

Annual Performance Report

2011

**Ministry of Livestock and Rural
Community Development**

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Ministry of Livestock and Rural Community Development

Vision:

Self - sufficiency in livestock production while enhancing the living standards of the rural community in Sri Lanka

Mission:

Initiate appropriate measures to ensure sustainable development in the livestock and rural community sectors through optimal management of available resources

Goals:

- ❖ The achievement of sustainable and equitable economic and social benefits to livestock farmers.
- ❖ Increasing the supply of domestic livestock produce at the competitive prices to the consumers.
- ❖ Increase the domestic milk production up to the self sufficient level by 2016.
- ❖ Double the current domestic poultry production by 2016.
- ❖ Enhance the socio economic status of the rural community living in the lagging areas
- ❖ Increase the income levels of the rural community by improving basic facilities and livelihood development
- ❖ Empowerment of rural community by strengthening of community based organizations.
- ❖ Improvement of education facilities and standards, promoting religious observances and culture, developing sports and recreation requirements and developing vocational skills and standards.

Institutions coming under the purview of the Ministry

1. Department of Animal Production and Health
2. National Livestock Development Board
3. Milco (Pvt) Limited
4. Sri Lanka Libiya Agriculture & Livestock Development Company Limited.
5. Mahawali Livestock Enterprises Limited.
6. Saumyamoorthi Thondaman Memorial Foundation.
7. Plantation Human Development Trust.

1 Introduction

1.1 Background

The Ministry of Livestock and Rural Community Development was established with the vision of enhancing the living standards of rural community and making the country self sufficient in livestock produce.

This ministry is consisting two major sections

1. Livestock Development

2. Rural Community Development

Livestock sector plays an important role in agrarian economy of Sri Lanka and it produces livestock products to meet a part of domestic consumption demand and provides an income generating avenue for more than half a million of small holder farmers.

The livestock sector accounts nearly 1 percent of the GDP in Sri Lanka. Between 30-60 percent of income of small holders is generated from livestock activities. The demand for livestock produce as source of animal protein is on the increasing trend.

Dairy industry is earmarked as the priority area for investment and development in the livestock sector. The development programs launched by the Ministry of Livestock and Rural Community Development enabled the country to reach 35percent self sufficiency in local milk production.

Production of milk has grown by 4.5% up to 258.3 million liters in 2011, from 247 million liters in 2010. Collection of milk was 137.66 million liters in 2010. By 2011 it was 143.7 million liters and showed a 4.3% growth.

Rural community in Sri Lanka plays a dominant role in contributing to the national Gross Domestic Production thus because an important component of the economy. It is estimated that the rural sector includes approximately 16 million people of which nearly one million lives in the plantation sector.

National level poverty of the country in 2007 was 15.2 percent and it was 8.9 percent in 2010. In urban, rural and estate sector this ratio was 6.7, 15.7, and 32.0 respectively in 2007, showing remarkable variations. The estate sector poverty has been dropped drastically from 32 percent in 2007 to 11.4 percent in 2010.

Having understood this geographically uneven pattern of development, the government has given high priority in the development of lagging regions. Accordingly Ministry has implemented lagging area rehabilitation and development program in order to uplift the living conditions of the rural poor specially the estate sector in the country.

2 Livestock Development Projects implemented in 2011

The “Mahinda Chinthana- vision for the future” identified the country should reach self-sufficiency in all livestock products, including dairy production, by the year 2016. Accordingly, the Ministry of Livestock and Rural Community Development, has launched several development programmes throughout the country in the pursuit of this policy goal.

The main issue that emerged in the livestock sector in Sri Lanka in the year 2010 was the acute shortage of poultry meat and eggs. This Ministry thus took remedial measures for a permanent solution of this recurrent problem and designed a planned programme of action by directing the National Livestock Development Board to import and distribute to farmers, day old chicks from abroad for immediate production of poultry products and also to import parent stocks of chicks to expand the domestic production of day old chicks in the country.

Reaching the goal of self-sufficiency in dairy and livestock products by the year 2016 requires a concerted effort through a well designed plan of action. Accordingly, a comprehensive Livestock Development Plan was prepared by this Ministry, and the Cabinet has approved this for implementation.

The Cabinet also approved the increase of farm gate price of milk with effect from 1st March 2011, to Rs.50 a liters for milk of 4.2 percent butter fat and 8.3 percent solids not fat with an aim of encouraging the dairy farmers for expanding the domestic milk production. Accordingly, Milco (Pvt) Ltd., which comes under the purview of this Ministry prepared a new price chart for its milk purchase and has implemented the new payment scheme from 1st March 2011. The increase of milk price has attracted many entrepreneurs for the dairy sector and an increasing trend is thus seen in the domestic milk production.

2.1 The Development Programmes in 2011

2.1.1 The Dairy Village Programme

The dairy village programme commenced in 2004, with the objective of socio-economic development of dairy farmers through farmer empowerment has been implemented uninterruptedly, and as of end 2010, a total of 811 dairy villages have been established throughout the country. Another 80 dairy villages are completed in the end of 2011. Furthermore, from this year; the benefits to the dairy farmers through this programme had been raised to Rs.35, 000 per farmer. Establishing bio-gas generators among the farmer community under the dairy villages programme is another development initiative undertaken.

Dairy villages and Biogas units - 2011

Province	Dairy Villages	Bio-gas units
Central	23	12
Eastern	6	5
Nothern	5	2
North central	8	8
North Western	7	5
Sabaragamuwa	9	5
Southern	7	8
Uva	10	3
Western	5	6
Total	80	54

2.1.2 Promotion and facilitation of Liquid Milk Consumption

Under the promotion and facilitation of liquid milk consumption, steps have been taken to establish liquid milk sales outlets in all the nine provinces in the country. As a result people are now able to have access to a nutrition glass of fresh milk at an affordable price. There are 535 such sales outlets established so far from 2004 to 2010, with funds allocated under this Ministry. An additional 121 milk sales outlets are completed in the end of 2011.

Furthermore, action is taken to support the continuous flow of fluid milk to these sales outlets through planning and implementation of an elaborate network of milk collection system from the dairy farmers.

In addition, awareness programmes for the development of positive attitudes towards the fresh liquid milk consumption is being undertaken targeting the school children as change agents.

Milk Sales Outlets – 2011

Province	Milk Sales Outlets
Central	-
Eastern	25
Northern	20
North central	-
North Western	22
Sabaragamuwa	11
Southern	15
Uva	11
Western	17
Total	121

Under this Facilitation and Promotion of liquid Milk consumption programme, in addition to establishment of milk sales outlets, many other development activities were carried out with the intension of strengthening milk collection network and promoting the fresh liquid milk consumption in the country.

Other activities carried out under Facilitation & Promotion of liquid milk consumption are as follows.

2.1.2.1 Improvement of Milk Collection Network

Sabaragamuwa Province

- * Establishment of 07 Milk Collecting Centers at Rs.0.70mn
- * Distribution of 104 nos. of 10L milk cans & 50 nos. of 20L milk cans at a cost of Rs.0.75mn

Western Province

- * Distribution of 06 milking machines at Rs.0.60mn
- * Establishment of 07 nos. of milk processing units at Rs.0.07mn

Northern Province

- * Construction of Vadamarachchy south west Division Livestock breeder's co-op Society building, Karaveddy at Rs. 1.74mn

2.1.2.2 Assistance for Farm Mechanization

Distribution of 32 no. of Grass Choppers at Rs. 1.85 mn

Central Province

- * Distribution of 07 nos. of electrical Grass Choppers
- * Distribution of 03 nos. of kerosene oil Grass Choppers

Sabaragamuwa Province

- * Distribution of 17 nos. of electrical Grass Choppers
- * Distribution of 04 nos. of kerosene oil Grass Choppers

Southern Province

- * Distribution of 01 electrical Grass Choppers

2.1.2.3 Assistance for Establishment of Pasture Plots

Western Province

- * Establishment of 100 Pasture Plots at Rs. 1.625mn

2.1.3 Establishment of Livestock Breeder Farms

A primary obstacle for the expansion of dairy production is the shortage of high quality dairy cows in the country. Producing the required number of cows in the farmers field itself through the establishment of private breeding units throughout the country is therefore implemented under the livestock breeder farms development programme. A total of 387 livestock breeder farms have been established by the end of 2010 and quality animals are being issued locally from these units. Another 299 private livestock breeder units are completed in the end of 2011.

In addition, approval of the Cabinet of Ministers received to import sexed bull semen in 2012, for the use in these private breeder farms.

Livestock Breeder Farms -2011

Province	Livestock breeder farms
Central	49
Eastern	27
Northern	40
North central	23
North Western	22
Sabaragamuwa	20
Southern	19
Uva	22
Western	77
Total	299

2.1.4 The Northern Spring- Medium- term Livestock Development Programme

In order to harness the high potential for livestock development in the Northern Province, plans are made to strengthen the veterinary services delivery through the establishment of veterinary offices in region. Accordingly, in 2011, construction work of 6 veterinary offices at Musali, Pudukuduirippu, Pachchalaipalli, Jaffna, Pandatharippu and Vavuniya south were started and will be completed by mid 2012 and in 2012 four more veterinary offices will be started.

Furthermore, the procurement procedures of vehicles required for the delivery of veterinary services, worth Rs.60 million, is being carried out at present.

2.1.5 Importation of Dairy Cattle

500 dairy cows are imported under the first stage of this project from Australia. Rest will be imported in 2012.

2.1.6 New Development Initiatives Undertaken in year 2011

2.1.6.1 International Exhibition on Livestock

Pursuing the development concept by Hon. Arumugan Thondaman, Minister of Livestock and Rural Community Development in implementing programmes for attracting the general public, particularly the young entrepreneurs, to livestock sector activities to accelerate the growth in the livestock sector, a decision was made to hold an International Exhibition on Livestock in Sri Lanka.

The inauguration of the exhibition was held under the patronage of HE the President. The Hon. Prime Minister as well as a number of Cabinet Ministers also visited this exhibition.

This exhibition was held at the Bandaranayake Memorial International Conference Hall from July 7-9 with the active participation of several international companies and livestock farmers representing all the provinces in the country. Parallel to this exhibition on technologies and services, an exhibition of domestic livestock species and poultry of economic importance was also held in the same premises.

2.1.6.2 Trade Exhibition in Batticaloa

The Ministry also took part in the Trade Exhibition in Batticaloa, held from October 7-9, and organized by the Eastern Provincial Council. The Ministry took steps to distribute at this exhibition 30 female calves and 10 female buffaloes calves for selected farmers in the eastern Province.

2.1.6.3 Contribution towards the “Divi Neguma Programme”

The strengthening of the rural economic units through the national programme of “Divi Neguma” by the Ministry of Economic Development is supported by this Ministry through the participation of the Department of Animal Production and Health, the Provincial Departments of Animal Production and Health and, the National Livestock Development Board. Accordingly, Steps have been taken by this Ministry to distribute 225,000 one-month old pullets to the participants under the Divi Neguma Programme.

2.1.6.4 Construction of Community-Cattle Sheds in the Estate Sector

A major challenge faced by the dairy farmers in the estate sector is the complaint made on the contamination of drinking water resources in the estate areas from cattle excreta and dung from their operations. As a measure to prevent the water contamination, this Ministry introduced the concept of community cattle sheds for better waste management methods. Construction of such community cattle sheds for 20 beneficiaries at Mount Vernon Estate in the Talawakelle veterinary division and, another for 12 beneficiary farmers in the Chepelton Estate at Bogawantalawa were done during the year.

2.1.6.5 Dairy Cow Resource Centers

Together with the Central Bank of Sri Lanka, a new initiative is taken by this Ministry to upgrade 12 private cattle breeders from among the breeder farms established island-wide under the ‘Promotion of Private Livestock Breeder Farms Programme’ of the Provincial Department of Animal Production and Health and serviced by the Animal Breeding Division of the Central DAPH, as Dairy Cow Resource Centers. This programme has become a strong support to the other measures taken towards increasing the supply of dairy cattle in the country to meet the demand.

2.2 Proposed Development Programmes to meet the future challenges in the Livestock Sector

The Following Livestock development programmes have been identified for implementation in year 2012.

Programme	Allocation (Rs. Mn)
Dairy villages programme	50.00
Promotion and Facilitation of liquid milk consumption	50.00
Establishment of Livestock Breeder Farms	25.00
Importation of 1000 dual purpose dairy goats	35.00
“ Uthuru Wasanthaya” – Medium term livestock development programme	130.00
Importation of Dairy cows	205.00
Setup cold storage facilities and milk collection at provincial level	5.00

From the above development programmes the following two programmes are new programmes identified for implementation in year 2012.

2.2.1 Importation of sexed bull semen doses

There is 50 percent probability of getting a male calf from every successful artificial insemination performed, and the dairy farmers are unduly burdened with these male animals. The aim of using sexed semen is to guarantee the birth of a female calf from artificial insemination and relieve the farmers from this problem.

2.2.2 Development of small and medium scale poultry farms

Under this programme it is expected to promote small and medium scale poultry farms, mini poultry hatcheries, mobile sales units etc for increasing the supply of eggs and poultry products and thereby making these high quality protein sources easily available to the public at affordable prices.

3 Rural Community Development

The Mahinda Chinthana main policy document of the government has given the priority to develop the rural and estate sector. In line with the Mahinda Chinthana vision of the government has allocated lot of money to develop economic and social infrastructure in the rural and estate sector in order to improve living status of the community living in rural and estate sector. To go on par with the “Mahinda Chintana” policy, Rural Community Development Projects are implemented every year through Plantation Human Development Trust, Saumyamoorthi Thondaman Memorial Foundation as well as Local authorities, Divisional Secretariats, District Secretariats and Provincial Councils.

There are three programmes,

- 1. Livelihood and basic facility improvement in rural areas.**
- 2. Socio-economic development in lagging areas.**
- 3. Estate sector Housing programme.**

3.1 Livelihood and Basic Facility Improvement in Rural Areas

The main objective of this programme is to create self employment through skills development. This programme implemented through the Saumyamoorthi Thondaman Memorial Foundation which comes under the purview of this Ministry. The financial allocation received by the Treasury for this programme in 2011 is Rs.190 million.

Following projects have been implemented in 2011

3.1.1 Prajashakthi and Navashakthi Development Programme

In this programme 45 Prajashakthi centers in island wide provide computer training programme and internet facilities to the estate sector youth and school leavers. New 35 Prajashakthi centers are being planned to implement.

Navashakthi programme provide loan facilities to the self employees in the estate sector and encourage them to do the self employment in order to earn additional income.

Major achievements in 2011

-  Maintaining and Operating 45 Prajashakthi Centers
-  27,911 Students have been registered at the centers from 2006 - 2011
-  Conducted 862 IT programmes from 2006 - 2011
-  Provided Loans facilities to 52 Entrepreneurs

3.1.2 Sports and Cultural Development Programme

The objective of this programme is to develop skills in sports and cultural activities in the estate sector.

While the Norwood Thondaman Sport Complex provide various type of sports facilities to youths and encourage them to participate in sports, the Ramboda Cultural Center provide facilities to the youth to perform the cultural activities.

Major achievements in 2011

-  The Cultural hall, Temple & the Road way have been renovated and improved.
-  The Aesthetic Collage was officially opened on 30/8/2011
-  Conducted Music and Dancing classes for 62 students
-  Conducted sport development activities and training programme.
-  Football ground has been completed in collaboration with and funded by the Sri Lanka Football Federation.
-  Establishment of a Gymnasium is in progress.

3.1.3 Vocational Training Programmes

Thondaman Vocational Training Center provides vocational training for youth. Under this scheme there are 18 courses have been conducted.

Major achievements in 2011

-  369 Youths are under training
-  Averages of 420 youths per annum

3.2 Socio – Economic Development in Lagging Areas

The main objective of this program is to cater the basic needs of the rural sector which were not covered by national level programmes and to incorporate them into the national level agenda. This programme is mainly implemented through PHDT (Plantation Human Development Trust), Local Authorities, District Secretariats, Provincial Councils and Divisional Secretariats. Accordingly, large number of projects such as Access Roads, Steps, Foot paths, Water Supply, School upgrading, Development of Religious and Cultural Centers, Improvement of Healthcare and Sanitary Facilities were identified and implemented. The financial allocation received by the Treasury for this programme in 2011 is Rs.350 million.

3.2.1 Projects implemented under the Socio – Economic Development in Lagging Area Program. Progress Up to 31st December 2011

Activity	No. of Projects	Physical progress	
		Completed	In progress
Electricity Projects	3	3	-
Water Projects	12	10	2
Roads and pavements	211	176	35
School Buildings	19	13	6
Development of Religious and Culture Places	11	10	1
Sports Projects	52	48	4
Health and Sanitary activities	10	9	1
Common amenities	40	33	7
Reroofing	4	2	2
Total	362	304	58

3.2.2 Development Projects Progress up to 31 December 2011 implemented through The Local Authorities Divisional Secretariats & Provincial councils

Activity	No. of Projects	Physical progress	
		Completed	In progress
Water supply	2	2	0
Roads and pavements	101	69	32
School Projects	2	0	2
Development of religious & Cultural Places	3	3	0
Sports Projects	2	0	2
Health & Sanitary activities	1	1	0
Common amenities	9	3	6
Total	120	78	42

3.3 Estate Housing Programme

The main objective of this project is to provide shelter to needy families in the estates. This project is implemented through two Institutes.

3.3.1 National Housing Development Authority- Self Help Housing Program and Special Projects

A beneficiary family will receive 07 perches block of land under this scheme .The cost of a house will be Rs225,000 out of which Rs100,000 will be a loan while the balance Rs125,000 will be a grant. Construction work on 1248 houses have been initiated out of which 397 house have been completed.

Progress of the Housing program implemented through the NHDA

District	No. of Housing units in progress during 2011	Housing units completed during 2011
Badulla	329	30
Moneragala	17	17
Rathnapura	257	165
Nuwara eliya	284	144
Kandy	173	13
Galle	66	8
Matara	71	3
Kurunagala	20	10
Kalutara	24	-
Direct construction	7	7
Total	1248	397

3.3.2 Plantation Human Development Trust - New life Housing Programme

A beneficiary family will receive 07 perches block of land under this scheme .The cost of a house will be Rs 440,000 out of which Rs 200,000 will be a loan while the balance Rs 240,000 will be a grant. Construction work on 749 houses have been initiated out of which 161 house have been completed.

The provision made available for 2011 Estate housing programme is Rs150 Million out of which Rs 93.8 million has been spent.

Progress of the Housing program implemented through the PHDT

Region	No. of Housing units in progress during 2011	Housing units completed during 2011
Galle	80	25
Rathnapura	100	50
Badulla	117	0
Kegalle	50	50
Kandy	92	16
Hatton	240	0
Nuwara eliya	70	20
Total	749	161

4 Major Programmes and Projects Implemented under the Ministry for the year 2011 and Financial Progress

4.1 Livestock Development Projects

Sub Projects	Object Code	Category/Object Title	Total Net Allocation (Rs)	Expenditure up to 31.12.2011 (Rs)	Financial Progress as a % of Allocation
3	2502	Facilitation and Promotion of liquid milk consumption	40,616,000.00	32,853,767.00	80.89%
4	2502	Establishment of Animal Breeder Farms	44, 200,000.00	39,435,855.00	89.22%
8	2502	Establishment of Dairy Villages	82,100,000.00	69,053,101.00	84.11%
14	2502	Medium Term Livestock Development Program	88,750,000.00	29,543,769.00	33.29%
15	2502	Importation of Dairy Animals (12)	190,000,000.00	59,331,988.00	31.23%
15	2502	Importation of Dairy Animals (17)	15,000,000.00	0.00	0.00%
20	2502	Deyata Kirula	10,000,000.00	3,074,779.00	30.75%
13	2502	Importation of 1000 dual purpose goats	175,775.00	22,650.00	12.89%
11	2502	Establishment of chilling centers	24,225.00	24,225.00	100.00%

4.2 Rural Community Development Projects

Sub Projects	Object Code	Category/Object Title	Total Net Allocation (Rs)	Expenditure up to 31.12.2011 (Rs)	Financial Progress as a % of Allocation
1	2502	Youth Empowerment Project (Livelihood and Basic Facility improvement in Rural Areas)	165,000,000.00	140,142,470.00	84.93%
2	2502	Socio-Economic Development Project (Socio Economic Development in lagging areas)	420,000,000.00	367,982,590.00	87.61%
16	2502	Estate Housing Program	125,000,000.00	106,470,500.00	85.18%

5 Progress of the Institutions coming under the purview of the Ministry

5.1 Department of Animal Production and Health (DAPH)

The Department of Animal Production and Health (DAPH), which was established in 1978 is the main state organization responsible for livestock development in Sri Lanka. DAPH is the National Institution legally empowered to control livestock diseases in the country.

5.1.2 Progress of Main Programs / Projects in 2011

5.1.2.1. Livestock Sector development

5.1.2.1.1. Dairy Sector

a) Control of Contagious Diseases of Livestock

In order to maintain a healthy animal population, increased production and productivity, it is almost important to provide an island wide efficient preventive and curative animal health service. Immunization against notifiable animal diseases is carried out by the DAPH in collaboration with the Provincial Departments of Animal Production and Health.

Vaccines are manufactured by the Veterinary Research Institute (VRI) of the DAPH against Hemorrhagic Septicemia (HS) and Black Quarter (BQ). During the period under review, 172,250 doses of HS and 24,816 doses of BQ vaccines were produced by the DAPH and 400,000 doses of FMD vaccines have been imported into the country. 512,692 animals have been immunized against FMD, 549,222 have been immunized against HS and 147,785 have been immunized against BQ in 2011.

Under the animal disease surveillance program, 356 field disease investigations were carried out to monitor the animal disease situation in the country and 11,343 samples were tested at diagnostic laboratories.

b) Genetic Improvement of Cattle and Buffalo

Artificial Insemination (AI) using quality bull semen is the main program implemented to upgrade the local cattle and buffalo population, in order to increase milk production in the country. Production and distribution of semen, training of private AI technicians and development / introduction of pasture and fodder varieties and training in pasture / fodder cultivation are the main components of this program. During the year 220,134 and 6,874

doses of semen were produced by the Central Artificial Insemination Station, Kundasale and AI center, Polonnaruwa respectively. 185,125 AI's were carried out by divisional veterinary offices. A total of 45,905 pregnancy diagnoses were carried out on inseminated cows/heifers by field Veterinary Surgeons. 56,144 calving have been reported during the period under review.

c) Heifer Calf Rearing Programme

Proper management of female calves born through AI services is one of the main constraints at farm level, in achieving real benefits of the AI services. Therefore, *Heifer Calf Rearing Programme* was re-introduced in 2008 to enroll AI born female calves and provide technical advisory services and inputs in order to increase breedable cow population in the country and thereby to increase the domestic milk production.

During the period under review, a total of 8,600 heifer calves have been insured and registered under this programme.

d) Establishment of a Dairy Technology Laboratory at the Veterinary Research Institute

A Dairy Technology Laboratory is being established at the VRI of the Department to function as an independent reference laboratory for regulatory activities, to serve as the central hub linked with the regional veterinary investigation centers, to provide starter cultures for dairy products, to provide assistance to dairy processor to improve quality of milk and milk based products, to carry out field investigations and to provide support to research projects and train stakeholders on dairy technology. This project was commenced in January 2011. Construction work of laboratory is in progress at present and it is expected to become fully functional in 2012.

5.1.2.1.2. Goat Sector

The Department maintains two (02) Jamnapari goat farms at Imbulandanda and Thelahera respectively to meet the demand for high quality breeding goats. During the period 126 animals were issued to goat farmers to upgrade their stocks for increased production and productivity. 2,825 artificial inseminations were also carried out at field level to upgrade the goat population.

5.1.2.1.3. Swine Sector

Swine farming is mostly confined to Western and North – Western regions in the country. The swine semen (chilled) production centre established at the Animal Husbandry Training Centre, Kotadeniyawa became fully functional in 2008. A total of 603 swine AI's have been carried out during 2011. Number of AI born piglings totaled 1,074 during the period under review.

5.1.2.1.4. Poultry Sector

Poultry industry in the country at present is predominantly in the hands of the private sector and, the state sector role is confined to that of regulatory services and quality assurance aspects.

Due to the outbreaks of the Avian Influenza disease in certain countries, restrictions have been imposed on import of parent and grandparent birds and strict preventive measures are adopted by the animal quarantine office at port of entries.

New castle disease vaccines were produced by the VRI to be issued to small scale poultry farmers free of charge. Production of this vaccine during 2011 is totaled 1,407,000 doses.

5.1.2.2. Livestock Health Improvement

a) Prevention of Introduction of Avian Influenza

Sri Lanka is still remains free from Highly Pathogenic Avian Influenza (HPAI), a disease which has caused devastating effects in several countries world-wide. The DAPH has prepared a comprehensive plan to control and eradicate if it gains entry into the country. Strict surveillance programs and awareness programs were also carried out.

Diagnostic capabilities of the Veterinary Research Institute (VRI) have been strengthened and several officers in the National and Provincial DAPH were trained / exposed to training / seminars on HPAI prevention and control.

Under the HPAI surveillance program a total of 5,892 field samples were tested during the period and, found to be negative. 19 training programmes were conducted at field level.

b) Avian Influenza Preparedness and Response Project

Avian Influenza Preparedness and Response Project (AIPRP) funded by the World Bank (Rs. 140 million) implemented by the DAPH for a period of three years from 2008 to 2011 was completed by 31st March 2011.

Main activities performed by the project in 2011;

- ✚ Facilitated to conduct M Sc. In Applied Epidemiology at university of Peradeniya enrolling 49 candidates and short course on disaster management with 55 participants were also conducted.
- ✚ Improvement of infrastructure facilities aiming to response any HPAI threat such as: Establishment of two Veterinary Investigation Centers (VIC) at Jaffna and Wariyapola.
- ✚ Refurbishment of two laboratories namely virus laboratory Polgolla and Central VIC Gannoruwa.
- ✚ Developed Audio Visual Unit of DAPH with equipment and trained 10 officers on audio visual equipment handling
- ✚ Refurbishment of three training centers – ICEAPH, Wannigama, Seepukulama with furniture and equipment
- ✚ Four Consultancies have been offered for identified activities of the project.

c) Upgrading Disease Investigation and Diagnosis Facilities in the Field

The technical backup service for the field veterinary staff for disease surveillance and diagnosis is provided by Veterinary Investigation Centers (VIC). In view of accelerated programs implemented to increase production and achieve self sufficiency in Livestock produce, a policy decision has been taken by the Ministry in 2006, to establish one VIC in each district.

Construction of three (03) new VIC's at Dambulla, Wariyapola and Jaffna has been completed in 2011.

d) Establishment of Veterinary Hospitals at Regional Level

In order to provide more efficient animal health service and to reach rural farming community, it has become necessary to establish veterinary hospitals in each province equipped with modern treatment facilities and with an ambulatory service. With this objective a Veterinary hospital was established at Nuwara Eliya handed over to the DAPH, Central Province in 2011.

5.1.2.3. Human Resources Development

a) Entrepreneurship Development & Self Employment Promotion

This project provides the basic knowledge and practical skills to carryout farming as an economically viable self-employment venture. The residential training programs are carried out in Animal Husbandry training centers of the department. such as, dairy, Poultry, swine husbandry and milk processing. A total of 105 young men and women have been trained under this scheme and 247 entrepreneurs undergone follow-up training during the period under review. 68 trainees have also been trained on Business Management.

b) Capacity Building, Education and Training

DAPH undertakes capacity building programs for technical officers and farmers on modern, practical animal husbandry activities. A total of 121 training programs conducted and 3,907 stakeholders participated in 2011.

In order to improve quality of veterinary services, financial support has also provided to six (06) divisional veterinarians to register for local M.Sc. programmes.

Thirty nine (39) students are currently undergoing two (02) year Animal Husbandry diploma course at the Sri Lanka Animal Husbandry School at Kundasale.

c) Dissemination of Information

The department participated in five (05) national level exhibitions at Buttala (Deyata Kirula), Colombo (Livestock Expo - 2011), Trincomalee (East Expo - 2011), Batticaloa (International Trade Exhibition - 2011) and Vavuniya. Through these, the DAPH was able to educate and provide information on new technologies to small and medium scale entrepreneurs already engaged in Livestock activities and those who are anticipated in commencing new venture, school children and general public.

A total of 30,234 booklets were issued during this period. 115 TV and Radio publicity programs were also conducted.

5.1.2.4. Regulatory functions and Services

a) Registration of Poultry Farms

Registration of poultry farms with divisional veterinary offices was continued in 2011. Through a system of registration of poultry farms, control of contagious diseases, technical support programs and quality control of poultry products can easily be carried out. Through this project, a total of 7,458 poultry farms have been registered by the divisional veterinary offices in 2011. Accordingly, electronic database will be established.

d) Establishment of an Animal Identification and Traceability System and a Central Livestock Farm Data Base

The second phase of animal Identification program was commenced in 2011 by ear tagging (identification) individual animals in registered farms and livestock farm database is established simultaneously. Under this project each registered farm would be visited by the field extension staff and animals in the said farm would be ear tagged. A total of 101,840 animals have been identified by field staff. The remaining population and their off – springs have to be identified in coming years. This would help to maintain bona – fide data on cattle population, prevent illicit transport and slaughter, forecast the future milk production and eliminate unproductive animals.

e) Improvement of Service Delivery System of Government Veterinary Offices

Government veterinary offices are the key functional units of this department at field level to cater to the needs of rural livestock community. Service delivery to the grass root level is highly dependent on the facilities available at these offices. These offices should be equipped with minimum diagnostic, extension, communication and transport facilities.

At present most of these offices lack basic infrastructure facilities and some of these are even under – equipped. Therefore a phased – out project was commenced in 2008, aiming at improving / establishing necessary infrastructure facilities, improvement to mobility and provision of equipment for regional veterinary offices.

Construction of other ten (10) new veterinary offices are already been commenced in 2011 at Yatiyantota, Galigamuwa, Dambulla, Karaveddy, Kekirawa, Hatharaliyadda, Agarapathana, Habaraduwa, Rideethenna, and Dankotuwa in Kegalle, Matale, Jaffna, Anuradhapura, Kandy, Nuwara Eliya, Galle, Batticaloa and Puttlam districts respectively.

5.2 Milco (Pvt) Limited

Milco (Pvt) Limited, a fully government owned undertaking occupies a position of major player in the dairy industry of Sri Lanka. It has four manufacturing factories in Colombo (Narahrenpita), Digana, Ambewela and Polonnaruwa. There are ten categories and 52 stock keeping units are made available to the consumer under the “Highland” brand. The categories are pasteurized and sterilized liquid milk, yoghurt, ice-cream, butter, ghee, cheese, curd, condensed milk and full cream milk powder.

- ✚ Total milk collection improved approximately 160,000 liters per day
- ✚ 2300 farmer managed societies giving milk to MILCO
- ✚ 77 Chilling centers spread in the country to chill the milk
- ✚ The Company has 11 sales Centers and sales force consist 26 Sales Representatives
- ✚ Price of fresh milk to farmers has been increase up to Rs. 50/= per liters.

Milco Production - 2011 (up to 31.12.2011)

Product	Unit	Production
Pasteurized Milk	Mn. liters	7.38
Sterilized Milk	Mn. Liters	4.98
Cheese	Kg	9616
Ice Cream	Mn. Liters	4.99
Curd	Mn. Liters	0.629
Condensed Milk	Kg	293314
Yoghurt	Mn. Liters	5.09
Butter	Kg	563553
Full Cream milk powder	Mt	1322.3
Skimmed milk powder	Mt	86.55

5.3 National Livestock Development Board (NLDB)

The NLDB is having nearly 40,000 acres under its control and with some highly productive coconut lands. It is expected to provide high quality breeding animals to the livestock farmers and livestock and agricultural products to the consumers.

The issue of livestock for Breeding was carried out and the details are given below

Issue of Livestock for Breeding by NLDB – 2011

Project	Target of the year 2011	Achievement (up to December 2011)
Neat Cattle (Male)	749	839
Neat Cattle (Female)	708	539
Buffalo (Male)	191	127
Buffalo (Female)	125	58
Swine	3,584	2885
Goats	312	503
Sheep	526	181

Summary of Dairy and value added products-2011

Product	Target of the year 2011	Achievement (up to December 2011)
Cow milk	4,026,312	2,868,332
Buffalo milk	823,340	633,850
Goat Milk	32,876	10,753
Yogurt (cups)	1,102,016	444,914
Curd (liters)	63,240	71,277
Sterilized milk (bottles)	182,200	20,317
Curd (liters) – Buffalo milk	461,362	334,312

Production of Animal feed and Pasture-2011

Product	Target of the year 2011	Achievement (up to December 2011)
Cattle feed(mt)	494	750
Poultry Feed(mt)	1,079	2161
Swine Feed (mt)	476	265
Sheep Feed(mt)	12	47
Pasture Development (acres)	625	1,178
Production of Hey (mt)	638	348
Production of silage (mt)	600	369
Mineral mixture (mt)	30	20

Poultry Production – 2011

Product	Target of the year 2011	Achievement (up to December 2011)
Broiler chicks	2,697,199	2,329,205
Layer chicks	1,136,851	1,141,007
Commercial eggs	1,952,161	2,095,328
Broiler meat (no of birds)	11,400	37,161
Quail eggs	127,500	42,704

In addition to above operations, the following activities were also carried out.

- 110 farmer training programmes
- Production of 265 Mt. compost fertilizers.
- Artificial Insemination was done for 3,064 Cattle
- Production of 19,941,373 Coconut nuts and production of 8,460 liters of coconut oil.
- Manufacturing 5 metric tons of Rubber Sheets.

Progress of the development activities carried out by the NLDB

	Description	Achievement as at 31.12.2011
1	Importation of Pasture seeds (kg)	5,700 kg of pasture seeds consist of 4,000 kg of Bracharia Decumbence. 160 kg of TD 58 and Mombasa Guinea from Thailand and Australia
2	Introduction of UHT Tetra Pack to the Market (liters)	86,869
3	Increase of Hatchery capacity	The incubator no. 2 of Marawila farm was completely repaired with the assistant of Canadian Technicians and increase the pullet chick production capacity from 0.5 million to 1 million per year.
4	Importation of commercial day old chicks	175,000 day commercial old layer chicks were imported to Sri Lanka for distributing “Divineguma” recipients.
5	Importation of Poultry Parents stocks	14,850 broiler parent stock were imported to Miriswatta and Karandagolla farms
6	Infrastructure development of Dairy Sector	Two new milking machines were introduced to Bopaththalawa and Dayagama farms this year to improve the quality of milking.
7	Artificial Insemination with sexed semen	200 Inseminations were done in up country and coconut triangle farms.
8	Divineguma Agricultural Programme	295 Acres were cultivated with vegetable and other crops in NLDB farms to contribute to Divi neguma National Programme.
9	IT Development	As the first step of creating a Network between Farms, LAN System was establishing in the NLDB Head Office. An IT division was established in NLDB to fulfill the recommendations introduced by ICTA.

5.4 Sri Lanka Libya Agricultural and Livestock Development Company Limited (LANLIB)

LANLIB is a joint venture project between the National Livestock Development Board and the Libyan Arab Foreign Investment Company of Libya, with 51% share owned by the National Livestock Development Board and the balance held by the latter.

5.4.1 Agricultural Activities

Currently 8000 coconut palms are available in the land area of 347 acres and 321,990 coconut nuts were collected during 2011 up to end of December. Also 4,700kgs of copra were manufactured during the period concerned.

5.4.2 Animal Husbandry

Action has being taken to recommence a Poultry Breeder farm at Mawatte with the guidance and assistance of Ministry of Livestock and Rural Community Development with the intention of introducing two batches of Layer and Broiler day-old parent chicks to be reared and produce day - old chicks by utilizing available resources. A sum of Rs.24, 555,150 was realized from the sale of 253,280 chicks by produce of 371, 500 eggs.

No. of table eggs produced at commercial layer unit is 577,437 during the year 2011.

Lanlib livestock productions

No of eggs	Milk (liters)	Curd Pots (80ml)	Curd Pots (150ml)	Curd Pots (1Lit.)
371,500	7,300	4,098	3,569	3,268

5.5 Mahaweli Livestock Enterprises Limited.

5.5.1 Background

Mahaweli Livestock Enterprises Limited is a limited liability company incorporated in 1989 under the Company Act No.17 of 1982. The Mahaweli Authority of Sri Lanka, National Development Bank and the Netherland Development Finance Corporation of Netherlands are the main shareholders of the Company. Mahaweli Settler Farmers who are directly involved with the Company in farming are also the Share Holders of this Institution.

One of the key objectives of the Organization is to enhance income and provide employment and welfare to settler farmers in the Mahaweli System 'H' by involving them in the Out-grower farming programmes.

The Company is engaged in Poultry Farming, Processing and Marketing. The Poultry Complex is situated at Thamabuttegama, which has a Broiler Parent Breeder Unit, A Hatchery which has a semi automated production facility and a Commercial Broiler Unit.

5.5.2 The Main Line of Business today

Currently the Company has focused its attention in the Production of Day Old Chicks (DOC) and Broiler Chicken. MLE is also committed to uplift the standard of living of the farmers in the North Central Province. We would also strive to help farmers in the Northern Area of Sri Lanka as well.

5.5.3 Achievements during 2010/2011

After rectifying the major problems faced by the Company, MLE was able to show a positive growth in the financial Year 2010/2011 as compared to 2008/2009 and 2009/2010 with an increase in turnover and profit.

	2008/2009	2009/2010	2010/2011
Turnover (Rs.)	372,431,203	161,794,261	205,712,970.71
Net Profit (Rs.)	(1,723,321)	(5,416,693)	3,991,510.08

The key steps that were taken to arrest this situation and to bring it to a profit making entity are given as follows:

- ✚ Farmer Base was increased up to 68 farmers
- ✚ Capacities were increased to around 80% - 90% utilization
- ✚ Parent stock was imported 6 times a year as previously it was only around two batches that were imported annually.
- ✚ Stringent administrative measures were adopted across the Company.

5.5.4 Development Plans for 2011/2012 and Beyond

The Company would strive to further increase its Day Old Chick production and the production of Broiler Meat as we currently import more than 6 batches of parent birds per year (i.e.2000 per batch).There is a large potential to increase the Out-grower Farmer Base in the North Central Province too. Hence the target is to reach at least a 75-85 by the beginning of 2012.

With regard to the Commercial Broiler Unit- plans are to build Low Costs Sheds with local material to accommodate at least 10,000 birds in order to increase the production of broiler chicken meat by at least 15,000 kilograms per month by the first quarter of 2012.

Year	Egg Production	Chick Production nos.	Broiler Meat Kg
2011/2012	1,490,000	1,164,500	474,000
2012/2013	1,490,000	1,164,500	660,000
* 2013/2014	1,620,000	1,200,000	846,000
2014/2015	1,800,000	1,450,000	1,400,000
2015/2016	1,800,000	1,450,000	1,400,000

* After Expansion of Hatchery & Parent Stock.

5.6 Saumyamoorthi Thondaman Memorial Foundation (STMF)

Saumyamoorthi Thondaman Memorial Foundation (STMF) was established by Parliament Act No.19 of 2005 in order to perpetuate the memory of the late Hon. Saumyamoorthi Thondaman.

The Foundation is administered by a Board of Management and Hon. Arumugan Thondaman, grandson of the late Hon. Saumyamoorthi Thondaman is the life member of the Board.

5.6.1. Projects under Saumyamoorthy Thondaman Memorial Foundation

5.6.1.1 Praja Shakthi (E- Kiosk) Development Project

This project aims to achieve comprehensive, complete and overall socio economic development of the under privileged rural Community through extensive application and use of information communication technology.

This project not only integrate the educational, social, cultural and civil activities of the Plantation and rural Community but also will facilitate the use of technology as a catalyst in transforming the community into a united, well informed and self sufficient society.

Components of the Praja Shakthi project.

-  A network of e-learning centers offering computer literacy and internet usage, which also function as a community centre at the local level.
-  Well developed and tested methodologies and materials for training and facilitation of the Plantation rural Community on the Application of ICT into community activities
-  Development of Entrepreneurial Development Programs aimed at youth.

27 Prjashakthi Centers were established in 2006 and the number of centers in operation increased to 37 in 2007 and 41 at the end of October 2008 and 45 as at December 2011. Each centre is located in two and a half acres of land with the required infrastructure including the provision of latest technology. A total sum of Rs.180 million has been spent to establish these 45 centers.

Number of students trained at the Prajashakthi centers in year 2011

Region	Training centers	Total No of students trained from 2006-2011
Baddulla	10	6,492
Kegalle	4	2,439
Ratnapura	5	1,974
Galle	4	1,631
Kandy	7	4,040
Hatton	7	5,881
Nuwaraeliya	8	5,454
Total	45	27,911

5.6.1.2. Navashakthi Entrepreneur Development Project

The programme was introduced in January 2009 by Hon. Arumugan Thondaman MP, present Minister of Livestock and Rural Community Development, which aims to motivate unemployed youth in the underprivileged and underserved areas to commence self employment projects.

Under this program, youth are trained in various fields in self-employment projects such as Dairy farming, Poultry farming, Goat farming, setting up small businesses, tailoring and cultivation. Up to end of 2011, Three Hundred and thirteen (313) youths have obtained loan under this programme. A sum of 14.1 Million has been given as loan directly by the Foundation and through the People's Bank.

Statistics of beneficiaries

Period	No. of Beneficiaries	Total Amount of Financial Assistance loan (Rs / Million)
January 2009	75	2.7
August 2009	140	6.0
August 2010	46	3.0
August 2011	52	2.4
Total	313	14.1

The following table shows the number of entrepreneurs benefitted by this program during 2011 from January to December 2011

Category	No of Beneficiaries	Loan Amount (Rs.)
Vegetable Cultivation	34	1,565,000
Self Employment	12	525,000
Poultry farming	5	215,000
Tailoring	1	50,000
Total	52	2,355,000

A youth rally and convention, organized by the Prajashakthi Development project was held on 29th and 30th October 2011 at the Thondaman Sports Complex, Norwood. More than 3000 youth participated in this event.

5.6.2 Ongoing projects of the Foundation (STMF)

The Thondaman Memorial Foundation was vested with the following projects by Act No.19 of 2005

-  Thondaman Cultural Center – Ramboda
-  Thondaman Vocational Training Centre– Hatton
-  Thondaman Sports Complex – Norwood

5.6.2.1 Thondaman Cultural Centre – Ramboda

The Thondaman Cultural Centre aims to build up and augment the cultural aspirations and practices of the underprivileged communities. Since June 2009, classes have been conducted in Carnatic Music, Veena, Mirudangam and Violin under the guidance of a full time teacher in a small scale.

The aesthetic college within the purview of the Thondaman Cultural Center was officially opened at 30/08/2011. At present 62 students are trained in Karnatic Music and Barathanatiam and related cultural courses. This Aesthetic College could train 240 students per annum once fully established by early 2012.

5.6.2.2 Thondaman Vocational Training Center – Hatton

The Management of Thondaman Vocational Training Center was handed over to the Foundation in March 2007 and the first batch of Vocational training programs under the Foundation commenced at this centre in July 2007. The High Commission of India in Sri

Lanka has arranged seven Expert Instructors from India to conduct training programs at this centre. They are assisted by local instructors for certain courses. An average of 420 students could be trained in vocational activities every year, in two batches. During 2011 at the end of December 369 youth have been trained. A total of 1786 students have been trained from July 2007 up to December 2011.

Thondaman Vocational Training Center – Hatton Students Trained 31.12.2011

Name of the Course	Students Trained
Automotive mechanic	12
Electrician	25
Machinist	16
Radio, TV, Allied equipment repair	10
Aluminum fabricator	27
House hold electrical	31
Carpenter	20
Computer applications assistant	40
Dress making	55
Motor cycle Mechanic	33
Welder	36
Draughts person	10
Hotel course	5
ISMO (Juke)	33
AAT	16
Total	369

5.6.2.3 Thondaman Sports Complex – Norwood

Football ground of this sports complex has been completed in 2010 under an agreement entered by the Saumyamoorthi Thondaman Memorial Foundation with the Sri Lanka Football Federation to develop and construct the grounds at the Thondaman Sports Complex at a cost of Rs. 25 Million funded by the Football Federation.

Action is being pursued to complete the work on the pavilion and put up the balance infrastructure such as training hall hostel etc and construct basketball court, volley ball court; netball court and gymnasium centre and commence training programmes.

5.7 Plantation Human Development Trust (PHDT)

Plantation Human Development Trust established in 1992 by a cabinet decision to implement estate worker housing and other social development activities in the tea, rubber and coconut plantations as Plantation Housing & Social Welfare Trust. In 2002 the name was changed to Plantation Human Development Trust. PHDT registered under the company act 17 of 1982 and reregistered under the company act 7 of 2007.

PHDT as catalyst agency coming under the purview of the Ministry of Livestock and Rural Community Development has supported all major interventions in the plantation sector vs.; Re-roofing, Estate Infrastructure Development Project, Estate housing Project, Integrated Rural Project, Plantation Reform Project, Plantation Development Support Program.

Summary of Development Projects Implemented Through PHDT

Activity	No. of units	Physical progress		Financial progress (Rs. Mn)
		Completed	In progress	
New Life Hosing 1	347	86	261	131.19
New Life Hosing 2	425	50	375	9.52
Latrine	1643	1583	60	42.80
Re roofing 1	952	952	0	34.22
Re roofing 2	1339	451	888	33.98
Water supply	6	5	1	2.15
Volley ball Court	31	29	2	21.25
Play ground	24	19	5	3.13
Concrete Road / Culvert(m)	24,454	24,271	183	68.44
Bridge	3	2	1	11.40
School upgrading	9	8	1	26.72
Special Latrines	43	43	0	1.70
Community Building	8	8	0	5.46
Worker House upgrading	8	8	0	2.29
Crematorium	1	0	1	
Construction of Water Drain	1	1	0	7.14
Development of Religious Places	5	5	0	9.36

5.7.1 Special Activities 2011

Special activities undertaken by the ministry and are being implemented through PHDT are specifically designed to benefit the plantation workers community and the socio economic development of the neighboring villages/urban areas.

Infrastructure development, education support activities, water supply projects, sanitation, cultural development, figured high in the menu of activities. Also the concreting roads, village development, and religious support activities brought under special activities are accentuated under Mahinda Chinthana. Accordingly Kandy, Hatton, Nuwara Eliya, Badulla, Ratnapura and Kegalle regions are supported under the above programme at present.