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முன்னேற்ற அறிக்கை 2012

PERFORMANCE REPORT 2012

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கால்நடை மற்றும் கிராமிய சமூக அபிவிருத்தி அமைச்சு

Ministry of Livestock and Rural Community Development

PERFORMANCE REPORT 2012

**Ministry of Livestock and Rural
Community Development**

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 living in lagging areas and making the country self sufficient in livestock produce.

This ministry is consisting two major sections

1. **Livestock Development**
2. **Rural Community Development**

Livestock is an integral part of the Agricultural economy in Sri Lanka and enhances food security, reduction of malnutrition and poverty. There are 447,164 families directly engaged in the livestock sector in dairy, poultry, goat, swine and other livestock. 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 40% self sufficiency in local milk production. There is an increase of 4.45 % in production of milk from 247million liters in 2010 to 258 million liters in 2011. Further the milk production has increased by 15.85 % from 258.3 million liters in 2011 to 299.25 million liters in 2012. Collection of milk also has increased from 137.66 million liters. in 2010 to 143.7 million liters in 2011, indicating a 4.3% growth. Further it has increased by 27.7% from 143.7 million liters in 2011 to 183.58 million liters in 2012.

Technical expertises as well as supportive services to the livestock industry are mainly provided by the Department of Animal Production and Health (DAP&H) and there are 302 Divisional Veterinary offices under the Provincial DAPH to implement livestock development programs and activities at the grass root level. Milco (pvt) Ltd, National Livestock Development Board, Sri Lanka- Libya Agricultural and Livestock Development Company and Mahaweli Livestock Enterprises Limited are the other organizations involved in livestock development activities under the purview of the Ministry.

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% and it was 8.9% 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% in 2007 to 11.4% 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. Plantation Human Development Trust, an institute entrusted with the functions of human and social development of plantation workers and the Saumyamurthi Thondaman Memorial Foundation which focuses on the promotion of religious, educational, vocational, aesthetic, social and economical development of the people are the main organizations which implement rural community development programs coming under the Ministry.

Ministry of Livestock & Rural Community Development

2. Livestock Development Projects

The “Mahinda Chinthana- vision for the future” identified that the country should reach self- sufficient in all livestock products, including dairy products, 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.

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 per liter for milk with 4.2 percent butter fat and 8.3 percent solid not fat with the 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 2012

2.1.1 The Dairy Village Programme

The dairy village programme which was commenced in 2004, with the objective of socio-economic development of dairy farmers through farmer empowerment has been implemented uninterruptedly, and as of end 2011, a total of 988 dairy villages been established throughout the country. 77 dairy villages have been completed during the year 2012. Furthermore, from this year, the benefits to the dairy farmers through this programme had been raised to Rs.35, 000 per farmer.

Province	Dairy Village
central	12
Eastern	10
Northern	05
North Central	18
North Western	05
Sabaragamuwa	08
Southern	04
Uva	10
Western	05
Total	77

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 glass of fresh milk at an affordable price. 656 such sales outlets have been established so far from 2004 to 2011, with funds allocated under this Ministry. 17 milk sales outlets have been completed during the year 2012.

Furthermore, action has been 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 cultivating positive attitudes towards the fresh liquid milk consumption is being undertaken targeting the school children as change agents.

Province	Sales Outlets
central	02
Eastern	02
Northern	02
North Central	-
North Western	02
Sabaragamuwa	02
Southern	01
Uva	04
Western	02
Total	17

2.1.3 Procurement of Milk Chilling Tanks

To enhance the keeping quality of collected milk and encourage the evening milk collection, 30 milk chilling tanks were procured and supplied to farmer managed societies of Milco and NLDB farms.

Institute	No of chilling tanks
1. Milco- FMS	21
2. NLDB farms	08
3. Multipurpose milk co-operative society- Hewagam Korale	01
Total	30

2.1.4 Construction of Farmer Managed Society building

To facilitate the clean milk collection, Ministry has allocated Rs. 3.15 Mn to construct farmer managed society building by bearing the 50% of the building cost in Anuradhapura, Baticaloa , Ampara and Kandy districts.

District	No of FMS buildings in progress
1. Ampara	10
2. Anuradhapura	03
3. Baticaloa	05
4.Kandy-Teldeniya	01
Total	19

2.1.5 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 679 livestock breeder farms have been established by the end of 2011 and quality animals are being issued locally from these units. 256 breeder farms have been completed during the year 2012.

Establishing bio-gas generators among the farmer community under the Breeder Farm programme is another development initiative undertaken.

Province	Breeder Farms	Bio Gas
Central	30	05
Eastern	30	05
Northern	30	05
North Central	30	05
North Western	30	05
Sabaragamuwa	16	06
Southern	29	05
Uva	30	-
Western	31	05
Total	256	41

2.1.6 The “Uthuru Wasanthaya” 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 this region. Accordingly, in 2012, following works have been physically completed in the Northern Province.

- ❖ Construction of 07 Veterinary Offices
- ❖ Procurement of computers and accessories for Government Veterinary Surgeon's (GVS) offices
- ❖ Supply of *Milk Goa Plant* with sweet maker to LIBCO.

Following constructions are in progress.

- Construction of 03 Government Veterinary Surgeon's (GVS) quarters
- Construction of 03 GVS cum quarters
- Construction of 01 GVS sub office
- Construction of 01 livestock training school

2.1.7 Development of Small and Medium Scale Poultry Farming System.

This project focused on the development of small and medium scale poultry farm and establishment of new poultry farms by entrepreneurs.

Market prices of the chicken meat and eggs tend to fluctuate due to shortage of day old chicks, raw materials, irregular marketing system and unavailability of facilities for storage of products. Although a great extent of the poultry sector is handled by the Private sector, the small scale domestic poultry industry is vulnerable to many shocks and therefore, support through enhancing regulatory activities, processing and marketing activities have to be provided. Therefore, this project is focused on 4500 small scale poultry farms from 300 veterinary ranges island wide by establishing mini hatcheries, mini processing units, mini self mixing feed mills and mobile sales units. This will help to protect small scale poultry sector by enhancing processing and marketing of the poultry products and to create employment opportunities in the rural and estate sector of the country. Up to now 1772 new farms were established under this project.

2.1.8 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, the National Livestock Development Board and Milco (Pvt) Ltd.

Accordingly, steps have been taken by this Ministry to construct 1889 cattle sheds, to provide 1537 dairy cows, and to establishment of 614 goat farms (1842 goats) and assisting distribution of month old 500,000 chicks to the beneficiaries in the Divisional Veterinary areas under the Divi Neguma Programme.

2.1.9 Availability of Hybrid Heifers.

In order to introduce modern cattle management methods and strengthen the capacity of the NLDB in supplying breeding animals to the farmers, 500 dairy cattle were imported from Australia in March 2012.

The conventional cattle sheds at the Bopaththalawa farm were modernized into modern cow barns for more cow comfort and easy handling of animal waste.

The imported animals have commenced calving and the average per cow milk production in imported herd has reached 19 litres per cow per a day, which is the highest ever recorded milk yield under NLDB management.

2.1.10 Promotional Day for “Grass Growing”

In order to create farmer awareness and increase availability and utilization of green forages to maximize milk production potential of dairy cows the Ministry has taken steps to declare 30th of October as the promotional day for Grass Growing.

To celebrate the event several awareness programs were conducted at provincial and district levels and distributed grass cuttings free of charge to dairy farmers and provided input assistance for usage in their farming practices.

As per the Honorable Minister’s instructions the plantation sector was also included in the pasture cultivation programme under this programme, Ministry assisted the estate management by way of providing material inputs and the technical advice to grow improved pasture in unutilized lands in tea estates managed by plantation companies in Nuwara Eliya District.

The main function was held at the Milco sports complex in Narahenpita. The Honorable Minister of Livestock and Rural Community Development chaired the occasion. Three chief executive officers, estate managers and estate workers from fourteen (14) plantation companies in Nuwara Eliya District participated the programme. More than 6.9 million grass cuttings have been issued within nine provinces and an extent to 1600 acres of high yield fodder lands were established under this programme.

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

Following development programmes have been identified for implementation in year 2013.

Development Programme	Allocation (Rs. Mn)
1. Dairy villages programme	50
2. Promotion and facilitation of liquid milk consumption	40
3. Establishment of Livestock Breeder Farms	30
4. "Uthuru Wasanthaya" – Medium term livestock development programme	60
5. Importation of Dairy cows	793
6. Development of small and medium scale poultry farms	20
7. Fodder Development for increase the Milk Production(New programme)	40.5

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, lot of money has been allocated 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 Chinthana" 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 and District Secretariats.

There are three programs,

1. Livelihood and basic facility improvement in rural areas.
2. Socio-economic development in lagging areas.
3. Estate 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 is 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 2012 is Rs.200 million and 146 million has been spent within the year 2012.

Following projects have been implemented in year 2012.

3.1.1 Prajashakthi and Navashakthi Development Programme

In this programme 46 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 expected to be completed by the end of 2014. 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 2012

- ❖ Maintaining and operating 46 Prajashakthi Centers
- ❖ 32,556 Students have been registered and trained at the centers from 2006 up to 2012.
- ❖ 3990 students have been registered at the Prajashakthi centers during the year 2012
- ❖ Provided loan facilities to 349 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 cultural activities

Major achievements in 2012

- ❖ Conducted Karnatic Music, Veena, Mirudangam, Violin and Dancing classes for 60 students
- ❖ This Aesthetic College is having capacity to train 240 student per annum by 2013
- ❖ Gymnasium and indoor Badminton court were opened in July 2012.
- ❖ 83 students have registered with the Thondaman Sport Complex to use the facilities of indoor badminton court and the gymnasium.

3.1.3 Vocational Training Programmes

Thondaman Vocational Training Center provides vocational training for youth. Under this scheme there were 15 courses have been conducted.

Major achievements in 2012

- ❖ 352 Youths were trained
- ❖ Training capacity has been increased as averages of 400 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. The financial allocation received by the Treasury for this programme in 2012 is Rs 350 Million.

The Ministry implements project such as access roads, steps, foot paths, school upgrading, water supply schemes ,re-roofing , improvements of health care and sanitary facilities, development of religious and cultural centers and providing sports facilities using this funds to develop the socio economic conditions of the underprivileged community.

This programme is mainly implemented through PHDT (Plantain Human Development Trust), Local Authorities and Divisional Secretariats. 191.6 million has been spent during the year 2012 and the families benefited by these projects are around 10,000.

3.2.1 Progress of the project of Socio Economic Development in Lagging Areas in 2012

Physical progress -2012

Category	No of projects	Completed	In Progress
1. Water Projects	34	2	32
2. Access Road Development projects	79	6	73
3. School building & Other School Projects	16	7	9
4. Religious & cultural development projects	10	1	9
5. Sports Projects	17	5	12
6. Healthcare & Sanitation (units)	8	0	8
7. Common Amenities	19	7	12
8. Re- roofing (units)	7	0	7
Total Expenditure	190	28	162

3.3 Estate Housing Programme

The Total allocation for the year 2012 is Rs.140 million and out of this Rs.91.18 millions has been spent up to 31st December.

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 Rs 225,000 out of which Rs 100,000 will be a loan while the balance Rs 125,000 will be a grant.

The Estate Housing project was handed over to this ministry at the end of the year 2010 and by that time construction of 1248 houses under the NHDA was in progress. From that 397 houses were completed during the year 2011.

833 numbers of houses (continuations from 2011) are being constructed within this year and out of that 326 houses were completed by the 31st December 2012.

No new projects were approved or started during the last 2 year. Under this scheme funds are being provided only for continuation projects

3.3.2 Progress of the Housing program implemented through the NHDA

District	No of Houses in progress 2012	Completed Houses in 2012
Badulla	299	51
Rathnapura	74	26
Nuwara Eliya	140	110
Kandy	160	57
Galle	58	53
Matara	68	13
Kurunegala	10	05
Kalutara	24	11
Total	833	326

3.3.3 Plantation Human Development Trust - New life Housing Program

A beneficiary family will receive 07 perches block of land under this scheme. The cost of a house in the phase 1 is Rs 440,000 out of which Rs 200,000 is a loan while the balance Rs 240,000 is a grant. The amount of loan offered for this new life housing program was increased by Rs 75,000 within this year. Accordingly a loan of Rs 275,000 and a grant of Rs 240,000 are spent for the houses coming under the phase 11. The total cost of a house has been increased from Rs.440,000/= to Rs.515,000/= during the year 2012.

Construction works on 673 houses were in progress within this year including continuation projects from 2011 and newly approved projects in 2012. From that 95 numbers of houses have been completed up to now.

Region	No of Houses in progress 2012	Completed Houses in 2012
Galle	60	-
Rathnapura	80	25
Badulla	210	45
Kegalle	15	-
Kandy	76	25
Hatton	116	-
Nuwara Eliya	116	-
Total	673	95

4. Progress of the Institutions coming under the purview of the Ministry

4.1 Department of Animal Production & Health

4.1.1 Introduction

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. Main functions of the DAPH include research and development pertaining to the sector, provision of technical leadership, expertise and back-up services for animal production and healthy, human resource development pertaining to livestock development, project preparation for the development of the livestock industry, economic evaluation and coordination of special development programs covering the whole island. The Department implements a range of statutes as well to facilitate growth of the livestock sector.

With the establishment of Provincial Councils most of DAPH's field level functions were devolved to nine (09) Provincial Departments of Animal Production and Health (PDAPH).

The National DAPH provides technical leadership, expertise and back-up services to provincial DAPH and to the livestock industry. Divisional Veterinary Offices managed by Veterinarians are the main functional units of the DAPH. 302 Divisional veterinary offices scattered throughout the country which are functioned under PDAPH implement all livestock development programmes at grass root level.

4.1.2 Progress of Main Programs/Projects in 2012

4.1.2.1 Livestock Sector development

Dairy Sector

a. Control of Contagious Diseases of Livestock

Department of Animal Production and Health implement island wide efficient preventive and curative animal health service in collaboration with the Provincial Departments of Animal Production and Health (PDAPH). Such programs are very important to maintain a healthy animal population, in order to achieve increased production and productivity of animals. Immunization against notifiable animal diseases is the main program carried out under this by the DAPH in collaboration with PDAPH.

Required vaccines for the immunization program are manufactured by the Veterinary Research Institute (VRI) of the DAPH namely vaccines against Foot and Mouth (FMD), Hemorrhagic Septicemia (HS) and Black Quarter (BQ).

During the period under review, 180,000 Doses of FMD, 850,990 doses of HS and 247,005 doses of BQ vaccines were produced by the DAPH.

409, 040 animals have been immunized against FMD, 657,875 have been immunized against HS and 174,643 have been immunized against BQ during 2012.

Under the animal disease surveillance program, 411 field disease investigations were carried out to monitor the animal disease situation in the country and 26,048 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 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 192,901 doses of semen were produced by the Artificial Insemination Stations at Kundasale and at Polonnaruwa and 189,758 AI's were carried out by divisional veterinary offices. A total of 45,650 pregnancy diagnoses were carried out on inseminated cows/heifers by field Veterinary Surgeons. 60, 345 calving have been reported during the period under review.

c. Heifer Calf Rearing Programme

Proper management of female calves born through AI service 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 improve nutritional status of heifer calves thereby to increase breedable cow population and the domestic milk production in the country.

During the period under review, a total of 2,158 heifer calves have been registered under this programme, and 2,158 animals have been insured. There are 9,996 good quality heifers that have been produced during the year 2012 and 1,974 animals out of them are confirmed as pregnant at the age of 18 months.

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 work as an independent reference laboratory for regulatory activities and as a central hub linked with the regional veterinary investigation centers. Also the center for production of starter cultures for dairy products, for assistance given to dairy processor to improve quality of milk and milk based products, for carrying out field investigations and to provide support to research projects and train farmers, milk processors and students on dairy chemistry, dairy microbiology and dairy technology. This project was commenced in January 2011. Infrastructure facilities and laboratory facilities has been established in 2012 and continuing those establishments in 2013.

Goat Sector

The Department maintains two (02) Jamnapari goat breeding farms at Imbulandanda and Thelahera respectively to meet the demand for high quality breeding goats. During the period 503 animals were issued to goat farmers to upgrade their stocks for increased production and productivity. 2,785 artificial inseminations were also carried out at field level to upgrade the goat population.

Under the strengthening of field level goat breeders, no of 1718 does were identified and registered. Total of 40 studs have also distributed and 59 training programs were also conducted.

Swine Sector

Swine semen (chilled) produced at Centre at Animal Husbandry Training Centre, Kotadeniyawa.

Total of 558 swine AI's have been carried during the year 2012. Number of AI born piglings totaled 2,832 during the period under review.

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. Around 59% of broiler parent requirements of

the country are being locally produced now by two (02) Grand Parent farms. During this year, 627,039 broiler parents have been produced locally by these grandparents' farms. In addition 17,740 broiler grandparents, 437,563 broiler parents and 72,448 layer parents have been imported into the country. It has been estimated a total of 109.74 million broiler chicks and 7.82 million layer chicks have been produced by poultry breeding farms during 2012.

Newcastle disease vaccine was produced by the VRI to be issued to small-scale poultry farmers free of charge. Production of this vaccine during 2012 totaled 7,167,600 doses.

4.1.2.2 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 this disease 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 12,938 field samples were tested during the period and, found to be negative.

b. Strengthening of Animal Quarantine and Inspection Service

Animal quarantine service is the front-line defense system against entry of any exotic (foreign) animal disease into the country. This project was commenced in 2008 with the objective of strengthening post-import quarantine surveillance program on breeder poultry and quality (health) improvement in the ornamental fish industry for the export market.

Under this programme 59 batches of imported Day old chick have been inspected during the period under review. Further 14 Aquariums have also been inspected. Eight (08) new export Aquariums have also been registered.

4.1.2.3 Human Resources Development

a. Entrepreneurship Development and 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 programmes are carried out in Animal Husbandry Training Centers of the department on dairy, poultry, swine husbandry and milk processing. A total of 289 young men and women have been trained under this scheme.

b. Capacity Building, Education and Training

DAPH undertakes capacity building programmes for technical officers and farmers on modern, practical animal husbandry activities. A total of 98 training programs conducted and 2,130 stakeholders participated in these during the year 2012.

Eighty nine (89) 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 six (06) national level exhibitions at Oyamaduwa, Anuradhapura (Deyata Kirula), Hanwella (Seethawaka Abhimana), Kuliyaipitiya (Livestock and Poultry Exhibition), Gannoruwa (Agricultural Centenary Exhibition) and Polgolla (Thurunu Aruna) and Talduwa (20th Anniversary Exhibition of Plantation Human Development Trust – PHDT).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 ventures, school children and general public.

A total of 48,329 booklets were issued during this period. 116 TV and Radio publicity programs were also conducted.

4.1.2.4 Regulatory functions and Services

a. Registration of Poultry Farms

Registration of poultry farms with divisional veterinary offices was continued in 2012. Through a system of registration of poultry farms, control of contagious diseases, technical support programmes and quality control of poultry products can easily be carried out.

Through this project, a total of 32,471 poultry farms have been registered by the divisional veterinary offices in 2012.Accordingly, electronic database will be established.

b. Establishment of an Animal Identification and Traceability System and a Central Livestock Farm Data Base

Under this project each registered farm would be visited by the field extension staff and animals in the said farm would be ear tagged. At present there are 294,475 animals have been identified. 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.

c. Improvement of Service Delivery System of Government Veterinary Offices

Government Veterinary offices (GVO) 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, improvements to mobility and provision of equipment for regional veterinary offices.

Seven (07) new veterinary offices were planned to be constructed at Galigamuwa, Kekirawa, Hatharaliyadda, Habaraduwa, Rideethenna, Dankotuwa and Agarapathana in Kegalle, Anuradhapura, Kandy, Galle, Batticaloa, Puttlam and Nuwara Eliyadistricts respectively at the beginning of the year. Habaraduwa veterinary offices have been constructed during 2012 and others are continuing in 2013.

Constructions of veterinary offices at Dambulla, Karaveddy and Yatiyantota is continued from year 2011, in Matale, Jaffna and Kegalle districts respectively and all have been constructed at present.

4.1.3 Programs to be implemented in 2013

4.1.3.1 Livestock Sector development

4.1.3.1.1 Dairy Sector

Major programs implemented in 2012 will be continued in 2013 as well.

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

This program which was initiated in year 2010 will be continued in 2013 as well to identify individual animals and to establish livestock farm database. Under this project each registered farm would be visited by the field extension staff and animals in the said farm would be ear tagged. 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.

b. Heifer Calf Rearing Programme

It is expected to register 10,000 heifers in 2013 under this project.

4.1.3.2 Livestock Health Improvement

Upgrading disease investigation and expansion of animal health surveillance and Laboratory diagnostic network in order to enhance livestock production and quality assurance of livestock products are the main activities implemented.

It is expected to establish three (03) VIC's at Kilinochchi and Monaragala in the year 2013 under this project.

4.1.3.3 Regulatory functions and Services

a. Registration of Livestock and Poultry Farms

Registration process for Poultry farms will be continued in 2013 as well. Besides that, divisional level web based databases will be developed for farm registration program.

b. Improvement of Service Delivery System of Government Veterinary Offices

It is expected to continue construction of three (03) new divisional veterinary offices with quarters.

4.1.3.4 New Development Projects planned for the year 2013

- ❖ Expansion of Animal Health Surveillance and Laboratory Diagnostic Network to enhance livestock production and quality assurance in Sri Lanka
- ❖ Export facilitation of Chicken Meat and Eggs through poultry health management.
- ❖ Exploring commercial fodder production for Dairy development in Sri Lanka.

4.2 Milco (Private) Ltd

4.2.1 Corporate Background

- ✚ Ministry of Agriculture in 1956 established the National Milk Board for collection and processing milk based products.
- ✚ The first factory was at Narahenpita built in 1957 and chilling centres were established for collection of milk.
- ✚ In the year 1986, Milk Industries of Lanka Company Ltd (Government owned company) took over the functions of National Milk Board.
- ✚ In the year 1997, on a joint venture agreement the Government of Sri Lanka transferred all assets and liabilities of the company to the joint venture “Kiria Milk Industries of Lanka Company Ltd” from February 1998.
- ✚ In the year July 2001, the Indian partner withdrew the agreement thus making treasury the sole share holder of the organization and company was named as MILCO (Pvt.) Ltd.

4.2.2 Milk Procurement

- ✚ MILCO collects directly from the dairy farmers and not through milk collectors.
- ✚ There are 2200 farmer Managed Societies (FMS) to purchase milk from the farmers in the country.
- ✚ The payment to farmer is based on total solids Fat 4.3 % + SNF 8.2 % = 12.5 % TS = Rs. 50/-.
- ✚ There are approximately 55,000 dairy farmers supply milk to MILCO daily.
- ✚ September/October 2012 daily collection is around 220,000 ltrs/ day. Increase over previous year is around 25 %.
- ✚ There are 77 chilling Centers in the country with a capacity of 325,000 ltrs / day.
- ✚ Management of all the chilling centers except 2 centers were handed over to farmer Managed Societies (FMS) under the supervision of Milco.
- ✚ MILCO assists with transport of milk to the chilling Centers from the farmer Societies. Approximately 24,500 km done daily to transport milk.
- ✚ Milk transfer from chilling centers to the four factories is undertaken by MILCO through company and contract bowsers. 52 bowsers with a capacity of 300,000 litres are engaged.
- ✚ Dairy farmer societies are paid at the factory gate. Milk samples taken to check for total solids Fat and SNF are returned back to farmers in order to prevent changes in milk volume.
- ✚ This minimizes the milk loss at the transportation between chilling centers and factories.
- ✚ The milk discarded due to poor quality (in 2012) - 1.38 % for 55 million litres.
- ✚ Benefits provided by Milco Social Protection Fund during 2012

Benefitted members during 2012	5341
Amount paid during 2012 (Rs Mn)	19.6
Membership fee (Rs Mn)	23.2
Balance (Rs Mn)	6.8

4.2.3 Fresh Milk Collection

Year	Total collection (liters)	± %
2008	53.5 Mn	-
2009	54.9 Mn	+ 2.47%
2010	55.5 Mn	+ 1.19 %
2011	52.8 Mn	- 5.00 %
2012	68.0 Mn	+ 29.3 %

4.2.3 Production

- ✚ There are four manufacturing facilities with MILCO.
- ✚ Milk Powder and Butter production are done at Ambewela factory using 120,000 milk liters per day.
- ✚ Pasteurized/ Sterilized Milk, Yoghurt, Ice Cream, and Ghee are produced at Narahenpita factory using 50,000 milk liters per day.
- ✚ UHT milk , Pasteurized/ Sterilized Milk, Cheese, Yoghurt and Ice Cream are produced at Digana factory using 80,000 milk liters per day.
- ✚ Condensed Milk, Curd and UHT milk are produced at Polonnaruwa factory using 70,000 milk liters per day.
- ✚ Total daily production capacity is 320,000 liters.
- ✚ MILCO produces 11 product categories with 54 different flavours and pack sizes.
- ✚ Contribution to the turnover - Milk Powder - 34%, Liquid Milk - 33%, Yoghurt - 15%, Ice Cream - 12%, Ghee - 1%, Condensed milk - 2%, Curd -2%, Cheese - .1%
- ✚ Capacities – Approximately 200,000 liters/day with the old machinery and 120,000 liters /day with the new two UHT plants.

New products introduced

- ✚ Newly introduced Yoghurt with “Strawberry pulp” has become more popular.
- ✚ Chocolate flavoured UHT milk packet of 150 ml has been introduced targeting school children.

4.2.4 Sales/ Marketing

- ✚ Island is demarcated in to 10 sales regions
- ✚ Number of distributors has been increased up to 136
- ✚ Training seminars have been conducted for 72 sales promotion officers attached to distributing agents.
- ✚ Sales of 2012 January – December have been increased by Rs. 1.293 Billions. This is an 26 % increase against 2011.

4.2.5 New Product Innovations

- ✚ Introduced 3 pack sizes UHT milk with 2 flavours and 1 plain.
- ✚ New design for Condensed Milk – Milkmite packet.
- ✚ Fat Free – Sugar Free yoghurt
- ✚ Chocolate flavoured UHT milk packet of 150 ml has been introduced for schools at price of 20 Rupees.

4.2.6 Human Resources

- ✚ 1470 MILCO employees in the 4 factories, field and Head Office inclusive Trainees, Casuals and Contract.
- ✚ Health Insurance increased from Rs. 50,000/- Rs. 125,000/- for hospital stay.
- ✚ Rs. 500,000 for 25 critical illnesses which was not there before.
- ✚ Rs. 625,000 for overseas treatment covering the employee or one member of the family.
- ✚ Cost of Living Allowance increased by Rs. 15,000/- from July 2012.
- ✚ Inter allowance has been increased by Rs.2000/-
- ✚ Fuel allowance which is paid for Executive grade officers has been increased as follows
 - Assistant Managers -85 Liters
 - Officers -60 Liters
 - Executive grade officers -35 Liters
- ✚ Facility of reimbursing telephone bills up to Rs.1000/- was offered for all the Assistant Managers
- ✚ Facility of reimbursing mobile telephone bills up to Rs.500/- was offered for Extension Executive officers.
- ✚ Service allowance of Executive grade officers has been increased from Rs.350/- up to Rs.650/-

- ✚ Subsistence and travelling allowance which is paid for all the grades has been increased by 45%.

4.2.8 Financial Position

Profit/ Loss

2008/2009	-	Rs. 332,156,255/=
2009/2010	-	Rs. 300,749,590/=
2010/2011	-	Rs. 83,191,550/=
2011/2012	-	Rs. (226,438,585/=)

- ✚ Reduction in profit due to not increasing the product prices when the farmer price for fresh milk was increased from Rs. 28 to Rs. 33 and up to Rs. 50/- in 2011. As a relief to consumers.
- ✚ MILCO has short term fixed deposit total of Rs. 1.072 Billion in the State Banks.
- ✚ Purchased 2 new UHT plants for Rs. 635 Million from a loan from Bank of Ceylon in 2011. Loan repayment settled up to December 2012 is Rs. 170 million.
- ✚ The present factory machinery is over 50 years old and a contract has been signed with DESMI Contracting Agency to modernize 3 factories – Ambewela, Digana and Polonnaruwa. Modernization cost to be Rs 33.8 million. Colombo factory will be shifted to Badalgama.

4.2.9 The Way Forward

- ✚ The modernized factories will have a capacity increase up to 700,000 liter/day. The requirement in the country to stop milk imports is around 1.7 million liters/day.
- ✚ The new factory at Badalgama will commence with a capacity of 200,000 liters/day.
- ✚ MILCO will have the opportunity to produce new varieties of nutritious food products with the establishment of new factory.

4.2. 10 Targets

- ✚ To achieve Sales Turnover of Rs. 8.0 Billion by the year 2013. Sales Turnover in 2010, is Rs. 4.0 Billion
- ✚ To reach Fresh milk collection of 80 million liters by the year 2013. Collection in 2010 was 55 million liters and in 2012 it was 68 million liters.
- ✚ To complete factory modernization and starting the new factory as scheduled.
- ✚ To complete the sales marketing plan to cover 40,000 outlets.
- ✚ To complete planned staff training and welfare activities.

4.3 National Livestock Development Board. (NLDB)

4.3.1 Introduction

The NLDB is having nearly 14,465 hectares 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. 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. Action has been taken to take over the 49% of the shares of the LANLIB to the NLDB and has been suggested to form a Poultry Development Company.

4.3.2 Recent Human Resource Development Activities

- ✓ Filled the vacant positions of General Manager, Deputy General Manager, Assistant General Managers, Veterinary Surgeons and Farm Assistant Managers.
- ✓ Awarded permanent appointments for 200 employees who were working in the NLDB for a number of years ranging from 1-15 years mainly belonging to clerical and supervisory grades.
- ✓ Among the many welfare activities, we have been able to construct new line rooms for workers and the Volleyball tournament held with the participation of all farms.

4.3.3 Progress 2012

The Progress as against the action plan in 2012 is given below.

Thrust Area	Program/Project	Activity	Duration	Measure	Output Target-2012	Progress 2012	% Achieved	Expected Benefits/Results	Officer Responsible for Implementation
Livestock	Neat Cattle	Milk Production	Jan-Dec	ltrs	3,386,430	3,442,389	102%	To produce quality breeding materials for the local farmers & liquid milk	Managers of the farms & Respective AGMs
		Artificial Inseminations	Jan-Dec	No	2,659	2,759	104%		

		Sales for Breeding							
		Male	Jan-Dec	No	694	925	133%	To produce quality breeding materials for the local farmers	
		Female	Jan-Dec	No	799	1,092	137%		
		Pasture Development	In Maha	Ac	510	872	171%		
		Producing of Hay	Jan-Dec (May-July)	mt	686	472	69%		
		Producing of silage	In Yala	mt	585	1,050	179%		
		Manufacturing of cattle feed	Jan-Dec	mt	2,015	590	29%	Reduce the cost of production	
		Producing of compost	Jan-Dec	mt	121	270.25	223%		
		Producing of Yoghurt	Jan-Dec	Cups	509,943	459,826	90%		
		Producing of curd	Jan-Dec	ltrs	68,835	79,448	115%		
		Producing of Milk Toffee	Jan-Dec	kg	10,395	2,184	21%		
Livestock	Buffalo	Targeted Milk Production	Jan-Dec	ltrs	825,079	684,633	83%	To produce quality breeding materials for the local farmers & increasing the availability of Buffalo milk.	Managers of the farms & Respective AGMs
		Sales for Breeding	Jan-Dec						
		Male		No	205	92	45%		
		Female		No	117	28	24%		
		Producing of curd		ltrs	515,344	317,082	62%		

		Producing of Yoghurt		cups	104,280	67,161	64%		
Livestock	Poultry	Producing of Broiler Chicks	Jan-Dec	No	2,459,996	1,950,756	79%	Increasing self employment opportunities and Broiler meat.	Managers of the farms & Respective AGMs
		Importation of Broiler	Jan-Dec	No	28,000	17,603	63%		
		Producing of Layer Chicks	Jan-Dec	No	817,006	661,700	81%	Increasing self employment opportunities and Eggs	
		Importation of Layer	Jan-Dec	No	11,735	3,495	30%		
		Producing of Commercial Eggs	Jan-Dec	No	3,304,568	2,530,031	77%	Increasing Egg production	
		Producing of Broiler Meat	Jan-Dec	No of Birds	11,400	16,899	148%	Increasing Broiler Meat	
		Producing of Quai Eggs	Jan-Dec	No	175,685	40,426	23%		
		Manufacturing of Poultry Feed	Jan-Dec	mt	2,152	1,710	79%	Reduce the cost of production	
	Pig	Sales for Breeding	Jan-Dec	No	6,631	2,879	43%	To produce quality breeding materials	Managers of the farms & Respective AGMs
		Manufacturing of Pig Feed	Jan-Dec	mt	468	159	34%	Reduce the cost of production	
Livestock	Goat	Producing of Goat Milk	Jan-Dec	ltrs	28,140	4,716	17%	To cater the high demand for the Goat milk in the country	Managers of the farms & Respective AGMs
		Sales for Breeding	Jan-Dec	No	305	245	80%	To produce quality breeding materials	
		Manufacturing of	Jan-Dec	mt	24	26.1	108%	Reduce the cost of	

		Goat Feed						production	
		Manufacturing of Mineral Mixture	Jan-Dec	mt	30	21.7	72%	Reduce the cost of production	
Livestock	Sheep	Sales for Breeding	Jan-Dec	No	634	563	89%	To produce quality breeding materials	Managers of the farms & Respective AGMs
		Manufacturing of Sheep Feed	Jan-Dec	mt	12	24.2	201%	Reduce the cost of production. Keeping quality	
Livestock	Farmer Training	No of Farmer Trainings	Jan-Dec	No	90	70	78%	With improving the Technical knowhow of the farmers to commence self employment opportunities	Managers of the farms & Respective AGMs
Agriculture	Coconut	Producing of nuts	Jan-Dec	No	22,446,660	21,386,572	95%	To generate income to invest in livestock sector	Managers of the farms & Respective AGMs
		Under Planting	Sept-Dec	Ac	223	3.5	2%	To maintain the plantation properly in the future	
		Manufacturing of Coconut Oil	Jan-Dec	ltrs	12,000	6,675	56%	To generate an additional income	
	Rubber	Producing of Rubber Sheets	Jan-Dec	mt	9	4.4	51%	To generate an additional income	

4.4 The Sri Lanka Libya Agricultural & Livestock Development Co. (Pvt) Ltd

4.4.1 Introduction

The main objectives of the Company are Establishment, Development and Administration of Livestock Projects in Sri Lanka. The Company, keeping to its policy of Poultry Development, was engaged in the Production of Day – old Chicks from the inception of the Company (1981). However, this operation was temporarily stopped due to various reasons for 5 Years (2005 to 2010). Nevertheless, we were able to recommence our Breeder Farm at Dankotuwa with the guidance and financial assistance of the Ministry of Livestock and Rural Community Development in December 2010. Since then we have introduced 3 batches of Parent Birds to produce Day – old Chicks by utilizing the available limited resources. The Setter and Hatcher of the Incubator (most valuable equipment of the Breeder Farm), which had been isolated for almost 6 years, have been repaired by the valuable expertise of our Technical Supervisor by expending merely a very fair amount of cash as the cost to purchase locally manufactured spare parts. Moreover, the Poultry Sheds which have been repaired form the income of the 2 batches are ready to accommodate the Parent Stock of 10,000 birds.

4.4.2 Production at Bandirippuwa Breeder farm in 2012

	Batch -1	Batch -2	Batch -3	Number of Eggs	Number of Chicks Produced	Amount of Chicken meat Produced (kg)	Sales Realized from Sale of Chicks, Eggs & Curry Chicken (Rs Mn)
No. of Parent Birds Available as at 01.01.2012	2,213	2,189	2,930	447,832	292,900	139,936	25.1
No. of Parent Birds Available as at 31.12.2012	-	-	2,409	142,940	113,255	245	5.0
Total				590,772	406,155	140,181	30.1

4.4.3 Commercial Layer Unit

	Number of Eggs	Amount of Chicken meat Produced (kg)
Production from 01.01.2012 up to 30.09.2012	522,803	1305
Production from 01.10.2012 up to 31.12.2012	162,735	632
Total	685,538	1,937

4.4.4 Milk and Curd Production

	Buffalo Milk (liters)	Milk (liters)	Total (liters)	Curd Pots
Production from 01.01.2012 up to 30.09.2012	4,700	3,130	7,830	4,130
Production from 01.10.2012 up to 31.12.2012	3,701	948	4,649	1,517
Total	8,401	4,078	12,479	5,647

50% from the total milk production is sold and rest of the amount is used for curd production which is sold at two sales outlets.

4.4.5 Agricultural Production

	Coconut Production
Production from 01.01.2012 up to 30.09.2012	353,950
Production from 01.10.2012 up to 31.12.2012	114,479
Total	468,429

Actions have been taken to plant 775 Coconut plants in an area of 12 acres and up to now plantation of 325 Coconut plants within an area of 5 acres have been completed under the "Deyata Sewana" programme.

Construction works of a tank of one acre surface area which had been started three years ago has been completed. This tank is been used for providing wallowing area for 91 Buffaloes reared in the farm and necessary steps have been taken to start up a mini project of fresh water fish.

4.4.6 Retail Marketing

Eggs, chicken, eggs, milk, curd and coconuts produced at farms are sold at 2 Sales outlets at Kollupitiya and Dankotuwa.

	Income at Kollupitiya Sales outlets (Rs)	Income at Mawatta Sales outlets (Rs)	Total Income (Rs)
Income from 01.01.2012 up to 30.09.2012	3,900,030/-	4,413,849/-	8,313,879/-
Income from 01.10.2012 up to 31.12.2012	1,600,365/-	1,869,025/-	3,569,390/-
Total	5,520,311/-	6,382,874/-	11,883,269/-

4.4.7 Rental Income

Lease Rental Income from rented two floors at the main office building.

	Income (Rs)
Income from 01.01.2012 up to 30.09.2012	4,763,451/-
Income from 01.10.2012 up to 31.12.2012	1,466,357/-
Total	6,229,808/-

4.4.8 Expected Programme - 2013

The Cabinet of Ministers has granted approval to acquire the shares of LANLIB (49%) by NLDB and to be continued as a fully government owned Organization under NLDB with the Name of the Company to be changed to be changed to Sri Lanka Livestock Development (Private) Company *vide* cabinet Paper ref.No.11/1483/511/027.Hence,no special programme has been laid out for 2013.

4.5 MAHAWELI LIVESTOCK ENTERPRISES LIMITED

4.5.1 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 auto mated production facility and a Commercial Broiler Unit.

4.5.2 The Main Line of Business Today.

Currently the Company has focused its attention in the Production of Day Old Chicks 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.

4.5.3 Main Problems faced by the Company when taking over in 2010

One of the key problems faced by the Company when taking over was the problem of underutilized capacities. It was about 40% - 50% of capacity of the hatchery that was utilized when taking over.

Furthermore the parent stock was not regularly imported and hence we saw heavy under-utilization in the parent stock unit too.

The other main problem was that a large farmer base of about 250 was reduced to about 30 Farmers due to the tarnished image of the Company prevailing at that time.

4.5.4 Main reasons for positive growth during 2011/2012

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 Rs.	2009/2010 Rs.	2010/2011 Rs.	2011/2012 Rs.
Turnover	372,431,203	161,794,261	205,712,970	288,772,050
Net Profit	(1,723,321)	(5,416,693)	3,991,510	13,720,714

The turnover during the financial year 2011/2012 had also increased than the 2010/2011. Necessary measures have taken to increase our main production of boiler chicken during 1st Quarter of year 2013 and the other production i.e. broiler, chicks, curd have increased up 30% from 2nd Quarter of financial year 2012 to 1st quarter of the year 2013 according to the production.

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 from 68 – 90.
- Capacities were increased to over 90% (Hatchery & Meat Processing Unit)
- 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.

The steps were taken to increase the production during the year 2013.

- We have taken measures to production of our own feed than purchase from outside source.
- To increase the production of meat we have taken measures to purchase egg from outside and hatching egg in our own Hatchery.

4.5.5 Development Plans for 2012/2013 & 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.2000-3000 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 90-100 by the end of 2013.

With regard to our own Commercial Broiler Unit- The plans are to build Low Costs Sheds with local material to accommodate at least 30,000 birds in order to increase the production of broiler chicken up to around 70,000 kgs per month during the year 2013.

The adverse weather condition with a severe drought that prevailed in North Central Province from around June- September 2012 negatively affected the MLE's Business during the first and second quarter of the financial year 2012/2013.As a result through the Turnover will grow by around 30% over the previous year the Estimated operational profit will show a decrease.

The expected Turnover along with the Operational Profits for the Financial Year 2012/2013 is given below.

Turnover	2008/2009 Rs.	2009/2010 Rs.	2010/2011 Rs.	2011/2012 Rs.	2012/2013 Rs.(E)
	372,431,203	161,794,261	205,712,970	288,772,050	375,243,645
Net Profit	(1,723,321)	(5,416,693)	3,991,510	13,720,714	8,768,323

4.5.6 Increase in Production 2011-2012

Month	Number of Birds-2011	Number of Birds-2012	Increase %
January	17,941	30,237	69%
February	29,567	44,161	49%
March	14,373	28,721	100%
April	40,473	49,090	21%
May	15,463	25,325	64%
June	29,110	41,145	41%
July	19,400	40,991	111%
August	36,242	56,404	56%
September	26,798	47,011	75%
October	33,114	43,939	33%
November	47,070	43,725	(-7)%
December	40,739	54,457	34%

4.5.7 A Five Year Production Plan for 2013/2018

The production estimates for our key product lines i.e. Hatchable Eggs, Day Old Chicks & Broiler Meat is given below.

Year	Egg Production Nos. (Hatchable)	Egg production per month Nos.	Chick Production Nos.	Chick Production per month	Broiler Meat Kg.	Broiler Meat Production Per month (Kg)
2012/2013	1,490,000	124,166	582,000	48,500	640,200	53,350
2013/2014	1,620,000	135,000	1,164,000	97,000	1,280,400	106,700
2014/2015	1,800,000	150,000	1,164,000	97,000	1,280,400	106,700
2015/2016	1,800,000	150,000	1,164,000	97,000	1,280,400	106,700
2016/2017	1,580,640	113,400	1,185,480	98,800	1,304,160	108,680
2017/2018	1,580,640	113,400	1,185,480	98,800	1,304,160	108,680

4.6 Saumyamoorthi Thondaman Memorial Foundation (STMF)

4.6.1 Main Projects and Activities under STMF

4.6.1.1 Prajashakthi and Navashakthi Development Programme

4.6.1.1.1 Prajashakthi (E- Kiosk) Development Project

This project aims to achieve comprehensive, complete and overall socio economic development of the underprivileged 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 facilitates the use of technology as a catalyst in transforming the community into a united, well informed and self sufficient society

Components of the Prajashakthi project are –

- 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 IT into community activities.
- Development of Entrepreneurial Development Programs aimed at youth.

The first Prajashakthi centre was established at Wanarajah Estate in April 2006. This centre was declared opened by His Excellency Mahinda Rajapaksa, President of Sri Lanka.

27 Prajashakthi Centers were established in 2006 and the number of centers in operation increased to 37 in 2007, 41 at the end of 2008, 45 at the end of 2011 and 46 at present. Each centre is located in 1 Hectare (2.25 acres) of land with the required infrastructure facilities including the provision of latest technology. A total sum of Rs.180 million has been spent to establish these 45 centers.

It is proposed to establish 35 new Prajashakthi centers in the near future. The Cabinet of Ministers has approved this proposal. These 35 new centers are expected to be completed by the end of 2014 at a total cost of Rs.170 Million depending on the allocation and availability of funds.

Students and Youth register with the Prajashakthi Centres to obtain the educational and other related services and facilities provided at the centres.

Number of students registered and trained at the Prajashakthi centres during 2012 and the total number of students as at 31/12/2012 centre wise are given below

N O	Region	Prajashakthi Centre Name	2012 Admission	2006 to 2012 Total Admissions
1	Hatton	Kirkoswald	0	655
2		Carolina	97	580
3		Brownswick	0	1340
4		Glenugie	50	236
5		Tilicoultry	78	861
6		Wanarajah	98	1145
7		Kotagala	143	1827
8		Hangarapitiya	91	499
9	Nuwara Eliya	Watagoda	82	680
10		Dessford	83	705
11		Duncinane	163	1035
12		Waldimar	69	1087
13		Weddamulla	161	618
14		Glasgow	307	957
15		Liddesdale	83	920
16		Dayagama East	99	499
17	Badulla	Welimada	99	962
18		Glenenore	137	1126
19		Ury	113	669
20		Roeberry	77	527
21		Sarnia	201	1136
22		Adawatta	12	347
23		Poonagala	114	1006
24		Hopton	214	730
25		Hindagala	85	614
26		Kumarawattha	51	483
27	Kandy	Melfort	120	528
28		Westhall	14	422
29		Kellabokka	100	959
30		Galaha	48	649
31		Pathadumbara	52	634
32		Duckwary	79	758
33		Elkaduwa	37	540
34	Kegalle	Kelani	100	778
35		Miyanawitta	20	485
36		Moralioya	93	871
37		Atale	30	548
38	Ratnapura	Balangoda	134	762
39		Hunuwella	123	495
40		Houpe	0	319
41		Madampe	64	439
42		Eheliyagoda	31	311
43	Galle	Hayes	0	298

44		Kiruwana ganga	34	450
45		Devidura	50	614
46		Millakanda	154	507
Total Admission			3990	32556

Details of recognized international Days Celebrated at the various Prajashakthi Centres during 2012 and the number of participants are given below.

No.	International Day's Celebration	2012	2006 to 2012 (Total)
1	International Mother Language day	889	4018
2	International Women's Day Celebration	277	6018
3	International Water Day	460	4009
4	International Health day	490	4448
5	International day for families	1045	4576
6	International Day For Cultural Diversity For Dialog and Development	390	5735
7	Mother's Day	25	25
8	International No Tobacco Day	1197	7712
9	International Environment Day Celebration	523	4979
10	Against Drug Abuse Day	50	50
11	International Youth Day Celebration	822	13829
12	International Literacy Day	409	2960
13	International Peace Day Celebration	496	4132
14	International Children Day & Older Person Day	1910	10513
15	International Teachers Day	208	2299
16	International Hand Washing Day	251	4325
17	International Food Day	313	4151
18	International Poverty Day	122	3986
19	International United Nation & World Development Information Day	54	2832
20	International day for Violence Against Women	252	2337
21	Persons with Special Needs	52	1095
22	World Aids day Celebration	115	2795
23	Human Rights Day	300	1688

International Women's day celebration, organized by the Prajashakthi Development project was held on 7th, 8th & 9th March, 2012 at Hatton in a mass scale under the patronage of Hon. Arumugan Thondaman, Minister of Livestock & Rural Community Development. More than 1000

women participated in this event which included 500 from Pollonnaruwa District with the view to encourage national integration.

Details of Awareness Programs & Special Celebrations held at various Prajashakthi Centers during 2012 and cumulative events up to 2012 and the Number of Participants at these celebrations are given below.

No.	Awareness Programmes & Special Celebrations	2012	2006 to 2012 Sept.
1	New Year Celebration	282	6027
2	Thai Pongal Day Celebration	1193	5547
3	National Day Celebration	446	1457
4	Sinhala New Year Celebration	1355	4155
5	Navarathri Viza	-	6272
6	Christmas Day Celebration	-	3282
7	Work Shop / Mobile Service	1228	1916
8	Sports Meets	3903	9230
9	Other Medical camps	1783	3667
10	Other Awareness programme/Dengue	816	8344
11	Wesak	-	150
12	Grade 5 Scholarship Exam Class	-	80
13	Dental Camp	326	3333
14	Competition	390	473
15	Seminar	717	1173
16	Stop Child Abuse Programme	124	361
17	Centre's Anniversary & Prize Giving	864	1667
18	Child Rights and Women Rights Mediation Programme	-	46
19	Children Fair	165	205
20	Shiramadhana Programme	145	189
21	Mediation Programme	45	95
22	First Aid Programme	-	129
23	HIV/ AIDS Awareness Programme	-	150
24	UVA Province Chief Minister's Visit	-	46
25	Cultural Progamme	-	440
26	President School Students Visit	-	63
27	Educational Trip	155	286
28	Blood Donation	187	354
29	Oli Vizha	-	376
30	Exhibition	200	320
31	Interview for Jobs	-	30
32	Students Club Programme	-	40
33	Nutrition Programme	306	306

34	Human Rights	87	87
35	Forming and registering a Lineage Forum	64	64
36	School Drop Out Students	45	45
37	Child care	138	138
38	Worm Trestment	79	79
39	Health & Leadership Programme	57	57
40	Dental Care Programme	30	30
41	Awareness of Benefits to Sickly and Persons with Disability	28	28
42	Training Program for Censes Counting	62	62
43	Elders Education and Their Health	50	50
44	Mushroom Growing Project	20	20
45	Awareness of Budgeting and Welfare Programme	40	40
46	Safe use of Pesticides	60	60
47	T.B. Awareness Programme	42	42
48	Dengue Awareness Programme	560	560
49	Awareness Programme	816	816
50	Self- employment Training Program	699	699
51	Importance of Saving	30	30
52	Disabled Students Computer Class	19	19
53	Get Together	75	75
54	Meeting	219	219
55	Children and the Environment	85	85
56	Family Planning Awareness Programme	64	64
57	Issue of Coconut Plants	84	84
58	Education awareness Programme	75	75
59	Migrant Family Development	60	60
60	Yoga Training Program	125	125
61	Leadership Training Programme	60	60
62	Computer Hardware Training Programme	13	13
63	EYE Medical Camp	629	629
64	Screening for T.B and Other Chest Ailments - Medical Camp	135	135
65	Pradeshiya Sabawaai Purawesi Mami Programme	35	35
66	Life Insurance Awareness Programme	45	45
67	Rain Forest Programme	45	45
68	National Multiple Micro Nutrition Programme	25	25
69	Health Awareness Programme	50	50
70	Reduced Use of Alcohol Awareness Programme	65	65
71	"Well Women" Health Education Programme	91	91
72	Health & Safety Awareness Programme	100	100
73	The Reaching of Social Benefits to Deserving in the Estate Awareness Programme	35	35

The Prajashakthi project proposes to establish 'Business Incubator Zones' alongside the centers that will work as catalyst for transformation of youth into entrepreneurs thus maximizing employment opportunities. The foundation will assist the trained youth in establishing micro and small enterprises through incubator zones.

4.6.1.1.2 Navashakthi Entrepreneur Development Project

This programme was introduced in January 2009 by Hon. Arumugan Thondaman MP, Minister of Livestock and Rural Community Development and Life Member of STMF, which aims to motivate unemployed youth from rural community in the underprivileged and underserved areas to engage in 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 the year 2012, Three hundred and forty nine (349) youths have obtained loan under this programme.

A sum of 16.0 Million has been given as loan directly by the Foundation and through the People's Bank and recovered in monthly installments.

Statistics of Beneficiaries

No.	Period	No. of Beneficiaries	Total Amount of Financial Assistance/Loan
1.	Jan 2009	75	Rs 6+ Million
2.	August 2010	46	Rs 3+ Million
3.	August 2011	52	Rs 2.4 Million
4.	August 2012	<u>36</u>	<u>Rs. 1.9 Million</u>
		<u>349</u>	<u>Rs. 16.0 Million</u>

The following table shows the number of entrepreneurs benefitted by this program during 2012 under different categories.

Category	No of entrepreneurs	Loan Amount (Rs)
Vegetable Cultivation	05	235,000/-
Self employment (Miscellaneous)	14	745,000/-
Farming	11	670,000/-
Tailoring	06	240,000/-
Total	36	1,890,000/-

4.6.1.2 Thondaman Vocational Training Center – Hatton

The Management of Thondaman Vocational Training Center was handed over by the Vocational Training Authority 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 at no cost to the Foundation. They are assisted by local instructors for certain courses. An optimum number of 400 students could be trained in vocational activities every year, in two batches. During 2012, 325 youth have been trained. A total of 2,141 students were trained from July 2007 up to end of 2012. Details are as follows

Number of students trained in different courses is given below.

No.	Name of Course	STUDENT ADMISSIONS	
		2012	2007 -2012 (Total)
1	Automotive Mechanic	15	102
2	Electrician	12	97
3	Machinist	10	73
4	Radio ,TV, Allied Equipment Repair	08	62
5	Aluminums Fabricator	30	176
6	House hold Electrical	24	159
7	Carpenter	23	93
8	Computer Applications Assistant	41	235
9	Dress Making	49	298
10	Motor Cycle Mechanic	46	215
11	Welder	51	206
12	Draughtsperson	12	22

13	Hotel Course	17	22
14	ISMO (juki)	07	132
15	AutoCAD	-	59
16	AAT	-	91
17	Fitter	-	35
18	Secretarial Practice	07	64
Total		352	2,141

4.6.1.3 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 at this Cultural Centre.

The aesthetic college within the purview of the Thondaman Cultural Center was officially opened at 30/08/2011. At present 60 students are trained in Karnatic Music and Barathanatiyam and related cultural courses. This Aesthetic College could train 240 students per annum once fully established by mid 2013.

4.6.1.4 Thondaman Sports Complex – Norwood

This Sports Complex was handed over to the Foundation in 2005 with the inactment of Parliament Act 19 of 2005.

Football ground of this sports complex was completed in 2011 under an agreement entered by the Foundation with the Sri Lanka Football Federation to develop and construct the grounds at a cost of Rs. 25 Million funded by the Football Federation. Work on the grounds was completed in 2011 but, some improvements have to be made.

A Gymnasium and indoor Badminton court were opened in July 2012. As at end of 2012, **83** students have registered with the **Thondaman Sports Complex** to use the facilities of Indoor badminton court and the gymnasium.

Action is being pursued to complete the work on the pavilion and put up the balance infrastructure facilities such as training hall, hostel etc. and to construct Basketball court, Volleyball court, Netball court. The sports facilities will be ready before 30/06/2013

Once the capital work is completed and the required infrastructure facilities are provided more than **1,000** children and youth could benefit from this Sports Complex. Training programmes also will be arranged.

4.6.2 Other Activities undertaken by Saumyamoorthi Thondaman Memorial Foundation

- Distribution of Wheelchairs to the physically handicapped people.
- Distribution of sewing machines to the women in the area to generate self employment.
- Setting up women Self Help Groups.
- Carrying out medical and health awareness camps.
- Organizing cultural and sports camps and competitions.
- Celebration of International Youth Day/Women's day ect..
- Promoting awareness on cleanliness, hygiene and communicable diseases.
- Promoting awareness among women on pre-natal and post-natal care.
- Dental Hygiene Health camp.

4.7 Plantation Human Development Trust (PHDT)

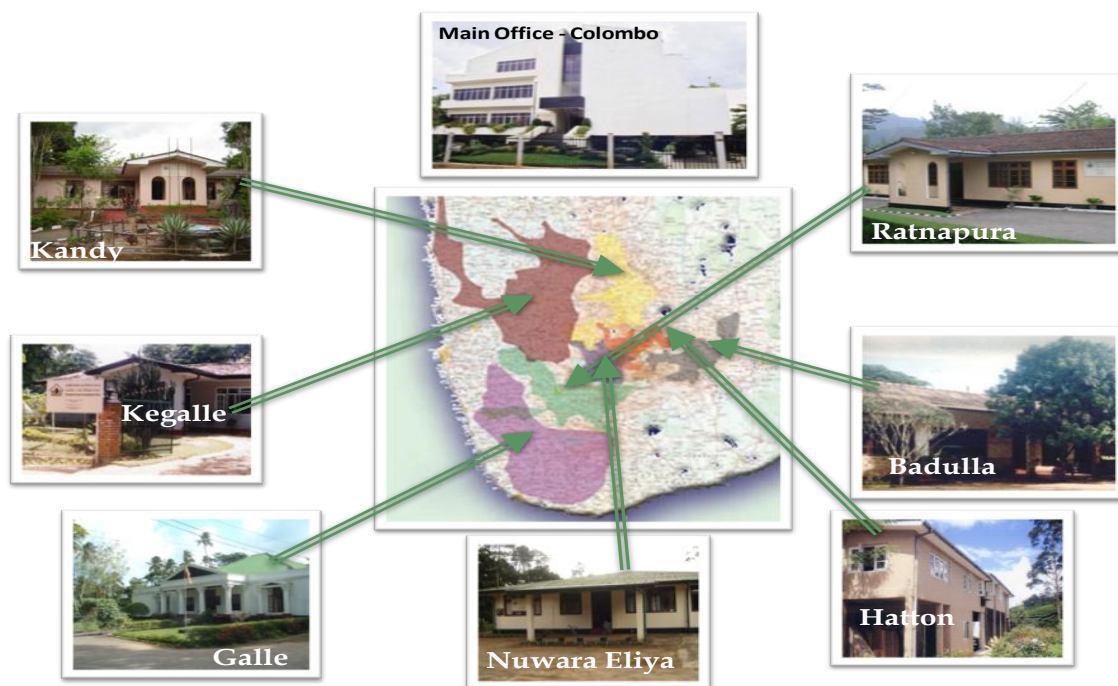
The Plantation Human Development Trust (PHDT) was first established on 18th September 1992 as the Plantation Housing & Social Welfare Trust (PHSWT) and incorporated in Sri Lanka under the Companies Act No 17th of 1982. The Organization was later re-named as the PHDT on 25th October 2002.

The PHDT is a Tripartite Organization consisting of the Government of Sri Lanka, Regional Plantation Companies and Plantation Trade Unions was formed to co-ordinate and facilitate programmes to enhance the quality of life of the one million Plantation Community.

The PHDT works in close collaboration with the relevant Government Ministries, Trade Unions, Regional Plantation Companies, INGO's, NGO's and the Public/Private Sector Organizations in conducting the many infrastructure and social development programmes for the benefit of the Estate Workers.

The PHDT functions under the Board of Directors which comprises representatives of the Government of Sri Lanka, Regional Plantation Companies and Trade Unions spearheaded by the Director General who is supported by Internal Directors, Heads of Divisions, Management and the staff attached to the Main Office in Battaramulla. The Main Office team is strengthened by seven (7) Regional Offices located in the plantation areas with Regional Directors, Management and staff in every office to implement the many initiatives undertaken by the PHDT to improve the Plantation Sector

4.7.1 PHDT Regional Network



4.7.2 Progress of the project funded by the Ministry of Livestock Rural Community Development as at 31st December year 2012

Activity	Units/ Length (M)	Allocation (Rs. Mn)	Claimed (Rs. Mn)	Funds Received (Rs.Mn)	Balance to be Claimed (Rs.Mn)	% of project Completion
New Life Housing	603	300.07	160.35	109.04	139.72	53%
Latrines	182	7.28	2.15	1.37	5.13	30%
Re-Roofing	808	34.87	2.72	-	32.15	8%
Water Scheme	18	19.99	3.68	2.85	16.31	18%
Upgrading Volley Ball Court	1	0.53	0.10	0.10	0.43	19%
Upgrading Kovil	2	5.67	1.71	1.55	3.96	30%
Concrete Road	3428	25.99	19.85	18.90	6.14	76%
Special Latrines	6	0.44	0.08	0.08	0.36	18%
Upgrading Play Ground	6	1.68	0.25	-	1.43	15%
Construction of Community Hall	4	9.84	1.17	0.57	8.67	12%
Bathing places	1	0.31	0.06	-	0.25	19%
Kovil Equipment	1	0.20	0.20	-	-	20%
Bridge	1	2.26	0.77	0.77	1.49	34%
School Building and Play Ground Upgrading	4	44.43	13.38	13.15	31.05	30%
Total		453.56	206.48	148.38	247.09	

4.7.3 Year 2013- 2016 Forward Plan of Plantation Human Development Trust

Plantation Human Development Trust

Year 2013 -2016 Forward Plan (Forecast)

SUMMARY

Activity / Category	Forecast												Total Units	Total (Rs.Mn)
	2013			2014			2015			2016				
	Units	Unit Cost	Value Rs. (Mn)	Units	Unit Cost	Value Rs. (Mn)	Units	Unit Cost	Value Rs. (Mn)	Units	Unit Cost	Value Rs. (Mn)		
Housing (Units)	300	1.00	300.00	350	1.00	350.00	450	1.00	450.00	500	1.00	500.00	1600	1,600.00
Re-roofing (Units)	2,500	0.06	137.50	3,000	0.06	181.50	3,500	0.07	232.93	4,000	0.07	292.80	13000	844.73
Water (Projects)	70	1.00	70.00	105	1.00	105.00	110	1.10	121.00	130	1.21	157.30	415	453.30
Sanitation (Units)	2,500	0.05	125.00	3,000	0.06	165.00	3,500	0.06	211.75	4,000	0.07	266.20	13000	767.95
Child Development Centre New (Nos)	7	3.60	25.20	7	3.70	25.90	10	4.07	40.70	25	4.47	111.75	49	203.55
Child Development Centre Upgrading (Nos)	35	0.70	24.50	48	0.77	36.96	55	0.08	4.66	65	0.09	6.06	203	72.17
Health Programmes, Training, Awareness & Health camps)	-		14.00			21.00			25.00			30.00	0	90.00
Mobilization Training and Community Development	-		10.50			14.00			18.00			20.00	0	62.50
Total			706.70			899.36			1,104.03			1,384.11		4,094.20