



Performance Report

2013

Food Commissioner's Department

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Preface.....

The earth gets adequate rain and sunlight to make cultivations including paddy fields rich in harvest. However, cultivations subject merciless weather conditions of nature such as cyclones, storms and floods recurrently.

We have heard that our ancient farmers were accustomed with these critical natural factors and they grew crops such as sweet potatoes in their home gardens and filled granaries with crops like *Kurakkan*, *Meneri* with the view of getting rid of scarcity. Yet it is less than one fourth of Sri Lankan citizens. The government has been entrusted with the responsibility of maintaining buffer stocks to fulfil the food requirement of the rest and managing the related market. Accordingly, the government made the background to use wheat flour as a subsidiary when there was scarcity of rice. The government has given priority for the food security to get rid of such situation. Guidelines will be provided frequently to fulfil the necessity of under consumption by safely storing the surplus of consumption. Food Department is assigned the duty of maintaining 100,000 MT of rice buffer stock by following such guide lines. Further the responsibility of maintaining the target rice buffer stock properly is the responsibility of the Food Department.

The Food Department has been trying for years to fulfil this task it has the risk of pests and fungus infection when maintaining rice stocks suitable for consumption for more than three months. The department had to fumigate the relevant rice stocks with chemicals reluctantly to control such conditions and it has been reported that sometimes such stocks had to be unexpectedly used as animal food. Therefore, Food Department has paid attention to identify new avenues to achieve its goal without facing such situations again ' Accordingly, as a result of the study of constructing warehouses using scientific methods to maintain rice buffer stocks for a very long time implemented by the department last year, the first model of scientific store was constructed at the Veyangoda District Granary.



The department was in the view that following the old ways that incur losses in lieu of the ways which avoid losses in storing rice is a waste of public resources and it reflects inefficiency of public institutions and the department had the challenge of avoiding such situations.

The department could identify four methods that could maintain rice stocks without pest and fungus infections for one year with minimum usage of chemicals as a result of the study the department engaged, in order to find a successful solution for the challenge it faced. The department implemented a research project following two types of effective methods and it was an outstanding land mark in the history of storing rice and a great achievement of Food Department. Hence, the government expected to achieve the objectives of fulfilling urgent food requirement arisen at emergencies and implement the government policy of maintaining buffer stock of rice with minimum waste and high quality to supply for the local market in order to control the unnecessary price hike arisen in the market at low supply of rice to the market. However, there were criticisms and hindrances to discourage the said research project. I am pleased to mention that the department had the strength to make the project successful overcoming the ulterior goal of said parties. I extend my sincere thanks to public and private sector organizations that contributed to make this project a success.

The rice stocks stored in the renovated stores using the desired scientific methods under the research project implemented by the department with much dedication, could be effectively maintained for one year without any harm and this was the first stage of steering us to follow a new way to maintain buffer stocks of rice with high quality in lieu of following out dated storing methods.

This research became successful by selling rice stored in the said manner at a guaranteed price of one kilo gram of rice when there was low supply of Nadu rice in the market and the department could proudly achieve its major objective of maintaining a buffer stock of rice.

Thereby renovations of another store has been started with the objective of promoting these successful methods and this would be a precedent for



those who maintain rice stocks and millers to maintaining rice stocks avoiding the risk of being not fitting for human consumption.

The department implemented this regulatory system in 2013 while continuing the other activities. An analysis on it has been cited in the annual report.

I am much pleased to write a preface for the Annual Report 2013 in my capacity as the Food Commissioner and I extend my heartfelt blessings to become the rich harvest reap with utmost dedication of the department be a this successful method a source of prosperity for SriLankan citizens !



N.Nimalka Dias
Food Commissioner
On 30th April 2014

Union Place,
Colombo 02,
At Food Department

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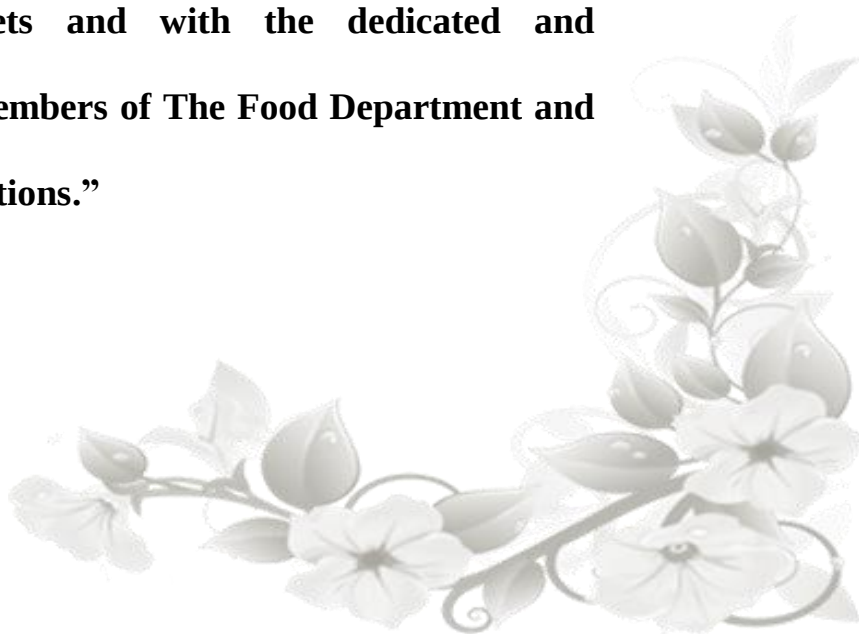
(01).About us

- **Vision**

**“Safe sustainable nutritious staple grain
foods for every households.”**

- **Mission**

**“Guarantee the Availability, Accessibility, Affordability
of Staple grain Foods for The Citizens of Sri Lanka by
managing and aligning The Markets by using
Departmental assets and with the dedicated and
committed Staff Members of The Food Department and
Stakeholder Institutions.”**



(02).Food Commissioner's Department

Introduction (1942-2013)

When the world faced the 2nd world war, it suppressed almost all the countries and even affected internal and external affairs of Sri Lanka. It created disorder in Sri Lankan trade. There were hindrances in equal food distribution in the country and Sri Lankans had to face an issue in getting their food. The rulers were hasten in finding solutions for constant supply of food to redress people from this pressure.

As a result, measures were taken to establish Consumer Authority and it took over the responsibility of food distribution constantly in a fair manner by determining their prices. Consumer Authority handled its duties approximately around one year and with the expectation of getting fulfilled them by a government department; the Food Department was established in 1942 as a government representative of importing food, storing, fixing prices and etc.

The Food Department was founded in 1942. The Food Commissioner was the Head of the department. The Food Commissioner regularly engaged in discharging the duties handled by the Consumer Authority up to the year of 1943 and actions were taken to address

the issues occurred in islandwide food distribution.

The Food Department was vested with the powers of issuing Rice Ration Books and supplying required quantities of rice to implement government decision of granting rice rations as a concession taken in 1943. Every citizen of Sri Lanka was entitled to this privilege and Co-operative Societies were established to distribute rice to people. At the beginning, Rice Ration Books were issued only for rice and later this procedure was broadened to issue some other necessary food items.

This concession was granted to the public by every government from 1943 to 1979 and the Food Department engaged in the tasks of issuing Ration Books and supplying necessary food items successfully. The activities such as supplying necessary food items under Ration Book System, importing required food items, storing and distributing them to district warehouses of the department were handled by the Food Department while further making arrangements to maintain adequate store complexes to store food carried from warehouses of harbour and district warehouses in every district for



regional food distribution. Among the warehouses used by the Food Department there were renovated buildings which were built by foreigners for military purposes during the 2nd World War period and even now they are used as department stores. The Food Department which had a huge capacity and islandwide spread warehouse network, rendered a yeoman service and became outstanding. Further, the Food Commissioner directly co-ordinated with District Secretaries with the objective of maintaining his administration regularly in every province. As the authority of responsibility of maintaining food supply in a broader range, the Food Department could achieve the level of “A” graded major department of the country.

With the increase of population, the government understood that there is no necessity in free supply of food for SriLankans; poor people as well as people who earn a very high income since it made difficult to maintain the other heads of expenditure. Thus when The Rice Ration Book System was terminated in 1979 with the introduction of Poverty Relief Stamp System, the Food Department transferred its power of issuing poverty concession rations to Poverty Relief Commissioner’s Department. However, Food Commissioner’s Department continued its functions further remaining in the same objective of importing food items to be distributed

at Co-operative Societies under Poverty Relief Stamp System.

Prima Flour Factory was established within Trincomalee harbour in 1981 and the Food Department was vested with the monopoly of importing wheat grain, processing at Prima Flour Processing Complex and distributing them instead of imported flour distribution.

Apart from the distribution of food, the Food Department continued its task of supplying Kerosene oil and food items such as rice, flour and sugar under Stamp System by 1986 and the due amount was settled by the Poverty Relief Department. Thus, the Food Department functioned with many responsibilities in meeting the objectives of the Government through importing food items to fulfil food necessity of nation and distributed with much responsibility for approximately fifty years. The authorized power of importing sugar and rice vested with The Food Department was transferred to private sector as per a policy decision of the government prevailed at that time in 1987 and 1989 respectively, by the latter part of 1986 the Food Department; the nation’s major representative of food distribution became inactive. However, the Food Department did not ignore its objective due to the mere loss of one duty.

Thereafter, the Food Department took over the authority of the kitchen



complex and the bakery situated at Elliot Road, Borella in 1990 and carried out its functions by uplifting bakery industry, making bread using locally processed flour and distributing cooked food to Colombo city and government institutions.

Parallel to this, the process of Prima flour distribution was successfully continued up to 2000 without any impediment. The Food Department lost its monopoly of flour distribution which had for two decades from 1981. Under these circumstances; the department did not ignore its objective and engaged in the process of closing accounts of the related activities with the expectation of taking over any task the government would assign. According to the government decision of closing the kitchen and the bakery at Elliot Road, Borella in 2002 and transferring its assets to Perk Institution the department had to ignore a part of its mission.

Although the department had to function towards diverse objectives and missions from 1943 to 2002 the department was able to move towards success according to the prevailing circumstances. Though the department had to manage this condition its primary objective was to ensure the food security. As making opportunity to prevent from ignoring that objective, measures were taken to encourage bonded warehouse owners.

The government instructed to liquidate the advance account of food distribution in 2004 and the department had to liquidate it. According to the government decision of not continuing the programme of food distribution, the duties of the Food Department decreased and the Secretary to the Ministry became the Acting Food Commissioner.

The government started to purchase rice under a guaranteed price in 2005 and the department had to process rice and store them in warehouses. As a result the Food Department which was to be liquidated was limited only to maintain a rice buffer stock in terms of the Cabinet Decision CP/06/0901/218/025 dated 25th May 2006.

As per the Cabinet Paper TMCC/2008/18 dated 11th August 2008 it was suggested to restructure the Food Department and it was adopted by the Cabinet Memorandums CP/08/342/016 and CP/0/1482/342/016 dated 04th September 2008.

A new lady Food Commissioner was appointed in the middle of 2009 and the department rejuvenated as a stakeholder in achieving government objectives. Accordingly, the department could contribute to the government revenue by renting out 123 warehouses out of 146 and 366 houses at Dhanyagama at Trincomalee. Further the department was able to



retain 23 warehouses to maintain a buffer stock of 100,000 MT.

A plentiful ever received best harvest could reap by granting fertilizer concession ,importing infrastructure facilities and encouraging farmers to grow without keeping any bare land with the objective of uplifting Local Agriculture in accordance with Mahinda Chinthana Policy introduced at the beginning of 2010. When the farmers were interrupted in selling their harvest at a reasonable price, the Food Department made arrangements to purchase paddy through Paddy Marketing Board at a guaranteed price and store them in its warehouses.

Measures were taken at the beginning of 2011 to store the said buffer stock of rice in Food Department warehouses. Since the buffer stocks had been stored for a long time, chemicals had to be used for pest control. In the meantime the department observed that usage of chemicals decrease the high quality of rice, a huge sum should be afforded on it and the methods prevailed were not suitable to preserve rice approximately one year. On this ground the Food Department investigated four scientific methods of storing rice as a result of studies on store construction.

Accordingly, the Food Department made arrangements in 2011 to prepare a project proposal to construct such four types of store models in 2012/2013 and followed scientific methods on it in order to submit it to

parties concerned and get the necessary approval in the implementation of its stages. However since sufficient provisions were not made for the proposed projects of 2012, it had to manage on the basis on priority of provisions. The department could complete the construction of the Mechanical Ventilator System and Natural Ventilator System, installation of related scientific equipment and the construction of the operation unit which control them.

Since the department was not granted financial provisions from the treasury, it had to make provisions for 1000 MT of rice by regular arrangement of the expenditure under certain objects made by the annual estimate. The department made arrangements to commence storing rice in the relevant stores utilizing the said provisions. Though the last year was a challenging year to complete these activities, the department was able to reach all the targets by facing the challenges in the right manner.

Accordingly, The Food Department was able to maintain the rice stock which stored in the renovated store following scientific methods for a period of one year in 2013 as expected.

It was a great success the department achieved that it could sell rice stored in the said manner at a maximum price subject to the guaranteed price in the market when the price of one kilogram



of rice exceeded the guaranteed price due to less supply of rice to the market. Renovation of another such store was started in 2013 with the objective of promoting the scientific method.

Designing of a new website which assists to create an e – environment is another successful leap of the department.

Thus, the future plan of the Food Department is to work with great dedication to improve stores in achieving expected level, to utilize them to maintain buffer stocks of rice, to identify the surplus of rice consumption in the country for its export using minimum cost, and maintaining buffer stocks.



(03).Major Activities of Food Department

01.Maintenance of a special buffer stock of rice as per the Colombo declaration and 16th conference of South Asian Association for Regional Co – operation (SAARC)

It was decided at the 16th conference of said organization that Sri Lanka should maintain 8000 MT of rice buffer stock to be used at the emergency and disastrous situations of Regional Countries of South Asia.

02.Maintenance 100,000 MT of rice buffer stock at the islandwide Food Department warehouses as per the Cabinet Decision dated 27/08/2008

Food Department has been re structured with the view of maintaining 100,000 MT of rice buffer stock to be used at critical situations as per the Cabinet Decision dated 27/08/2008

(03). Ensure the availability of rice at market

Equip the consumer with the opportunity of purchasing rice by releasing rice stocks when necessary to the market with the objective of controlling the fluctuation of the price of rice due to the rice scarcity at the market.

04.Effective Co-ordination with the stake holders for the better management of department resources

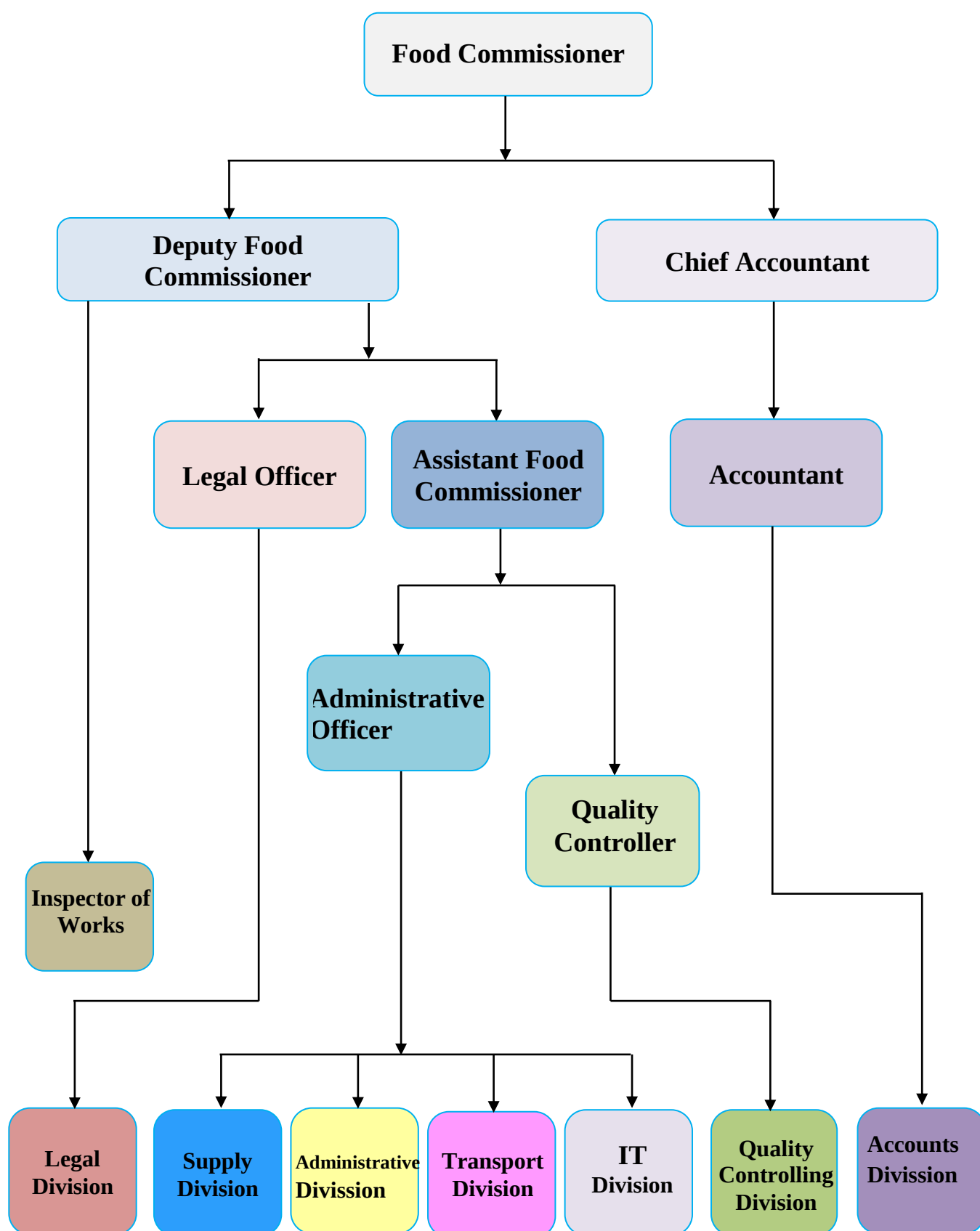
Contribute state revenue by renting out excessive number of warehouses and houses in order to utilize them effectively on the basis of the estimates of chief assessor.

05. Create a pest free grain food environment

Supply high quality grain to consumers by maintaining pest free stores that could store grain with high quality



(04).Organizational Structure



(05). Administrative Structure and Staff

The administrative and maintenance programmes conducted by The Food Commissioner are in progress.

All the accounts activities of the department were carried by the Accountant in 2013.

Due to hand over the Narahenpita stores complex to the Ministry of Co-operatives and Internal Trade, the unit of Quality control has been transfer to Officer Incharge in the Veyangoda.

The Trincomalee Housing scheame which is situated at Dhanyagama, consist of 366 houses was managed by Officer Incharge in Trincomalee.

The Department leagal division was administered leagal Consultant of

the ministry of Co- operatives and Internal Trade.

The only Supra Grade Management Assistant Officer had been discharging duties as Acting Administrative officer.

By 31st of December 2013 there are 117 employees out of the all 251 such as 36 Management Assistants belong to I, II and III grades from the approved 82 and 56 Department Employees of miscellaneous positions out of 107 are employed in the Food Department.

It's a fact to be notified that by 01st of January 2013, 14% from the total number of employees retired during the year and 07 new Development Officers were appointed.

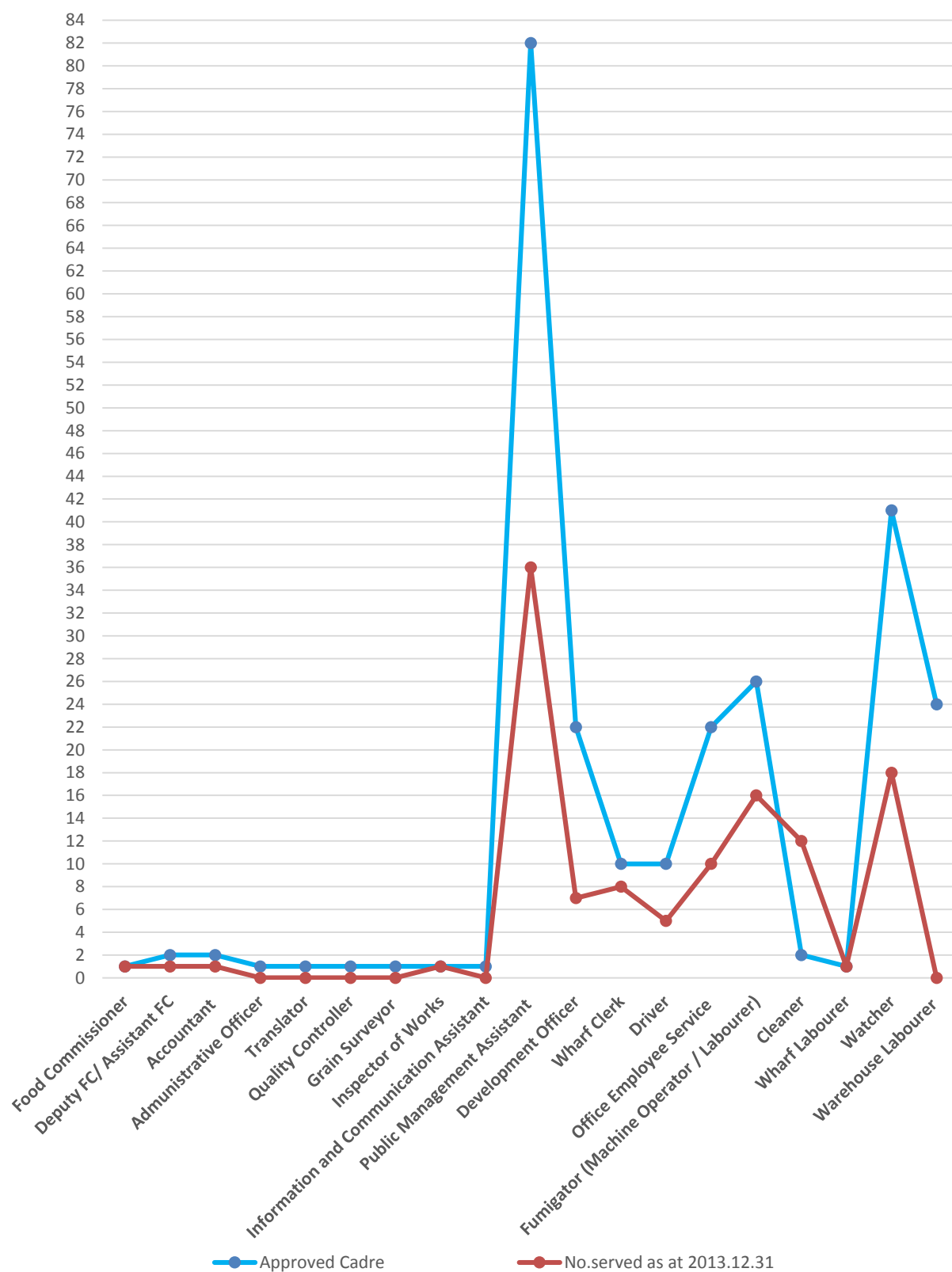


• **Staff of the Food Department 2013**

#	Designation	Approved Cadre	Employed Cadre by 31.12.2013
01	Food Commissioner	01	01
02	Deputy Food Commissioner/ Assistant Food Commissioner	02	01
03	Accountant	02	01
04	Administrative Officer	01	01 (Acting)
05	Translator	01	-
06	Quality Controller	01	-
07	Grain Surveyor	01	-
08	Inspector of Works	01	01
09	Information and Communication Assistant	01	-
10	Public Management Assistant	82	36
11	Development Officer	22	07
12	Wharf Clerk	10	08
13	Driver	10	05
14	Office Employee Service	22	10
15	Fumigation Operator/Labourer	26	16
16	Cleaner	02	12
17	Wharf Labourer	01	01
18	Watcher	41	18
19	Stores Labourer	24	-
Total		251	117



• **Approved Cadre and the Presently Employed Cadre Of the Food Department 2013**



I. New Appointments

#	Designation	Number
I.	Development Officer	07

II. Retirements

#	Designation	Number
I.	Public Management Assistant Service	02
II.	Fumigation Labourer / Machine Labourer	05
III.	Cleaner	01
IV	Watcher	08
V.	Office Employee Service	01

IV. Transfers (Outward)

#	Designation	Number
I.	Public Management Assistant Service	11
II	Driver	05
III.	Office Employee Service	02

V. Transfers (Inward)

#	Designation	Number
I.	Public Management Assistant Service	08
II	Driver	02
III.	Office Employee Service	01

VI. Release from Department Service

(48 (a) Pensions Minute)

#	Designation	Number
I.	Wharf Clerk	02
II	Driver	01



(06). Auditing and Disciplinary activities

- **Auditing**

Auditor General's Department has established an Auditing Division at the Food Department premises. The regular auditing and the final account auditing are carried out by its staff.

The auditing activities of the department are conducted by the Internal Audit of the Ministry of Co-operative and Internal Trade .This answers the audit queries raised by the Auditor General and the auditing office at the food department with copies to the ministry and the parties concerned directly.

Accordingly, 22 audit queries were raised in 2013 and the department could answer 20 of them.

- **Disciplinary Activities**

It is noteworthy to mention that no disciplinary inquiries held against officers in the year of 2013.

(07).Judicial Activities

Information regarding the judicial activities of Food Department by the end of 2013 is given below.

	Category of Cases	Cases on trial
I.	Recoveries of bounced cheques	01
II.	Recovery of non paid store rental	09
III.	Aequrty Stores Possession	01
IV.	Recovery of surcharge	05
V.	Cases on regaining the procession of Trincomalee Dhanyagama Houses	40
	Total	56

Further legal actions have been taken against four officers of the department those who did not pay back government property loans co-coordinating with Attorney General's Department and due loan balance of one person has been totally recovered while two of others have agreed to pay back the due property loan balance in installments.



(08).Department Stores and Houses

• Department Houses

114 of Food Department stores are scattered throughout 22 districts of the island. They are used for the following purposes with the view of managing state property in the proper way.

#	Stores	Quantity
1.	Rented out for government and private sector institutions.	49
2.	Rented out for government organizations on temporary /free of rental	35
3.	Stores under the authority of the department	17
4.	Stores under the authority of District Secretary	13
Total		114

• Department Houses

There are 366 houses in Dhanyagama at China bay owned by The Food Department. They have been rented out in the following way.

#	As at 31.12.2013	Quantity
1.	Food Department office premises	01
2.	Under the Food Department	05
3.	Rented out	
	• to government officers	60
	• to tri forces and police	43
	• to semi government organizations	61
	• to the officers of Prima Ltd.	194
	• to private organizations	02
Total		366



- Description of the department stores**

The description of the stores which are under the department and rented out or given on free of rental by 31.12.2013

Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent
Colombo District				
01	Orugodawatta - 01	24624	6000	SriLanka Customs
02	Orugodawatta - 02	24624	6000	Ministry of Rehabilitation
03	Orugodawatta - 03	20304	5000	State Book Publishing Department
04	Orugodawatta - 04	19008	5000	Ministry of Rehabilitation
05	Orugodawatta - 05	19008	4500	Ikon Distributors
06	Orugodawatta - 06	20304	5000	Ministry of Higher Education
07	Orugodawatta - 07	20304	5000	Ministry of Disaster Relief
08	Orugodawatta - 08	16560	4000	Ministry of Higher Education
09	Orugodawatta - 09	16560	4000	Ministry of Rehabilitation
10	Orugodawatta - 12	18183	4000	SriLanka Customs
11	Orugodawatta - 10	13436	-	Rank Container Terminals (p.v.t)Ltd.
12	Orugodawatta - 14	11448	-	
13	Orugodawatta - 15	18206	-	
14	Orugodawatta - 16	-	-	
15	Office Building	-	-	
16	Hunupitiya Office Room	755	-	Mrs. Suneetha Gunasinghe
17	Ratmalana - 03	41200	-	Red Cross Society
Total		284524	56020	



Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent
Gampaha District				
18	Veyangoda - 01	29040	5900	Food Department
19	Veyangoda - 02	21750	4000	Eble Holdings (pvt)Ltd
20	Veyangoda - 03	6142	1200	Food Department
21	Veyangoda - 04	7552	900	Bandara Industrial Services
22	Veyangoda - 05	12373	1400	Department of Cultural Affairs
23	Veyangoda - 06	7568	1100	Food Department
24	Veyangoda - 07	28860	5400	} Food Department
25	Veyangoda - 08	28860	5400	
26	Veyangoda - 09	28860	5400	
27	Veyangoda - 10	28860	5400	
28	Veyangoda - 11	33200	6200	Don Miyon Institution
29	Veyangoda - 13	24288	6800	Food Department
30	Veyangoda - 16	6370	1200	Food Department
31	Veyangoda - 17	6279	770	CCEB
Total		27002	51070	
Kurunegala District				
32	Nikaweratiya Store	10496	4000	Divisional Secretariat (Nikaweratiya) &
33	Aswedduma Store	6132	-	North Western Provincial Council
34	Mahawa No - 01	4698	800	} PMB
35	Mahawa No - 02	13118	1300	
36	Malkaduwwa No - 01	5227	2000	} Saed Mohomed Company
37	Malkaduwwa No - 02	4827	2000	
38	Malkaduwwa Store - 03 (GI)	10498	2000	Green Valley Plantations Company, Nikaweratiya
39	Gettuwana No - 01	6336	2000	PMB
40	Gettuwana No - 02	5544	2000	Selyn Exports Pvt. Ltd
41	Gettuwana No - 03	5544	2000	} CWE
42	Gettuwana No - 04	5544	2000	
Total		77964	36200	



Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent
Kandy District				
43	Pallekele	15484	1500	H.M.S.Dharmasena
44	Katugastota Store	6490	1700	Trends Marketing
45	Wattegama Store	5120	1000	Food Department
Total		27094	4200	
Kegalle District				
46	Kegalle-Paragammana 01	5500	1500	} Vijitha Group Company Ltd.
47	Kegalle-Paragammana 02	5500	1500	
48	Kegalle-Paragammana03	3960	-	
Total		14960	3000	
Galle District				
49	Bussa No - 02	23721	3750	} Food Department
50	Bussa No - 03	23721	3750	
51	Bussa No - 04	56784		} Economic Centre
52	Bussa No - 05	55770		
53	Katugoda No - 01	20545	3825	} Trico Merritime
54	Katugoda No - 02	9532	1775	
Total		190073	13100	
Matara District				
55	Meddawatta No - 01	7264	965	PMB
56	Meddawatta No - 02	10000	1870	Divisional Secretariat (Matara)
57	Weligama Store	8019	1300	Piyasiri Stores
Total		25283	4135	
Hambantota District				
58	Hambantota Store	14023	4500	PMB
59	Weerawila No - 01	5478	1700	} Divisional Secretariat (Hambantota)
60	Weerawila No - 02	4157	1100	
61	Weerawila No - 03	4221	1700	
62	Kahandawa No - 01	3517	1900	} PMB
63	Kahandawa No - 02	4090	1900	
Total		35486	12800	



Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent
Anuradhapura District				
64	Shrawasthipura No - 01	25520	3575	PMB
65	Shrawasthipura No - 02	23930	3350	
66	Kekirawa No - 01	7950	1275	PMB
67	Kekirawa No - 02	7150	1145	
68	Senanayaka No - 01	2461	390	People's Integrated Agro Ltd.
69	Senanayaka No - 02	2461	396	Ministry of Indigenous Medicine
70	Senanayaka No - 03	11017	2400	PMB
71	Senanayaka No - 04	2185	325	People's Integrated Agro Ltd.
Total		82674	12856	
Polonnaruwa District				
72	Kaduruwela No - 01	13419	2880	PMB
73	Kaduruwela No - 02	20187	3200	
74	Hingurakgoda No - 01	23550	4400	CWE
75	Hingurakgoda No - 02	23550	4400	
Total		80706	14880	
Nuwaraeliya District				
76	Blackful No - 01	1514	280	Nuwaraeliya Agro Co-Operative Society
77	Blackful No - 02	1836	150	
78	Blackful No - 02 Upper Floor	1824	-	
79	Blackful No - 03	2335	435	
Total		7509	865	
Ratnapura District				
80	Ratnapura Store	9611	1800	Marapana Bambarabotuwa Co-operative Society
81	Opanayaka No - 01	7730	1335	Lal Stores
82	Opanayaka No - 02	5300	850	CEB
83	Eheliyagoda No - 01	2337	435	Eheliyagoda Co-operative Societies Ltd.
84	Eheliyagoda No - 02	2373	435	
85	Eheliyagoda No - 03	4806	900	
86	Kahawatta No- 01	3180	590	Pannilpattu Cooperative Societies Ltd.
87	Kahawatta No - 02	1881	150	
Total		37218	6495	



Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent
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Moneragala District				
88	Moneragala No- 01	22480	3150	PMB
89	Moneragala No - 02	7000	1250	CWE
Total		29480	4400	
Matale District				
90	Matale No - 01	21448	3000	Mr.Mohomed Ashrof
Total		21448	3000	
Badulla District				
91	Badulla No-01	7245	1380	Food Department
93	Badulla No -02	6781	1500	SriLanka Consumer Society CEB
93	Haputale No - 01	1653	130	Haputale Cooperative Society
94	Haputale No - 02	1806	120	
Total		17485	3130	
Ampara District				
95	Ampara No - 01	11368	2125	Food Department
96	Ampara No - 02	11368	2125	PMB
Total		22736	4250	
Batticaloa District				
97	Batticaloa No - 01	18000	6000	(District Secretariat Batticaloa
98	Batticaloa No - 02	17600	6000	PMB
99	Batticaloa No - 03	17600	6000	Cylon Fertilizer Company LTD
100	Batticaloa No - 04 (Store by the railway Station)	13560	2800	CWE
Total		66760	20800	



Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent
Puttalam District				
101	Puttalam No - 01	5600	600	} (District Secretariat Puttalam)
102	Puttalam No - 02	9600	1000	
Total		15200	1600	
Vavuniya District				
103	Vavuniya No - 01	3763	775	CWE
104	Vavuniya No - 02	4165	165	} (District Secretariat Vavuniya)
105	Vavuniya No - 03	684	160	
Total		8612	1100	
Trincomalee District				
106-110	Love Lane Supply Centre (five stores)	28518	15000	Three Stores – Housing Development Authority Two Stores – Sri Lanka Board of Investment
Total		28518	15000	
Jaffna District				
111-113	Nawakkuli (three stores)	43200	7500	District Secretariat (Jaffna)
Total		43200	7500	
Mannar District				
114	Murukkan	9720	1500	Granted to World Food Programme
Total		9720	1500	

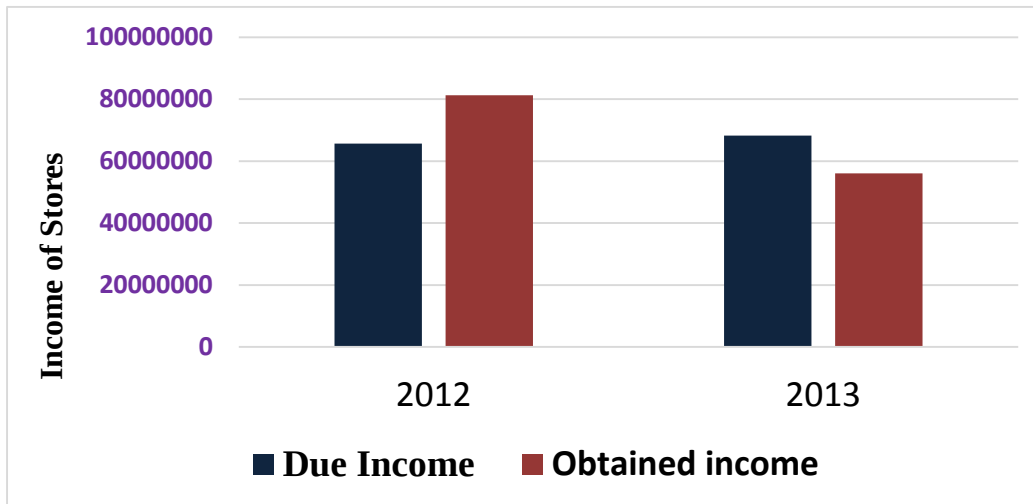


Distribution of Warehouses



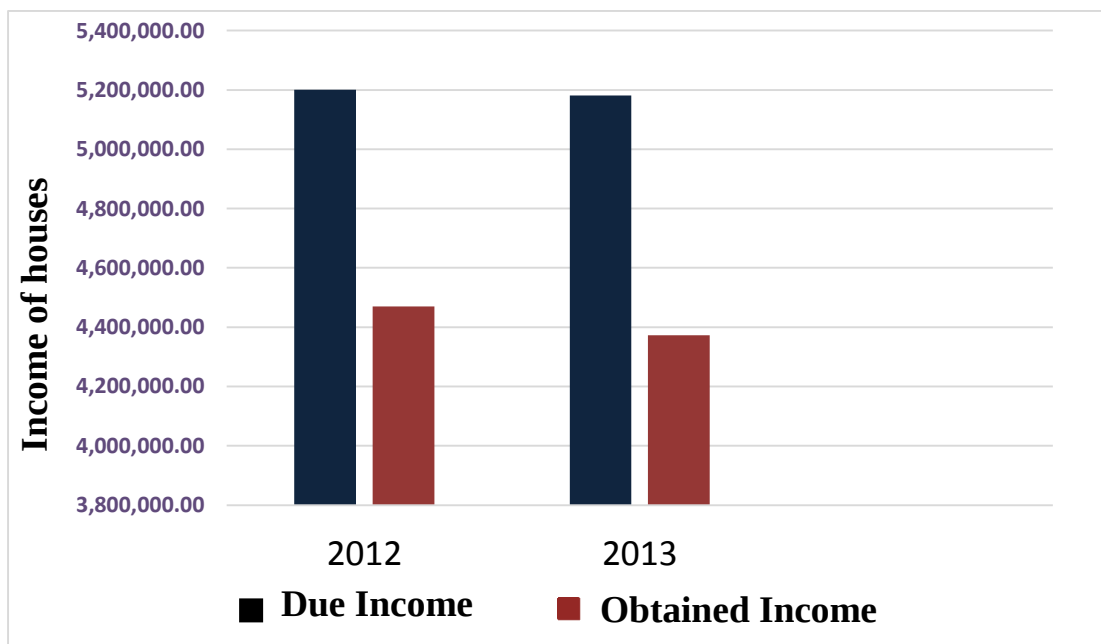
- Income of Stores

Year	Due Income	Obtained Income
2012	65628577.04	81,323,239.82
2013	68307972.00	56,026,609.36



- Income of Houses

Year	Due Income	Obtained Income
2012	5,201,220.00	4,469,986.13
2013	5,181,325.00	4,372,845.00



(09).Summary of Accounting Procedure

The combined plan and the action plan of the Food Department had been designed with the objective of improving the existing warehouses convenient for maintaining a high quality buffer stock of rice giving priority to the implementation of government policy of food security. The annual estimate of 2013 was made to achieve that task.

The annual estimate did not make provisions for certain required objects indicated in the estimate prepared by the department. Accordingly, the department could not achieve targets since the department was not granted the required provisions for its major task of maintaining a buffer stock of 100,000MT of rice.

Further, expenditure controlling plans were implemented to get provisions for necessary tasks.

Recurrent Expenditure

Minimum administrative expenditure policy was implemented even in 2013 and it paved the way not to exceed provisions made under the recurrent expenditure by the annual estimate and the surplus of provisions occurred due to the control of the expenditure were transferred to necessary objects after getting approval in terms of F.R. 66

The department could be free from the risk of being inconsistent to the accounting rules and regulations and instructions by not exceeding the limits of provisions and having the ability of revising the provisions to the required extent.

Capital Expenditure

The provisions made by annual estimate on capital object were used to the maximum.

The provisions made on the construction of buildings were used on the construction of an improved store following scientific methods in order to maintain a high quality buffer stock of rice on the basis of food security was a great victory the department achieved.

The other provisions given under other objects were implemented subject the limits of the provisions granted by the estimates taking actions on the basis of necessity and priority.



Liquidation Accounts

The approval to be obtained for the only liability of writing off the working losses of the Advance Account of Kitchen and Bakery which is one of the Food Department's liquidation accounts and the account could be closed immediately after getting approval and provisions.

There are issues in realizing the other liquidation account; Food Distribution Advance Account, since its assets are used in the functioning of the Food Department. Hence, there is less possibility in closing the account. However; steps could be taken to recover debtors' balance that is under the said advance account and write off a part of debtors' balances that could not be recovered meeting the limits of provisions made by the annual estimate and a part of working losses. It is scheduled to get the approval to write off remaining balance of debtors and working losses based on the provisions obtained.

End

The Food Department has taken very specific measures concerning the timely needs of the state policy. The accounting procedure of the year could be completed without any deficiency following all the rules and regulations in a practical manner with much dedication and transparency.



I.P.Kothalawala
Accountant
Food Department

(10) Assets and Property

The assets of the food department remain as the acquired assets of the food distribution under the advance account. The entire property utilized for the functioning of the department until 31-12-2013.

Accordingly, the assets value analysis of the food department on 31-12-2013 is given below.

#	Assets	Value on 31-12-2013
I. The assets under the advance account of food distribution		
	Buildings and constructions	121,065,254.11
	Vehicles	16,041,562.42
	Machinery and equipment	9,215,359.14
	Furniture and office equipment	22,962,954.35
	Total	169,285,130.02



(11) Income and Recoveries

• Income

#	Loan balance was to be recovered as at 01-01-2013	Rs
I.	Store Rental	77,138,965.64
II.	House Rental	2,744,604.00
	Total	79,883,569.64

#	Income recovered in the year	Rs
I.	Store Rental	56,026,609.36
II.	House Rental	4,372,845.00
	Total	60,399,454.36

#	Due loan balance as at 31.12.2013	Rs
I.	Store Rental	69,765,510.86
II.	House Rental	3,044,172.50
	Total	72,809,683.36

• Recoveries

Co-operative loan balance

Recoveries were to be made on made from co-operative Sector on 01-01-2013	Rs.200,281,967.97
Recoveries made in the year 2013	Rs. 220,000.00
Balance of loans due on 31-12-2013	Rs.200,061,967.97

❖ Surcharge Balance

Surcharge balance to be recovered as at 01.01.2013	Rs.49,688,949.70
Recoveries made in the year 2013	-
Surcharge recovered in 2013	Rs.135,158.02
Loan balance to be recovered as at 31.12.2013	Rs.49,553,791.68



(12) Financial Reports

Head no: 300

Ministry/Department: Food Commissioner's Department

Programme no: 01

Project no: 01

Recurrent Expenditure

Details	2012 Real Expenditure Rs.	2013 Approved Estimate Rs.	2013 Amended Estimate Rs.	2013 Real Expenditure Rs.	2013 Balance Rs.
Personal Salaries	44,561,434.00	70,375,000.00	69,730,000.00	42,038,548.00	27,691,452.00
Other	124,626,202.00	155,419,000.00	155,732,800.00	146,030,728.00	9,702,072.00
Total	169,187,636.00	225,794,000.00	225,462,800.00	188,069,276.00	37,393,524.00



Capital Expenses						
Object	Details	2012 Real Expenditure Rs:	2013 Approved Estimate Rs:	2013 Amended Estimate Rs:	2013 Real Expenditure Rs:	2013 Balance Rs:
	Capital resources Rehabilitation & Development					
2001	Building & Construction	21,804,938.00	25,000,000.00	25,000,000.00	16,414,187.00	8,585,813.00
2002	Machinery & equipment	63,493.00	500,000.00	532,700.00	532,680.00	20.00
2003	Vehicles	839,378.00	1,000,000.00	1,000,000.00	901,835.00	98,165.00
	Inflow of Capital Resources					
2101	Vehicles					
2102	Furniture & Office equipment	794,444.00	410,000.00	705,000.00	653,057.00	51,943.00
2103	Machinery & equipment	541,265.00	450,000.00	450,000.00	235,000.00	215,000.00
2401	Training & Skill Development	112,650.00	125,000.00	128,500.00	124,500.00	4,000.00
	Total	24156168.00	27,485,000.00	27,816,200.00	18,861,259.00	8,954,941.00



Financial Generators						
Programme	Details	2012 Real Expenditure Rs:	2013 Approved Estimate Rs:	2013 Amended Estimate Rs:	2013 Real Estimate Rs:	2013 Balance Rs:
01.	Consolidated Fund	193,343,804	253,279,000	253,279,000	206,930,535	46,348,465
07.	Appropriation Law					
	Special Legal Services					
	Foreign Aid					
	Loans					
	Aid					
	Expected Foreign aid					
	Loan					
	Aid					
	Foreign Aid					
01+07	Total Expenditure	193,343,804	253,279,000	253,279,000	206,930,535	46,348,465



(13).Process and Progress

▪ Improvement of Income

1. Rent/lease out the department stores which are not maintained by the department and renting out the Dhanyagama Prima Houses was the major income generator and have made arrangements to revise the rental, avoid the deficiencies in agreements and come into new agreements.
2. Hence, The department has contributed to improve state revenue by crediting Rs. 56,026,609.36 of income from stores and Rs. 4,372,845.00 income from houses to state revenue.
3. Department was implementing two advance accounts. The department took measures to recover the due amount for the goods given to co-operative societies for distribution of food under the Food Stamp System of the Food Distributing Advance Account which is being liquidated.
4. The department could recover due surcharge balance of Rs.135, 176.02 under the said account.
5. Steps have been taken to expedite closing liquidation account by making arrangements to write off Rs.222,779,360 from debtors' balance and working losses using the provisions provided to write off the non recovered the debtors' balances and working losses of the advance account.
6. The assets and liabilities except the balance of losses of the kitchen and bakery advance account which was the other advance account was being liquidated have been closed and arrangements have been taken to write off the relevant balances in order to get provisions.

Maintenance and Development of Assets

1. Measures have been taken to release a quantity of 339,300 kg of rice from the stock of 661 MT rice stored following Natural Ventilator System and Mechanical Ventilator System constructed under DIBSS project.
2. An official Web Site has been designed utilizing a sum of Rs.101, 500 establishing e – environment at the department.



- **Implementation of Productivity Programmers.**

1. Activities being implemented presently in the department to improve productivity.

- Painting each division.
- Painting steel cupboards and Almairahs.
- Provide a board to hang the keys of the office.
- Provide dust bins for each division.
- Provide a steel cupboard and an air condition machine to establish IT unit properly.
- Provide chairs for the dining tables of Accounts and Supply Divisions.
- Introduce a new file for the department

2. Give sufficient training and instructions to the officers of each section to enhance the efficiency of the department staff.

- **Contribution for National Programmes**

1. Having a department exhibition stall at *Deyata Kirula* Exhibition held at Ampara district representing Food Commissioner's Department

- **Employees' Welfare**

1. Providing a uniform for the members of the Welfare society to wear on every Wednesday with effect from 01.01.2013
2. Participation of the employees at the events of the New Year Celebration Festival organized by the ministry of Co-operatives and Internal Trade held on 03.05.2013.
4. Held a Pirith Ceremony and an Alms Giving on 20th & 21st of May 2013 with the contribution of the members of welfare society.
5. Provide a budget pack for each member of welfare society under “*Diviyata Sariyak*” programme and hold a Lottery Draw every month and award a prize with effect from 15.08.2013

