,000</i>	<i>18 training programmes have been conducted for 220 beneficiaries and equipment has been provided. Project is completed</i>
<i>Nuweraeliya</i>	<i>1,580,990</i>	<i>14 training programmes have been conducted for 145 beneficiaries and equipment has been provided. Project is completed</i>
<i>Kegalle</i>	<i>2,459,000</i>	<i>10 training programmes have been conducted for 140 beneficiaries and equipment has been provided. Project is completed</i>
<i>Hambanthota</i>	<i>40,000</i>	<i>05 training programmes have been conducted for 68 beneficiaries and equipment has been provided. Project is completed</i>
<i>Total</i>	<b><i>24,670,197</i></b>	



Kithul sales exhibition - Galle



Training programmes held in the Divisional Secretary's Division, Matale

### 9.14.2. Development of traditional handicrafts villages

Provisions of Rs. 28 Million has been provided from local funds for this project in year 2017. Through this programme, it is expected to provided knowledge on modern technology to the traditional craftsmen and provide them opportunity for new creations, strengthen the market, direct towards selling improved products and introduce new equipment, offer value for new technology of the traditional industries and skills, improve the livelihood of those who are engaged in handicrafts and expand the market opportunities for handicrafts products.

Action has been taken to develop handicrafts villages in 119 Divisional Secretary's Divisions of 24 selected districts Islandwide. Under this programme, funds have been provided to District Secretaries for providing the training, knowledge on technology, material, equipment and goods which are required for strengthening traditional handicrafts villages identified at the level of Divisional Secretary's Divisions. The industries to be developed under this programme are mentioned below.

<b>Areas identified under the development of traditional handicrafts industry</b>			
Manufacturing masks	Batik industry	Producing brushes (Thawasi brushes)	Beeds based handicrafts
Manufacturing Wooden handicrafts	Products related to coconut shells	Development of villages of reed production	Bobbin lace industry
Blacksmith industry	Creations related to bamboo	Manufacturing jewelry	Flax industry
Wood carving industry	Cane products	Clay products	Palmyrah based products
Lacquer work industry	Ornamental products related to colour papers		

Provisions of Rs. 28 Million has been provided for the project on development of traditional handicrafts villages in year 2017. Development activities carried out for 3100 beneficiaries in 119 Divisional Secretary's Divisions of 24 districts are mentioned below.

District	Divisional Secretary's Division	Number of villages	Number of beneficiaries	Total provisions (Rs.)
Colombo	Kaduwela, Rathmalana	5	47	694,020
Kalutara	Horana, Madurawela, Kalutara	3	109	760,360
Rathnapura	Opanayaka, Pelmadulla, Kolonnawa, Imbulpe, Kuruwita	7	86	862,420
Matale	Naula, Galewela, Ukuwela, Rattota, Pallepola, Yatawatta	6	105	1,060,420
Anuradhapura	Galnewa, Kahatagasdigiliya, Palagala, Nochchiyagama, Thirappane, Ipalogama, Horoupathana, Nachchaduwa, Galenbindunuwewa, Mihinthalya, Kekirawa	11	225	2,750,540
Kurunegala	Maspotha, Panduwasnuwara West, Panduwasnuwara East, Kurunegala, Ambanpola Nikaweratiya, Kuliypitiya East, Kuliypitiya West, Rasnayakapura, Udubaddawa, Alawwa, Mawathagama, Bamunakotuwa, Rideegama	15	408	2,755,655
Moneragala	Katharagama, Buttala	2	55	341,900
Gampaha	Biyagama, Meerigama, Minuwangoda, Kelaniya	6	120	1,240,040
Badulla	Haldummulla	1	35	112,270
Puttalam	Chilaw, Nawagattegama, Naththandiya	3	70	464,380
Kegalle	Aranayaka	2	75	479,690
Kandy	Pathadumbara, Doluwa, Poojapitiya, Akurana Minipe, Pasbage Korale, Udunuwara	8	168	1,541,130
Hambanthota	Ambalathota, Tangalle, Katuwana	5	150	729,740
Matara	Kirinda Puhulwella, Malimbada, Pitabeddara Akuressa, Weligama, Welipitiya, Dikwella Mulatiyana, Devinuwara, Four Gravets	14	425	2,858,750
Polonnaruwa	Dimbulagala	1	30	255,155
Galle	Bope Poddala, Karandeniya, Balapitiya Yakkalamulla, Ambalangoda, Benthota Elpitiya, Imaduwa, Habaraduwa, Gonapeenuwala, Niyagama, Weliwitiya, Divithura South, Thawalama, Hikkaduwa	17	300	3,755,870
Batticaloa	Koraleipattu West, Koralepattu, Manmunei North, Porathivupattu, Erawur town, Koraleipattu - K	7	150	3,184,320
Mannar	Madu, Mannar town, Musali	4	87	489,900
Trincomalee	Thampalagamam, Padavi Sri Pura, Kanthle, Kadawath Nagar	5	74	739,947
Ampara	Nawidanweli	1	60	173,505

Jaffna	Kareinagar, Delft, Karaweddi, Kytes, Nallur, Udawi, Thellipali, Point Pedro, Chankanei, Chawakachcheri, Jaffna	11	200	1,816,695
Vauniya	Vauniya, Walapane, Kothmale	1	35	224,535
Nuweraeliya		3	51	381,710
Mulathivu	Pudukuduirippu	1	35	326,600
<b>Total</b>	<b>119</b>	<b>139</b>	<b>3,100</b>	<b>27,999,552</b>

Progress of the the project on development of traditional handicrafts villages implemented in the year under review as at 31.12.2017 is as follows.

***Progress of the project on development of traditional handicrafts villages - 2017***

District	Financial Progress (Rs.)	Physical Progress
Colombo	678,741.00	09 training programmes have been conducted for 150 beneficiaries and equipment has been purchased. Project is completed
Kalutara	748,962.00	07 training programmes have been conducted for 110 beneficiaries and equipment has been purchased. Project is completed
Rathnapura	855,120.00	08 training programmes have been conducted for 165 beneficiaries and equipment has been purchased. Project is completed
Matale	1,030,845.00	06 training programmes have been conducted for 105 beneficiaries and equipment has been provided. Project is completed
Anuradhapura	2,749,544.00	16 training programmes have been conducted for 225 beneficiaries and equipment has been purchased. Project is completed
Kurunegala	2,755,500.00	21 training programmes have been conducted for 490 beneficiaries and equipment has been provided. Project is completed
Moneragala	335,630.00	08 training programmes have been conducted for 138 beneficiaries and equipment has been provided. Project is completed
Gampaha	1,229,230.00	12 training programmes have been conducted for 245 beneficiaries and equipment has been provided. Project is completed
Badulla	110,703.00	03 training programmes have been conducted for 45 beneficiaries and equipment has been provided. Project is completed
Puttalam	450,405.00	05 training programmes have been conducted for 85 beneficiaries and equipment has been purchased. Project is completed
Kegalle	470,000.00	02 training programmes have been conducted for 70 beneficiaries and equipment has been provided. Project is completed
Kandy	1,530,459.00	10 training programmes have been conducted for 170 beneficiaries and equipment has been provided. Project is completed
Hambanthota	719,260.00	16 training programmes have been conducted for 320 beneficiaries and equipment has been provided. Project is completed
Matara	2,845,248.00	22 training programmes have been conducted for 560 beneficiaries and equipment has been purchased. Project is completed

Polonnaruwa	248,410.00	05 training programmes have been conducted for 105 beneficiaries and equipment has been provided. Project is completed
Galle	3,745,780.00	18 training programmes have been conducted for 390 beneficiaries and equipment has been purchased. Project is completed
Batticaloa	3,175,220.00	14 training programmes have been conducted for 322 beneficiaries and equipment has been provided. Project is completed
Mannar	477,312.00	05 training programmes have been conducted for 89 beneficiaries and equipment has been provided. Project is completed
Trincomalee	739,745.00	06 training programmes have been conducted for 74 beneficiaries and equipment has been ordered. Project is completed
Ampara	166,899.00	02 training programmes have been conducted for 60 beneficiaries and equipment has been ordered. Project is completed
Jaffna	1,813,960.00	14 training programmes have been conducted for 200 beneficiaries and equipment has been provided. Project is completed
Vauniya	218,689.00	05 training programmes have been conducted for 94 beneficiaries and equipment has been ordered. Project is completed
Nuweraeliya	381,647.00	04 training programmes have been conducted for 48 beneficiaries and equipment has been provided. Project is completed
Mulathivu	317,850.00	02 training programmes have been conducted for 60 beneficiaries and equipment has been ordered. Project is completed
<b>Total</b>	<b>27,795,159.00</b>	



Distribution of goods and equipment for the beneficiaries of Divisional Secretary's Division of Koraleipattu by Hon Deputy Minister of Rural Economy



Distribution of goods and equipment for the beneficiaries of Divisional Secretary's Division of Porathivupattu by Hon. Deputy Minister of Rural Economy

### 9.14.3. Development of Pottery Manufacturing Villages

It is expected to encourage the potters who are engaged in rural pottery industry, strengthening them economically, broadening the market opportunities by introducing new products and providing required equipment for low income earning potters, under this project.

Rs. 5 Million has been provided to this project from the local fund for the year under review. Under this project, the Udukiriwila village in Hambantota will be developed as a model pottery village. Investments have been made to strengthen the pottery villages in selected Divisional Secretary's Divisions in Anuradhapura, Kurunegala, Matara, Kandy and Galle districts. The activities carried out under this project are given below.

- ❖ Providing trainings to the potters engaged in traditional pottery
- ❖ Conducting training programmes to transfer modern technology to potters
- ❖ Providing Clay Grinders for pottery
- ❖ Providing electric potters' wheels to the potters
- ❖ Providing Machines, equipment and moulds required to manufacture Gas Pots made out of clay
- ❖ Introducing sales centers to provide market assistance for potters and pottery related industries
- ❖ Encouraging the potters and pottery industrialists by directing them to sales exhibitions

Rs. 5 Million has been provided from the Local Fund for the Project Development of Pottery Manufacturing Villages in year 2017. The development activities carried out for 402 beneficiaries in 12 Divisional Secretary's Divisions at 06 districts are given below.

#### **Development of Pottery Manufacturing Villages - 2017 (at the level of Divisional Secretary's Divisions)**

<i>Serial No</i>	<i>District</i>	<i>.Div.Sec Division</i>	<i>Village/ Villages in which the Project is implemented</i>	<i>Number of beneficiaries</i>	<i>Advanced Technical Training (.Rs)</i>	<i>Providing Equipment (.Rs)</i>	<i>Total Allocations (.Rs)</i>
.1	Anuradhapura	Mihintale	Alapankulam/ Katupotha	.50	.15,000	.200,000	.219,433
<b>Sub Total</b>				<b>.50</b>	<b>.15,000</b>	<b>.200,000</b>	<b>.219,433</b>
.2	Kurunegala	Ganewatta	Thithhawella	.28	-	.290,000	.295,980
		Paduwasnuwara East	Kelinawala	.30	.10,000	.900,000	.928,760
		Bingiriya	Urapoththa	.60	.15,000	.520,000	.546,030
		Pannala	Werahera	.60	.15,000	.200,000	.219,430
		Udubaddawa	Neralugama	.20	.15,000	.245,000	.265,360

		<i>Weerabugedara</i>	<i>Kanumale</i>	.40	.20,000	.500,000	.530,720
<b><i>Sub Total</i></b>				<b>.238</b>	<b>.75,000</b>	<b>.2,655,000</b>	<b>.2,786,280</b>
<b>.3</b>	<b><i>Matara</i></b>	<i>Hakmana</i>	<i>Denagama West, Lalpe</i>	.20	.20,000	.204,000	.228,620
		<i>Thihagoda</i>	<i>Medauyangoda</i>	.20	.15,000	.310,000	.331,700
<b><i>Sub Total</i></b>				<b>.40</b>	<b>.35,000</b>	<b>.514,000</b>	<b>.560,320</b>
<b>.4</b>	<b><i>Hambantota</i></b>	<b><i>Weeraketiya</i></b>	<b><i>Udukiriwila (A village with a lake</i></b>	<b>.34</b>	<b>-</b>	<b>.1,016,600</b>	<b>.1,037,560</b>
<b><i>Sub Total</i></b>				<b>.34</b>	<b>-</b>	<b>.1,016,600</b>	<b>.1,037,560</b>
<b>.5</b>	<b><i>Kandy</i></b>	<b><i>Pathadumbara</i></b>	<b><i>Panditha Village</i></b>	<b>.20</b>	<b>.10,000</b>	<b>.200,000</b>	<b>.214,330</b>
<b><i>Sub Total</i></b>				<b>.20</b>	<b>.10,000</b>	<b>.200,000</b>	<b>.214,330</b>
<b>.6</b>	<b><i>Galle</i></b>	<b><i>Karandeniya</i></b>	<b><i>Lengalpalatha</i></b>	<b>.20</b>	<b>-</b>	<b>.129,400</b>	<b>.132,070</b>
<b><i>Sub Total</i></b>				<b>.20</b>	<b>-</b>	<b>.129,400</b>	<b>.132,070</b>
<b><i>Total</i></b>				<b>.402</b>	<b>.135,000</b>	<b>.4,715,000</b>	<b>.4,949,993</b>

The progress of the Project to Develop Pottery Manufacturing Villages in the year under review as at as at 31.12.2017

***Progress of Development of Pottery Manufacturing Villages Project- 2017***

<i>District</i>	<i>Financial Progress (Rs.)</i>	<i>Physical Progress</i>
<i>Anuradhapura</i>	<b>219,740.00.</b>	<i>Training programmes have been conducted for 50 beneficiaries and equipment has been provided. (Machines to manufacture pots for Gas stoves) Project is completed.</i>
<i>Kurunegala</i>	<b>2,732,089.00.</b>	<i>09 Training programmes have been conducted for 250 beneficiaries and equipment has been provided. (Kilns electric wheels, wheel barrows, mamoties) Project is completed.</i>
<i>Matara</i>	<b>560,250.00.</b>	<i>07 Training programmes have been conducted for 60 beneficiaries and equipment has been provided. (Electric Potters' Wheels, Machines to manufacture curd pots, moulds of Pots for Gas Stoves) Project is completed.</i>
<i>Hambantota</i>	<b>1,026,630.00.</b>	<i>Equipment has been provided for 34 b.eneficiaries. (To build kilns) Project is completed</i>
<i>Kandy</i>	<b>214,260.00.</b>	<i>Equipments have been provided for 30 beneficiaries (Electric wheels) Project is completed.</i>
<i>Galle</i>	<b>131,750.00.</b>	<i>04 Training programmes have been conducted for 36 beneficiaries and equipments have been ordered. Project is completed.</i>
<i>Total</i>	<b>4,884,719.00.</b>	

### ***Contribution made to enhance the productivity of pottery related industries***

*Financial assistance has been granted to provide clay grinding machines and electric potter's wheels to potters and industrialists related to pottery. This has paved way for the beneficiaries to manufacture high quality pottery products. The use of clay grinding machine allows the potters to produce quality outputs. Further, the productivity of the industry has been improved by the provision of electric potters' wheels instead of traditional ones as it allows the potters to produce more units within lesser period of time with lesser efforts. This makes the potters to find more market opportunities and it improves the income level of the rural population.*

## **9.15. Designing, building, establishing and maintaining Cold Storage Facilities**

Under this project, two cold storage facilities are to be established in Dambulla and Keppetipola as a pilot project. The project is planned to select a private agro company and to form a joint company with the government. The selected agro company will take part in the entire process of designing, constructing, establishing and maintaining the cold storage facilities

However, due to the fact that this methodology is more complicated, it was decided to implement this project under 02 phases as follows.

- Selecting a private company with comprehensive experience on agro business and cold chains by international competitive bidding procedure and forming a joint company.
- The newly formed company will carry out construction activities by selecting a contractor following government procurement procedures.

Accordingly, as the first step of this project proposals were called from agro business company to form a joint company. However, at the time of opening the proposals only one investor had submitted a proposal.

This proposal will be presented to the Technical Evaluation Committee and Cabinet Appointed Procurement Committee and future actions will be taken after evaluations.

## 9.16. Dedicated Economic Centers

The network of Dedicated Economic Centers were brought under the Ministry of Rural Economy from 21st September 2015 and the Planning Division of the Ministry of Rural Economy carries out coordination and operations of all the Dedicated Economic Centers Number of active economic centers is 15.

There are three categories of Dedicated Economic Centers

- ❖ Wholesale Centers based on areas of agricultural products
- ❖ Centers which distribute agricultural products and essential food items for wholesale/ retail.
- ❖ Retail Centers based on urban areas

These centers are operated by a Management Trust Board established for each center under direct supervision of the Ministry. The Chairman of the Management Trust is the District Secretary and the Secretary is the relevant Divisional Secretary. Further, this trust is comprised of representatives of trade associations and farmer organizations , representatives of the public institutions which come under the purview of economic centers. The Secretary of the Ministry is the settlor of these Management Trusts and a staff officer of the Ministry holds membership of a Management Trust. All these Management Trusts have been established by trust deeds under Trust Ordinance.

### 9.16.1 Establishment of New Dedicated Economic Centers

#### ❖ Kilinochchi Dedicated Economic Center

This economic center has been established in a land with the extent of 2.23 hectares in Ambalkulam Grama Niladhari Division which belongs to Karachchi Divisional Secretary's Division of Kilinochchi District, targeting 150,000 farmer families engaged in agro productions in the Northern Province. This economic center is comprised of 40 trade premises and an amount of Rs.101 million has been invested from the Consolidated Fund. This economic center was declared open by His Excellency the President on 14.10.2017 and it marked the 14th Dedicated Economic Center in the network.



Opening of the Plaque of the Economic Center Kilinochchi by His Excellency the President



His Excellency the President, Hon Minister and other Distinguished guests observing the premises

### ❖ **Ampara Dedicated Economic Center**

An agricultural awakening can be observed in the Eastern Province and with the aim of creating a competitive market for the agricultural products of the farmers in Ampara District and nearby areas and to create a market with fair prices for the customers, Ampara Dedicated Economic Center was opened on 01.12.2017 with 24 trade premises covering many fields, spending an amount of Rs. 50 million under treasury provisions. This economic center marks the 15th of the network.



### ❖ **Vavuniya Dedicated Economic Center**

The estimated cost of this Economic Center, which is being built in Munrumurippu Grama Niladhari Division in Vavauniya Divisional Secretary's Division, is Rs. 291 million. Rs. 200 Million has been provided to this project from the consolidated fund for the 2017. This center is comprised of 50 business premises with 180 square feet each.

The construction activities of this center is carried out by the Central Engineering Consultancy Bureau under the supervision of the Engineer of the District Secretariat, Vavuniya and the construction is in the final phase. It has been planned to complete the construction work before 31.01.2018 and the financial progress of this is Rs. 157.37 million and the physical progress is 90%.



Scenes from the Vavuniya Dedicated Economic Center being built

### ❖ Batticola Dedicated Economic Center

The estimated cost of this Economic Center which is to be built in Kaluthawalai Grama Niladhari Division in Manmune south Eruwilpattu Divisional Secretary's Division at Batticoala District, is Rs. 300 million. This center is comprised of 50 business premises with 180 square feet each. Provisions of Rs. 300 million have been received for the construction of the center from budget proposals 2017. The construction activities of this center was commenced on 22.07.2017 and is being done by the Central Engineering Consultancy Bureau under the supervision of the Department of Building. 90 percent of the construction activities has been completed as at 31.12.2017.



Scenes from the Batticola Dedicated Economic Center being built

### ❖ Renovations of Dedicated Economic Centers

An amount of Rs, 50 million has been granted by the local fund in 2017 for renovation of Dedicated Economic Centers. The progress is as follows

<i>Renovation Task</i>	<i>Allocation (Rs. Mn)</i>	<i>Physical Progress</i>	<i>Financial Progress (Rs.)</i>
<b><i>Vavuniya Deidcated Economic Center</i></b>			
<i>Fixing the roof of R Premises</i>	<i>10.00.</i>	<i>Fixing has been commenced.</i>	<i>2.43.</i>
<b><i>Welisara Deidcated Economic Center</i></b>			
<i>Fixing the roof of Building No 03</i>	<i>6.35.</i>	<i>Fixing has been completed</i>	<i>6.35.</i>
<i>Renovating the Name Board</i>	<i>1.83.</i>	<i>Fixing has been completed</i>	<i>1.83.</i>
<i>Fixing street lamps</i>	<i>1.99.</i>	<i>Fixing has been completed</i>	<i>1.99.</i>
<i>Repairing the office room of the Manager and repairing the Electric system.</i>	<i>1.68.</i>	<i>Reapir work has been completed.</i>	<i>1.64.</i>
<i>Repairing the drainage and sewr system of second and third buildings</i>	<i>1.035.</i>	<i>Reapir work has been completed.</i>	<i>877.</i>

<b>Embilipitiya Deidcated Economic Center</b>			
<i>Repairing the common toilet complex</i>	<i>1.16.</i>	<i>Reapir work has been completed.</i>	<i>746.</i>
<i>Fixing CFL bulbs for street lamps</i>	<i>2.82.</i>	<i>Fixing has been completed</i>	<i>2.699.</i>
<i>Repairing the roof of the main building</i>	<i>0.07.</i>	<i>Reapir work has been completed.</i>	<i>062.</i>
<i>Construction of a Police Post</i>	<i>2.082.</i>	<i>Construction has been completed.</i>	<i>1.66.</i>
<b>Weyangoda Deidcated Economic Center</b>			
<i>Constructing the drainage system</i>	<i>1.66.</i>	<i>Work has been completed.</i>	<i>1.26.</i>
<i>Reapiring the office room of the Manager</i>	<i>0.38.</i>	<i>Reapir work has been completed.</i>	<i>30.</i>
<i>Constructing a motro cycle park</i>	<i>972.</i>	<i>Work has been completed.</i>	<i>0.816.</i>
<i>Constructing a 02 roomed wash room</i>	<i>0.752.</i>	<i>Work has been completed.</i>	<i>0.595.</i>
<i>Fixing a CCTV Camera System</i>	<i>556.</i>	<i>Fixing has been completed.</i>	<i>556.</i>
<i>Renovating the Name Board</i>	<i>362.</i>	<i>Work has been completed.</i>	<i>0362.</i>
<b>Ampara Deidcated Economic Center</b>			
<i>Laying concrete for the drains, constructing the tolilet pot, painting the security fence, laying paving stones, fixing water tanks</i>	<i>2.50.</i>	<i>Fixing has been completed</i>	<i>1.71.</i>
<i>Erecting the fence behind the center/ preparing the plaque/ fixing the main entrance gate</i>	<i>1.43.</i>	<i>Work has been completed.</i>	<i>1.43.</i>
<b>Kuruduwatta Dedicated Economic Center</b>			
<i>Building a wall between Premises No 01 and 02 and repairing the door</i>	<i>0.055.</i>	<i>Work has been completed</i>	<i>0.052.</i>
<b>Keppetipola Dedicated Economic Center</b>			
<i>Laying concrete for the drains</i>	<i>3.47.</i>	<i>Work has been completed.</i>	<i>2.932.</i>
<b>Kilinochchi Dedicated Economic Center</b>			
<i>Building security posts</i>	<i>0.585.</i>	<i>Work has been completed.</i>	<i>0.534.</i>
<i>Obtaining water supply</i>	<i>0.025.</i>		<i>0.025.</i>
<i>Erecting security fence</i>	<i>1.200.</i>		<i>0.983.</i>
<i>Fixing the Name Board</i>	<i>0.588.</i>		<i>0.588.</i>
<i>Building the platform for the flag pole.</i>	<i>0.200.</i>		<i>163.</i>
<i>Obtaining electricity supply</i>	<i>1.000.</i>		<i>0.844.</i>
<i>Fixing solar powered bulbs</i>	<i>1.666.</i>		<i>1.666.</i>
<i>Clearing off bushes</i>	<i>0.151.</i>		<i>151.</i>
<i>Erecting the plaque</i>	<i>0.166.</i>		<i>0.166.</i>
<i>Preparing the land with soil fillings</i>	<i>0.356.</i>		<i>356.</i>
<i>Painting and minor repairs</i>	<i>0.260.</i>		<i>260.</i>

## 9.16.2 Tasks performed in year 2017 for the better functioning of the Dedicated Economic Centers

- ❖ **Get the ownership of the land on which the Economic Center is situated confirmed**

<i>Ownership transferred to the Ministry</i>	<i>Transfer in progress</i>
<i>Embilipitiya</i>	<i>Meegoda</i>
<i>Piliyandala</i>	<i>Rathmalana</i>
<i>Welisara</i>	<i>Nuwaraeliya</i>
<i>Narahenpita</i>	<i>Ampara</i>
<i>Thambuththegama</i>	<i>Veyangoda</i>
<i>Dambulla</i>	<i>Keppetipola</i>
<i>Kilinochchi</i>	<i>Kuruduwatta</i>
<i>Kandehandiya</i>	

- ❖ **Obtaining government estimated values for the Dedicated Economic Centers and revising the monthly rental of the business premises**

The government estimates were called for all the Dedicated Economic Centers and all the valuation reports were received at the end of the year under review. Accordingly, actions have been taken to revise the monthly rental of the business premises of the Dedicated Economic Centers based on the new valuations.

- ❖ **Preparation of a Procedure Manual**

A Procedure manual for all the Dedicated Economic Centers have been prepared and the approval of the Department of Management Service has been received for the same. The recruitment procedure and the salary point are being prepared accordingly.

- ❖ **Preparation of a proper methodology to control the prices of the goods at the Dedicated Economic Centers**

A Price Committee was appointed on 25.04.2017 to prepare a proper sale methodology to provide better prices for the agro producers and the customers. The Additional Secretary (Development) of the Ministry of Rural Economy is the Chairman of this Committee and the officers of the Hector Kobbekaduwa Agrarian Research and Training Institute, Department of Agriculture, Department of Agrarian Development, Consumer Affairs Authority, Sri Lanka Hadabima Authority and Department of Statistics and Census are the members.

The Committee on Prices was formed with following objectives.

01. To take necessary actions to provide opportunities to the agro producers to obtain a fair price for their products and the customers to buy quality goods at a concessionary price
02. To take necessary actions to minimize the middlemen in sale chains functioning related to the Dedicated Economic Centers.
03. To take necessary actions to minimize the price fluctuations at Dedicated Economic Centers
04. To Prepare a methodology to obtain updated information with regard to prices in the Dedicated Economic Centers and in the open market.
05. To conduct a study on the influence of external factors to determine the cost of the agro products

The committee report has been prepared and submitted obtaining proposals from the Dedicated Economic Centers and members of the Committee on Price and making short term and long term recommendations. According to the report, few steps have been taken to control the price.

#### ❖ Carrying out Development Activities with the trusts of Dedicated Economic Centers

<i>Economic Center</i>	<i>Development Activities</i>	<i>Estimated Amount (Rs.)</i>	<i>Physical Progress (%)</i>	<i>Financial Progress (%)</i>
<i>Thambuththegama</i>	<i>Marking the borders of the internal roads</i>	<i>719,000.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Constructing the gully pit of the canteen</i>	<i>91,245.69.</i>	<i>100.</i>	<i>100.</i>
	<i>Making 25 concrete blocks in connection with the erecting of notice boards</i>	<i>94,975.33.</i>	<i>100.</i>	<i>100.</i>
<i>Keppetipola</i>	<i>Constructing a toilet for the meeting hall</i>	<i>789,708.05.</i>	<i>90.</i>	<i>-</i>
	<i>Painting the Administrative building</i>	<i>514,962.47.</i>	<i>100.</i>	<i>100.</i>
	<i>Marking the borders of the internal roads</i>	<i>1,081,750.00.</i>	<i>100.</i>	<i>100.</i>
<i>Narahenpita</i>	<i>Fixing fans in the Vegetable selling premises</i>	<i>2,367,082.24.</i>	<i>-</i>	<i>-</i>
	<i>Constructing a toilet complex for the Police Post</i>	<i>756,885.67.</i>	<i>-</i>	<i>-</i>
	<i>Fixing the ceiling of the textile complex</i>	<i>3,929,984.10.</i>	<i>-</i>	<i>-</i>
	<i>Placing the water tank and a cover</i>	<i>542,404.90.</i>	<i>-</i>	<i>-</i>
	<i>Fixing a cover to the electricity meters of the vegetable selling premises</i>	<i>162,804.60.</i>	<i>-</i>	<i>-</i>
	<i>Renovating the security wall at the side of Samanala Uyana</i>	<i>939,699.92.</i>	<i>-</i>	<i>-</i>
<i>Veyangoda</i>	<i>Erecting a chain link fence for food store</i>	<i>2,789,963.69.</i>	<i>100.</i>	<i>100.</i>
<i>Rathmalana</i>	<i>Placing the garbage collecting tank</i>	<i>499,000.00.</i>	<i>10.</i>	<i>-</i>
	<i>Fixing pipes for the water tank</i>	<i>32,652.00.</i>	<i>100.</i>	<i>90.</i>
	<i>Repairing the common toilet complex</i>	<i>62,986.07.</i>	<i>100.</i>	<i>90.</i>

	<i>Placing daily garbage collectors</i>	<i>410,850.00.</i>	<i>90.</i>	<i>-</i>
<i>Dambulla</i>	<i>Laying carpets for the backyard carpark</i>	<i>28,847,711.74.</i>	<i>-</i>	<i>-</i>
	<i>Laying concrete for the steel poles of the roof</i>	<i>1,650,000.00.</i>	<i>-</i>	<i>-</i>
	<i>Constructing the toilet disposal tank</i>	<i>5,733,400.00.</i>	<i>-</i>	<i>-</i>
	<i>Fixing a CCTV Camera System</i>	<i>6,585,900.00.</i>	<i>-</i>	<i>-</i>
<i>Piliyandala</i>	<i>Fixing drains and sewers</i>	<i>1,225,900.10.</i>	<i>100.</i>	<i>100.</i>
	<i>Preparing a seperate place to wash vegetables</i>	<i>221,994.05.</i>	<i>80.</i>	<i>-</i>
<i>Nuwaraeliya</i>	<i>Providing garbage bins to the stalls</i>	<i>250,000.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Laying carpets for the meeting hall and the hostel</i>	<i>764,404.20.</i>	<i>100.</i>	<i>100.</i>
	<i>Painting the buildings of the center</i>	<i>1,997,088.84.</i>	<i>100.</i>	<i>100.</i>
	<i>Repairing 08 gates of the Center</i>	<i>232,550.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Repairing the common toilet of the center</i>	<i>347,011.63.</i>	<i>100.</i>	<i>100.</i>
	<i>Fixing inverters for the security cameras at the center office</i>	<i>350,000.00.</i>	<i>50.</i>	<i>-</i>
	<i>Fixing sensors for the water pump at the center</i>	<i>181,475.00.</i>		
<i>Welisara</i>	<i>Covering 03 stalls selling leafy greens with meshes</i>	<i>93,500.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Covering the canals with concrete metals (1st phase)</i>	<i>65,000.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Making an underground pit to collect water from wash rooms (First phase)</i>	<i>85,500.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Covering the canals with concrete metals (Second phase)</i>	<i>92,000.00.</i>	<i>100.</i>	<i>100.</i>
	<i>Marking the premises with white lines</i>	<i>378,190.44.</i>	<i>100.</i>	<i>-</i>
	<i>Repairing the roof of the stalls where leafy greens are sold</i>	<i>84,694.50.</i>	<i>100.</i>	<i>100.</i>
<i>Embilipitiya</i>	<i>Repairing the main name board of the economic center</i>	<i>83,904.83.</i>	<i>100.</i>	<i>100.</i>
<i>Kuruduwatta</i>	<i>Painting the walls of the economic center</i>	<i>146,616.38.</i>	<i>100.</i>	<i>100.</i>
<i>Total</i>		<b><i>65,202,796.44.</i></b>		

#### ❖ Regularizing the accounting activities of Dedicated Economic Centers

A residential training programme was held on 10th and 11th of November 2017 at Sri Lanka Foundation in order to give proper knowledge on accounting and procurement to the Managers, Assistant Managers, Development Officers and Officers in charge. Accordingly, actions have been taken to reactivate the accounting activities which were deactivated.

## Financial Progress of the Dedicated Economic Centers

<i>Economic Center</i>	<i>Total Income (Rs. M)</i>	<i>Total Expenditure (Rs. M)</i>
<i>Dambulla</i>	<i>63.510.</i>	<i>30.200.</i>
<i>Keppetipola</i>	<i>13.982.</i>	<i>10.992.</i>
<i>Meegoda</i>	<i>12.937.</i>	<i>12.723.</i>
<i>Embilipitiya</i>	<i>5.237.</i>	<i>4.543.</i>
<i>Welisara</i>	<i>13.688.</i>	<i>6.314.</i>
<i>Thambuththegama</i>	<i>27.238.</i>	<i>9.104.</i>
<i>Kandehandiya</i>	<i>043.</i>	<i>145.</i>
<i>Nuwaraeliya</i>	<i>15.631.</i>	<i>7.89.</i>
<i>Veyangoda</i>	<i>9.386.</i>	<i>7.920.</i>
<i>Kuruduwatta</i>	<i>1.628.</i>	<i>863.</i>
<i>Narahenpita</i>	<i>50.282.</i>	<i>15.791.</i>
<i>Rathmalana</i>	<i>13.610.</i>	<i>7.331.</i>
<i>Piliyandala</i>	<i>6.743.</i>	<i>3.335.</i>
<i>Kilinochchi</i>	<i>121.</i>	<i>334.</i>
<i>Ampara</i>	<i>012.</i>	<i>-</i>

### 9.17. Rural Infrastructure and Livelihood Development Programme 2017

His Excellency the President has declared year 2017 as the year of eliminating poverty and therefore this Ministry paid special attention on the programmes which are focused on eliminating poverty. An amount of Rs. 600 million has been allocated to the Ministry of Rural Economy to implement programmes to empower rural population and to increase the income of the low income earning groups in urban and suburban areas in the year under review.

Under this programmes, which is implemented with the aim of empowering the economy of the rural population, Rural livelihood development projects and rural infrastructure and small enterprise development projects are implemented in selected districts.

In the year under review, this programme is implemented in the districts of Anuradhapura, Batticaloa, Polonnaruwa, Matale, Moneragala, Kalutara, Galle, Puttalam, Rathnapura and Mulativu . The project proposals submitted by the Divisional Secretaries of these districts are evaluated by the Ministry and provide funds to the District Secretaries to implement suitable projects.

Community participation methodology is implemented to develop the rural infrastructure. Under this programme various other activities such as development of access roads, construction and renovation of culverts, small bridges and canal systems, supply of common potable water facilities, repairing potable water wells, repairing multi tasking buildings and other common buildings were also carried out.

Under livelihood development, the low income population was identified at the level of Grama Niladhari divisions and actions were taken to provide them with mobile stalls, motors for cultivations, grass cutting machines for agricultural activities, water sprayers, sewing machines and fisheries equipment. Further, under this programme various opportunities have been provided to improve domestic industries, training required for small scale enterprise development, technological knowhow and required equipments. Actions have been taken to provide equipment, technology and training to produce dried fish, yogurt, Goraka paste, Jam, Mushroom processing, sweets, bags, beekeeping. In addition attention has been given to improve rural economy by Livestock development as well. Accordingly, necessary financial assistance has been given to provide dairy cows and poultry and to construct cowsheds.

The progress of the Rural Infrastructure and Livelihood Development programme in year 2017 is as follows as at 31.12.2017.

***Progress of Rural Infrastructure and Livelihood Development Programme- 2017***

<i>District</i>	<i>Div.Sec. No of Divisions</i>	<i>Allocation (Rs. M)</i>	<i>Number of Projects</i>	<i>Financial Progress (Rs.)</i>	<i>Bills in hand (Rs.M)</i>	<i>Total (Rs. M)</i>	<i>Physical Progress (%)</i>
<b>Anuradhapura</b>	22.	220.0.	55.	16.34.	152.13.	168.47.	85.
<b>Batticoala</b>	15.	125.0.	177.	104.17.	17.81.	121.98.	100.
<b>Polonnaruwa</b>	07.	70.0.	73.	33.78.	34.73.	68.51.	100.
<b>Puttalam</b>	16.	25.6.	1,135.	24.18.	0.92.	25.10.	100.
<b>Galle</b>	14.	25.6.	243.	11.54.	12.07.	23.61.	100.
<b>Rathnapura</b>	15.	25.6.	60.	13.95.	10.85.	24.80.	100.
<b>Mulativu</b>	06.	25.6.	33.	9.53.	15.69.	25.22.	100.
<b>Matale</b>	11.	25.6.	74.	24.58.	1.00.	25.58.	100.
<b>Kalutara</b>	14.	25.6.	648.	8.15.	16.56.	24.71.	100.
<b>Moneragala</b>	11.	25.6.	105.	17.83.	6.899.	24.72.	100.
<b>Total</b>	<b>131.</b>	<b>594.2.</b>		<b>264.05.</b>	<b>268.65.</b>	<b>532.70.</b>	

## **10. Progress of the Implementation of Budget Proposals of 2017**

### **10.1. Providing Reimbursible Grants for the Local Milk Producers**

It has been decided by a budget proposal in 2016 to reduce the maximum retail price of a packet of milk powder of 400 g from Rs.325.00 to Rs. 295.00, which is produced locally, in accordance with the government policy of encouraging the local milk producers in order to increase their productions. Accordingly, a concessionary amount Rs. 30 for each packet of milk powder of 400g is provided for the local dairy producers. In the year under review the responsibility of implementing this budget proposal was vested in our Ministry. Accordingly, at the end of year 2017, reimbursements for an amount of Rs. 154.69 Mn has been granted to Pelawatta Dairy Industries Ltd.and an amount of Rs.127.56 Mn has been granted to Milco (Pvt) Ltd by the Ministry of Finance and Massmedia on the recommendation of the Ministry of Rural Economy.

### **10.2 Establishment of Dedicated Economic Centres in the Baticaloa**

Rs.300mn has been allocated through the Budget Proposal 2017 for construction of a Dedicated Economic Centre at Vavuniya in the Northern Province as an agro-marketing development strategy.

This center is built in Kaluthawalayi Grama Niladhari Division of Manmune South Eruwilpattu Divisional Secretary's Division in Baticaloa District and it is expected to provide market opportunities for the agro produces of farmers and to provide opportunities for the customer to buy goods on concessionary rates. This center is comprised of 50 business premises with 180 sq.feet each. The construction activities of this center was commenced on 22.07.2017 and is being done by the Central Engineering Consultancy Bureau under the supervision of the Department of Building. 90 percent of the construction activites has been completed as at 31.12.2017 and the financial progress is Rs. 221.55 Mn It has been planned to complete the construction activities of the project before 31.01.2018.

## **11. Contribution of the Ministry for Special Projects and the Achievements**

### **❖ Rajarata Navodaya-President's Programme (2017-2020)**

#### **Agro-based Industries and Project on Improving the Infrastructure of the sale of Agricultural Products**

It is expected to implement the Agro Based Industries and Agro Produces Infrastructure Promotions Project within the period of 2017-2020. An amount of Rs. Mn 35,169 will be invested on this project and this will be obtained from the financial sponsorship of the Chinese government.

The sub projects expected to be carried out under this project are as follows.

- Establishment of the Agro-Economic Centre at Kaduruwela
- Improvements to 15 Weekly Fairs in the Districts of Polonnaruwa and Anuradhapura
- Renovation of the Dedicated Economic Centre at Thambuttegama
- Establishment of 07 Paddy Stores each with the capacity of 3,000 mt in the District of Polonnaruwa
- Establishment of a Rice Mill with a daily capacity of 100 mt and a Paddy store with a capacity of 10,000mt at Oyamaduwa in the Anuradhapura District.
- Establishment of new Dairy Farms at the locations of Polonnaruwa, Welikanda, Kandekaduwa, Thrikonamaduwa, Oyamaduwa and Paragasanvewa, belonging to the National Livestock Development Board.
- Development of infrastructure facilities at the Mahaweli Livestock Farm at Thambuttegama and at the Animal Husbandry Training School at Seppukulama, belonging to the Department of Animal Production and Health

Construction of Kaduruwela Agro Economic Center is the main sub project to be carried out under this project. It is expected to invest Rs. Mn 5,200 to construct Kaduruwela Agro Economic Center. This center will be comprised of main commercial complex and agro industries premises and 200 premises will be established to purchase the agro produces of the rural farmers and to provide them the opportunity to sell them.

The foundation stone was laid for Kaduruwela Agro Economic Center on 07th September 2017 by His Excellency the president. Hon. Minister of Rural Economy P. Harrison, Chief Minister of the North Central Province Peshala Jayarathna Bandara, Ambassador of China in Sri Lanka and many distinguished guests participated at this event. The land will be prepared within this year.



His excellency the President laid the foundation stone for Kaduruwela Agro Economic Center

❖ **Food Production National Programme - Competition for Best Dairy Farmer/ Dairy Processor**

Under Food Production National Programme, an island wide competition was organized to select the Best Dairy Farmer/ Dairy Processor in collaboration with Department of Animal Production and Health by the Ministry of Rural Economy and Presidential Secretariat.

There were 03 events to select the best dairy farmer and 03 event to select best dairy processor and altogether there were 03 events in the competition. 18 winners were selected and they were awarded at a function held in Kantale on 21.07.2017 by H.E the President. Winners at the provincial level were awarded through provincial offices of Department of Animal Production and Health.



A winner receiving an award from H.E. the President

## ❖ **Establishment of FarmIQ Database**

As a result of discussions held between the Ministry of Primary Industries of New Zealand and our Ministry to establish **Farm IQ** database to collect and update important information on dairy cow husbandry, a pilot project was implemented in Northwestern, Sabaragamuwa and Uva provinces with the aim of introducing a networked computer monitoring programme and computer software. Several training sessions were conducted to make aware the field officers and the dairy farmers.



Training Sessions conducted to make aware the dairy farmers and relevant field officers

## ❖ **National Livestock Day Programme implemented in National Food Production in National Food Production Battle Week.**

This programme was held on 08.10.2017 at Gannoruwa Plant and Genes conservation Center. Hon. Minister of Rural Economy, P. Harrison, Chief Secretary of the Central Province Hon Sarath Rathnayaka, Hon Central Provincial Minister of Agriculture, minor irrigation, animal production and health, agrarian development, fresh water fisheries and environment M. rameshwaran and other members of the provincial council participated at the livestock development programme.

Benefits were provided to 300 beneficiaries under this programme and with the participation of government and private sector organisations related to livestock development, an exhibition was held on livestock medicines, grazing lands and conservation methods. Further, the farmers were made aware of the insurance schemes and bank loans with regard to livestock. Concurrent to the National Livestock Day Programme, various programmes were held in the relevant week by the provincial departments of Animal Production and Health.



**Various programmes implemented on Livestock Day**

❖ **“Nila Mehewara Mobile Service” -2017**

By Nila Mehewara mobile service the issues of the farmers in the field of animal husbandry were solved and benefits were provided to the farmers with the treatments for the animals, at the level of divisional veterinary clinics.

<b>14.01.2017 – Galle</b>
<i>Providing a maximum amount of Rs.60,000 to 54 farmers to buy dairy cows with 50% contribution from the government under Small Scale Dairy Farm Empowerment Project.</i>
<i>Providing a maximum amount of Rs.60,000 to 20 farmers to buy goats with 50% contribution from the government under Small Scale Goat Farm Empowerment Project.</i>
<i>Providing a maximum amount of Rs,60,000 to 20 farmers under the project of increasing quality milk production, implemented through Milco Pvt Ltd.</i>
<i>Providing instructions to the public on Animal Husbandry and prearing exhibition stall under the direction of the Department of Animal Production and Health.</i>
<i>Providing rabis prevention vaccines for dogs and cats, strilization surgeries for female dogs and cats, providing ear marks to cattle and buffaloes for free, registration of animal farms, condcuting programmes to provide new technical knowledge on animal husbandry and to solve issues.</i>
<b>21.10.2017 – Vavuniya</b>
<i>Preparing an exhibition stalls to make aware the public and the livestock farmers on the services provided by the Ministry of Rural Economy under the auspices of the Department of Animal Production and Health.</i>



*An event at Nila Mehewara Mobile Service held in Galle District*

#### ❖ Participatory Agreement on Sri Lanka Dairy Excellence Training Initiative

During the visit of the Prime Minister of New Zealand Sri Lanka Dairy Excellence Training Initiative was signed and the New Zealand ambassador in Sri Lanka Mr. Graham Morton, representing the Ministry of Foreign and Trade Affairs of New Zealand and Mrs. Renuka Ekanayaka, Secretary of the Ministry of Rural Economy representing the Government of Sri Lanka, participated as stakeholders.

Here, the government of New Zealand agreed to assist to improve the quality and the capacity of the extension services provided to the dairy farmers by the Department of Animal Production and Health.

The aim of this programme is to improve the dairy farming and to increase the GDP in order to help in the overall social and economic development. It is expected to improve the quality of milk, daily income of the dairy farmers and their living standards.

Primary field surveys have been done to introduce Key Performance Indicators to small scale dairy farmers and the information has been sent to relevant parties. Training and direction to broaden the dairy farming is also given under this programme. Training of trainers (11 Field Officers) have been done locally and internationally. At the end of the period under review the said trainers had trained 83 Extension Officers in 05 districts. Further 309 officers have participated at this programme. PC tablets which are required to carry out this programme at field level have been already purchased and they are being provided to the relevant officers.

## ❖ World Rabies Day Programme - 2017

Department of Animal Production and Health has conducted a programme under the auspices of Hon. P. Harrison, Minister of Rural Economy on the theme “Let’s Eradicate Rabies in year 2030” at the premises of Anuradhapura, Eastern Nuwaragampalatha Veterinary office on 28th September 2017 in order to celebrate World Rabies Day.

An awareness programme was held on giving rabies vaccines to animals and conducting sterilisation surgeries for dogs and the officers of the Ministry of Rural Economy and Department of Animal Production and Health, Faculty of Veterinary science and Veterinary doctors participated at this event.



*Events at Rabies Day Programme -2017*