

**Annual Performance Report**  
**of**  
**The State Ministry of Development of**  
**Minor Crops**  
**Including Sugarcane, Maize, Cashew,**  
**Pepper, Cinnamon, Cloves, Betel,**  
**Related Industries and Export Promotion**  
**for the year 2021**

## Message from the Honorable Minister of Plantation Industries .....

It is the prime responsibility of the Ministry of Plantation Industries, to attract the export market through diversification of value-added products with the use of experimental methods, new technological tools and optimal land utilization, going in line with His Excellency the President's "*Vistas of Prosperity and Splendour*" National Policy.



The unmatched contribution bestowed by the State Ministry and the statutory bodies performing under its purview shall be highly appreciated in the implementation of policies, programs and projects to lead the entire plantation sector to new horizons by creating an 'export-oriented plantation industry infused with new technology', despite multiple challenges such as the Covid-19 pandemic that has spread globally, climate change and international market crises that were encountered periodically.

During this year, many programs and projects have been implemented to add value and improve minor crops and related products, facilitate innovation, connect with global supply chains and expand access to foreign markets. As a result, the sector was able to mark its highest value of annual export revenue in the year 2021.

The State Ministry in collaboration with its affiliated institutions has implemented a number of related programs and projects, having considered following as top priorities i.e. facilitation of finance to encourage cultivation, working together with research institutes to introduce high-yielding varieties to farmers, introducing new technologies to encourage value-added products, establishment of cinnamon extraction and minor crop processing centers, immediate re-opening of all the sugar factories that have been closed down and establishment of Agricultural Mega-Zones.

My sincere good wishes are extended for the future endeavors of the Honorable State Minister Mr. Janaka Wakkumbura and to the Secretary of the State Ministry, to the heads of statutory institutions and their staff and to all stakeholders of the plantation sector who have dedicated their best to the successful implementation of these programs and projects.

**Dr. Ramesh Pathirana (M.P)**

Minister of Plantation Industries

## Message from the Honorable State Minister of Development of Minor Crops including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel Related Industries and Export Promotion.

It gives me immense pleasure to extend this message, in the event of presenting of the Performance Report for the year 2021 of the State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion, whose key function and task is to implement, follow-up and evaluate the subjects and functions, programmes and projects carried out by the Department of Export Agriculture, Sri Lanka Cashew Corporation, Sugarcane Research Institute, Lanka Sugar Company (Pvt) Ltd, Hingurana Sugar Industries Limited, Kantale Sugar Company, Galoya Plantation (Pvt) Ltd and Spices and Allied Products Marketing Board, in parallel with implementation of policies, programmes and projects for an export-oriented plantation industry infused with new technology in line with His Excellency the President's National Policy, “*Vistas of Prosperity and Splendour*”.



The State Ministry and its affiliated institutions have implemented numerous programmes and projects, giving high priority to encourage cultivation in coordination with minor crop cultivators, financial institutions and the Ministry, to introduce high-yielding varieties to farmers by jointly working with research institutes, to introduce new technologies and expand exportation of value-added products of these crops, to establish cinnamon extraction and minor crop processing centers, to distribute new technological equipment, to immediate opening of all closed-down sugar factories and encouraging the construction of new factories on demand, to meet the technical know-how and capital requirements for economical use of water for cultivation of other minor crops, to cultivate pepper and other minor crops for domestic use and export, to promote the said crop-related industries and their value addition, to uplift the living standards of the people in the sector through generation of self-employment and establishment of Export Villages and Agricultural Mega-Zones in the areas where the crops are cultivated.

I sincerely appreciate the commitment of all those who rendered their service despite the enormous challenges to achieve the highest export revenue ever recorded in the sector, and the officials of my State Ministry and the institutions coming under its purview, who are ever-committed to the successful implementation of government policies, programs and projects. I wish them nothing but the best of luck in the coming years too.

### Janaka Wakkumbura (M.P)

State Minister of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

## Message from the Secretary to the Ministry of Plantation Industries

The scope of this State Ministry is unique as it includes cultivation, production, value addition and the entire value chain of minor export crops such as cinnamon, pepper, cardamom and cloves which occupies a major position among the channels earning foreign exchange to our country and, the crops with exceptional value and medicinal properties such as turmeric and ginger, as well as the newly-added crops of extreme importance to the national economy such as sugarcane, cashew and maize.



It is highly commendable that this sector has achieved an outstanding growth and made a remarkable contribution to the country's economy by recording the highest export income last year, through the generation of maximum value-added products from a blend of advanced technologies of the current government's development strategies and thereby capturing the world's pivotal market opportunities.

It is with immense pleasure I mention that the support of the Ministry of Plantation Industries will always be extended to every activity launched by the State Minister and the Secretary to the State Ministry, and to affiliated institutions who are devoting themselves to this special mission.

Also, I take this opportunity to pray for the strength and courage to carry forward this mission with an unwavering determination in 2022 for the benefit of the country at a time it is encountered with serious challenges.

**Janaka Dharmakeerthi**

Secretary

Ministry of Plantation Industries



## Message of the Secretary to the State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

I take this opportunity to extend my message for the Performance Report of the year 2021 of the State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion.

The State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion has accomplished an widespread success last year, by utilizing the limited human resources to the maximum and shouldering the responsibility of building an "export-oriented plantation industry infused with new technology" in the journey of achieving the goals and objectives of building a new country in line with the government's policy of "Vision of Prosperity and Splendour".

In reaching the goal of doubling the export income of Sri Lanka's minor crops and related industries sector by 2025, numerous programs have been commenced and necessary steps have been taken to competitively acquire a significant share of the global market through the implementation of said programmes by strengthening the value-addition process in the sector and sending value-added finished products to the global market. The record of export revenue of over one hundred billion rupees earned from this sector last year is a perfect example of such achievement. Accordingly, there were many programmes of developing minor crops, their processing and related industries, making necessary arrangements for the establishment of export-oriented Mega- zones, conducting new research for the improvement and innovation in the field of Cinnamon and other spices, sugarcane, cashew, and maize production and providing necessary facilities and incentives for the same.

The constant advice and guidance from the Hon Minister of Plantation Industries and the State Minister is extremely vital in operating the Ministry, and the contribution and dedication of the entire staff including the Additional Secretary, Directors and the senior officials should also be specially appreciated.

Finally, I express my gratitude to all the officers for their dedicated contribution to the outstanding performance achieved last year by the State Ministry and also to the officers who involved in the formulation of this report.



**Saman Darshana Pandikoralala**

Secretary

State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

## Table of contents

State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion .....	7
Introduction .....	7
Tasks and Functions assigned to the State Ministry .....	9
Vision .....	9
Mission .....	9
Goals to be attained by the year 2025.....	9
Desired strategies be adopted in achieving these goals .....	10
Statutory Institutions, Public Corporations and Special Projects coming under the State Ministry.....	11
Crops coming under the purview of the State Ministry .....	11
Targeted Sustainable Development Goals.....	14
Development Programmes / Projects Implemented by the State Ministry .....	15
1.Cultivation, Production, and Processing.....	15
2.Nurseries Development Programme.....	26
3. Processing and value addition in export agriculture.....	28
4. Certification, Accreditation, Standardization and Training.....	30
5. Research and Development .....	33
6. Marketing, Branding and Promotion .....	33
7. Special projects implemented under the State Ministry .....	35
Development Programmes/ Project Plans of the State Ministry for the Year 2022.....	40
Organizational structure and Human resource profile of the State Ministry .....	41
Office Staff of the State Ministry.....	41
Human resource development in the State Ministry .....	43
Auditor General's Report.....	45
Agriculture Sector Modernization Project - Value-Chain Development Component .....	50
Institutions receiving Treasury Funds and Performing under the purview of the State Ministry .....	53
Department of Export Agriculture .....	53
Sri Lanka Cashew Corporation .....	66
Sugarcane Research Institute .....	76



The minds of the foreigners who wandered seeking riches were made stop at Tambapanni with its fertile land, lush greenery, aroma and taste of the spices. Thambanni was baptized as “*Ceylon*” and the flavorful and aromatic spices of Thambapanni were reputed as ‘*Ceylon Spices*’ by the Western nations. Since then, our spices have been able to create a unique brand name in the international market. Luckily for us Sri Lankans, no matter how many countries attempted to compete with “*Ceylon Spices*” or Sri Lankan spices, none of them were able to surpass the taste, aroma, color and quality of our spices. Even though the Cassia that entered market as an alternative to cinnamon, has not been able to match to the taste, quality and aroma of cinnamon. The demand, for spices in the backdrop of COVID-19 global pandemic has also increased. Total export earnings recorded in year 2021 amounted to Rs. 103 billion and this was due to the Rs. 30 billion revenue increase, from spices and allied products, essential oils etc compared to the year 2020. A number of 22 export agricultural crops are included to the scope of the Ministry and they have contributed to the receipt of such a large income.

The current demand for raw cashew nuts in Sri Lanka for both local and foreign market is around 25,000 MT. Due to the extreme dry weather prevailed in year 2020 and the prevailing physical conditions with the high yields received in previous years, this year yield has been declined by around 50%. Target for domestic raw cashew production is around 12,500 MT. To satisfy the demand 7,000 acres per year are required to be newly cultivated. Actions are in progress to increase the existing production from 241 kg/ha to 480 kg/ha and, to maximize the export volume by increasing 5% of the total cashew nut production each year up to 25% in 5 years.

Currently, sugar consumption in Sri Lanka is reported to be around 650,000 MT per year. Out of this, local production amounts to around 8% - 10% and the remaining sugar requirement has to be met through imports. It costs about Rs. 56.6 billion of foreign exchange per year.

The Annual Domestic Maize requirement is approximately 600,000 MT and 90% out of this is required to be utilized for poultry feed manufacturing industry in Sri Lanka. In addition to that, country's Maize production is used for manufacturing cattle feed, Thripasha, Samapasha, Cereals and Biscuits, to consume as a food and to manufacture Maize silage. Despite the fertilizer shortage recorded in 2021, 11,405 hectares of Maize for Yala 2021/2022 and 71,868 hectares of Maize for Maha 2021/2022 was cultivated. Permission was granted to the Department of Animal Production and Health to import 40,000 MT of Maize, under limited conditions as the Maize production was insufficient to fulfil domestic consumption and Industry requirement. The major issue pertaining to the domestic Maize industry is the high cost of importation of the Maize seeds. Therefore, the State Ministry has taken measures to minimize the existing problems related to cultivation and harvesting local hybrid Maize seeds and repurchasing of seeds.

Despite the global pandemic, under the new normalcy, the Ministry has been able to launch multiple projects of a Road Map to increase the export revenue 2021 - 2025 and to expand the agricultural crops included in the scope of the Ministry with the creation of new entrepreneurs and to empower the export agriculture sector. In line with the national policy to increase the export revenue, the Ministry was able to continue the projects that had been commenced in the year 2020, and at the same time, local and international market behaviors and the global epidemic situation in the year 2021 were studied and thereafter appropriate projects were created and popularized in that effect. Accordingly, the State Ministry and the Institutions coming under the State Ministry have initiated multiple projects in the years 2020 & 2021 for the purpose of promoting spices and allied products, and uplifting the sugar industry and cashew industry. These projects aim at carrying out cultivation, processing, value-addition, marketing and sales promotion until 2025 in order to increase the export income up to the expected levels.

The measures taken to increase export earnings by the State Ministry and its affiliated institutions are described below.

## Tasks and Functions assigned to the State Ministry

With a view to establish an "export focused plantation industry infused with new technology" as per the instructions of the Minister of Plantation, and in compliance with the laws and ordinances, the State Ministry is responsible for developing minor crops including sugarcane, maize, cashew, pepper, cinnamon, cloves and betel, and supporting the formulation of policies regarding the related-industries and exports promotion, implementation of projects under national budget, public investment and National Development Programme, and implementing, post-monitoring and evaluating the subjects and functions along with the policies, programmes and projects carried out by the Departments, Public Corporations and Statutory Bodies operating under the purview of the Ministry.

### VISION

**Doubling the export earnings by the year 2025 having created a strong brand awareness in the global market regarding the CEYLON brand name through diversification and value-addition of the products based on minor crops including spices**

### MISSION

**Ensuring the contribution to the upliftment of the Agricultural Export Sector through Production and Productivity Promotion, Processing, Value Addition and Post-Harvest Management, Expansion of Market Access and Quality and Quality Assurance as well**

## Goals to be attained by the year 2025

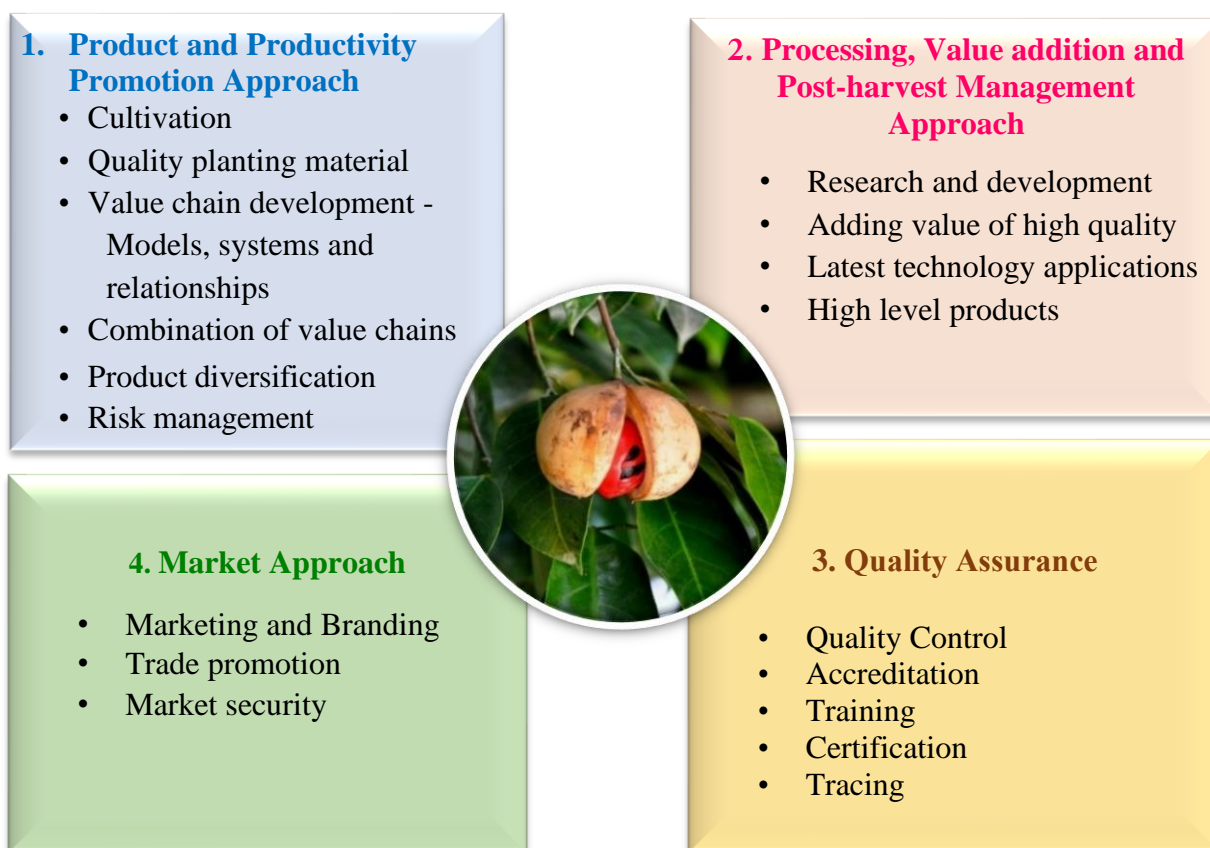
- 1) To increase the contribution of the export sector to the GDP from existing level of 2% to 4% by the year 2025.
- 2) To increase export agriculture-entrepreneurs' per capita GDP to USD 6,500 by the year 2025
- 3) To increase the contribution of young entrepreneurs to 30% by 2025.
- 4) To uplift the sugar and cashew industry and minimize the import cost of those products by 60% by the year 2025.
- 5) To make the local maize demand self-sufficient by the year 2023.



## Desired strategies be adopted in achieving these goals

- 1) Transformation of scattered and unorganized farmers' groups into export-oriented agricultural villages and zones.
- 2) Formulation and implementation of a policy framework for the regulation of export agriculture sector that includes exports, imports and re-exports.
- 3) Introduction of state-of-the-art and advanced technology for cultivation, processing and value addition.
- 4) Providing high quality and certified seeds and planting materials.
- 5) Expanding product diversification by reaching high-end markets
- 6) Generation of agriculture-entrepreneurship targeting export agriculture.
- 7) Development of research, field development activities and agricultural innovations and, dissemination of their findings among farmers.
- 8) Networking of all stakeholders in export agricultural value chain including local and foreign stakeholders.
- 9) Ensuring overall agricultural value chains

With the application of above strategies, the ongoing projects of the Ministry are implemented through 4 basic approaches.



## Statutory Institutions, Public Corporations and Special Projects coming under the State Ministry

- 1) Department of Export Agriculture
- 2) Sri Lanka Cashew Corporation
- 3) Sugarcane Research Institute
- 4) Lanka Sugar Company Limited
- 5) Hingurana Sugar Company Limited
- 6) Gal-Oya Plantations (Pvt) Ltd
- 7) Kantale Sugar Company
- 8) Spices and Allied Products Marketing Board
- 9) Agriculture Sector Modernization Project (ASMP)



## Crops coming under the purview of the State Ministry

### Export Agricultural Crops

- |            |              |
|------------|--------------|
| ▪ Pepper   | ▪ Clove      |
| ▪ Cinnamon | ▪ Garcinia   |
| ▪ Turmeric | ▪ Coffee     |
| ▪ Ginger   | ▪ Lemongrass |
| ▪ Nutmeg   | ▪ Citronella |
| ▪ Cocoa    | ▪ Betel      |
| ▪ Vanilla  | ▪ Areca nut  |
| ▪ Cardamom |              |

### Other export-oriented products

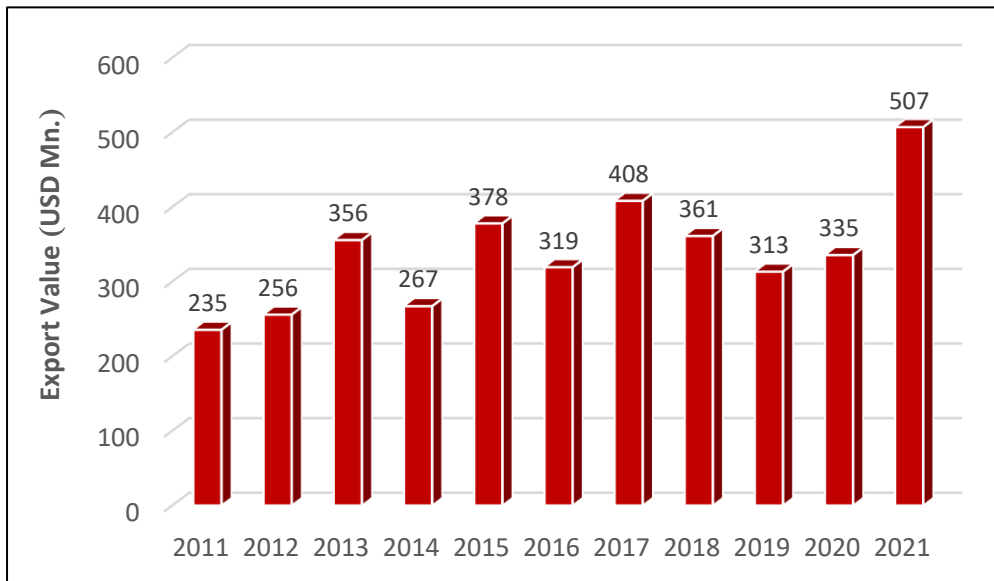
- Floriculture
- Bee Keeping
- Horticulture

### Field Crops

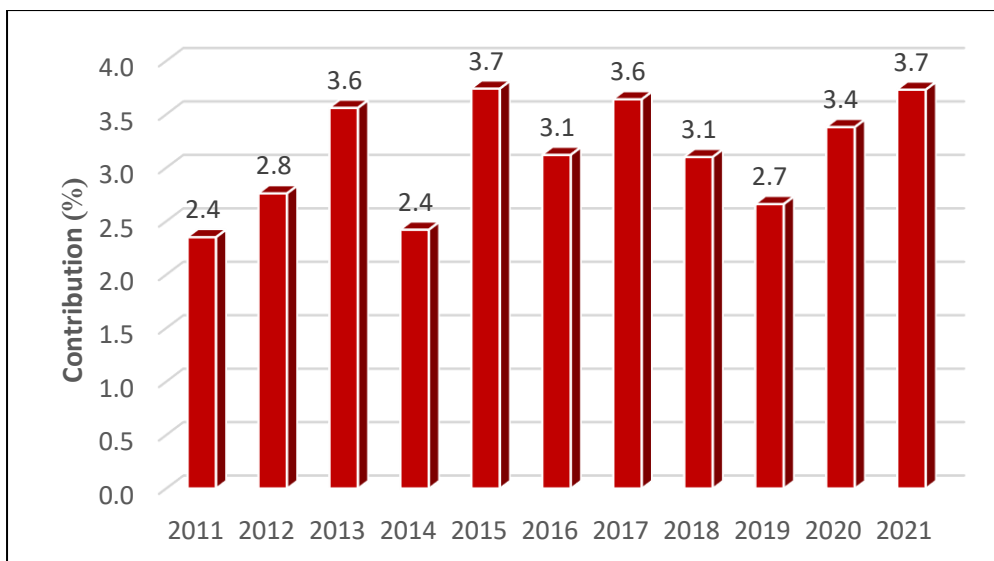
- Maize

### Other Commercial Crops

- TJC Mango
- Cashew
- Sugarcane

**Figure 01: Progress of Spices and Related Products Exports (2011- 2021)**

Source: Export Development Board

**Figure 02: The contribution of the Spices and Allied Products Sector to the total export earnings (%)**

Source: Export Development Board



**Table 01: Progress of Development Programs / Projects and Activities of the State Ministry according to the Annual Action Plan as at 31.12.2021**

Programme	Project / Activities	Performance Indicators		Physical Progress	Financial Progress (Rs.mn)
		Physical Targets	Financial Target (Rs. mn)		
1. Cultivation, production and processing	1.1. Establishment of Export Agricultural Zones and Processing Canters	zones - 210	516.00	zones - 261	511.18
	1.2. Installation of drip irrigation systems				
	❖ For Export Agricultural Crops	nurseries 05	150.00	nurseries 03	42.474
	❖ For Cashew cultivation	nurseries 07	100.00	nurseries 07	100.00
	❖ For Sugarcane cultivation	nurseries 01 (hectare. 100)	100.00	nurseries 01 (hectare 100)	100.00
	1.3.Maize cultivation programme	projects 02	17.00	projects 02	16.123
	1.4.Floriculture development	Kaluaggala floriculture project	2.00	80%	1.491
	1.5.Beekeeping project	Bee hive boxes 5,000	5.00	Bee hive boxes 5,000	4.044
2.Nurseries Development Programme	2.1. Quality assurance of certified seedlings and planting material	Seed Turmeric Gardens 05	180.00	Seed Turmeric Gardens 05	178.75
3.Processing and value addition in export agriculture	3.1. Development of Elpitiya Agricultural Export, Production and Processing Zone	Processing centers 01	265.00	60%	262.58
4. Certification, Accreditation, Standardization and Training	4.1. National and international certification	programmes 15	26.5	programmes 06	2.62
	4.2. Policy formulation and revision				
	4.3. Legal status review				
	4.4. Training and capacity building				
5. Research and development	5.1. Research and Development Workshops	03 programs	3.00	planning underway	0.00
6. Marketing, branding and promotion	6.1. Promotion of the brand "True Ceylon	"Cinnamon Gate" - 01	5.00	The contour line map of the	0.00

	Cinnamon” locally and internationally			land is being prepared.	
	6.2. Media programmes	“Subharathi” programmes - 47	8.00	“Subharathi” programmes- 51	7.344
		“Beyond 2025” newspapers - 12	5.00	“Beyond 2025” newspapers - 10	3.888
		Other programs	9.00	Other programs- 03	7.542
	6.3. Development of Website and Database	Development and launching of the Ministry Website	1.00	In Progress	0.00
		Development of Apps and Database for managing the Export Agriculture Sector	1.00	In Progress	0.00
7. Special projects implemented through the State Ministry	7.1. Restoration of Kondachchi estate and establishment of Cashew belt	1,500 acres	125.00	field work is underway	125.00
	7.2. Development of sugar industry	factories - 02	475.00	60%	475.00
	7.3. Processing and promotion of marketing of other spices including turmeric	Modernization of Spice Factory	224.54	Modernization of Spice Factory is underway	224.50
<b>Total</b>			<b>2,218.04</b>		<b>2,062.53</b>

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

## Targeted Sustainable Development Goals

**Objective 1:** End Poverty in all its forms everywhere.

**Objective 2:** End hunger, achieved food security and improved nutrition and promote sustainable agriculture.

**Objective 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

**Objective 12:** Ensure sustainable consumption and production patterns.

## Development Programmes / Projects Implemented by the State Ministry

### 1. Cultivation, Production, and Processing

#### 1.1 Establishing Export Agricultural Zones and Processing Centers

As proposed under the People-centered Economy in the President's policy statement *Vistas of Prosperity and Splendour*, recognizing that the establishment of export zones which is as a priority of the ministry, the National Programme for the Establishment of Export Agricultural Zones is being implemented with the objectives of increasing the contribution of the export sector from prevailing 4% to the GDP up to 6% by year 2025 and promoting agricultural-entrepreneurship. The project seeks an integrated planning approach from the manufacturer to the exporter through overall value-added development and provides the infrastructure needed to enter the international market by processing and value addition of the products from rural areas. It has set a target of establishing 210 agricultural zones in the year 2021 with the objective of establishing 1,000 export agricultural zones by the year 2025. At present, 261 export agricultural zones have been established from January to December 2021 exceeding the expected target, throughout Sri Lanka by focusing on the terrain, soil and climate of each region, identifying the most suitable export crops. Accordingly, the Project of Export Agricultural Zone is being successfully implemented under the guidance of the ministry and under the full supervision of the district secretariats, divisional secretariats, and the Department of Export Agriculture.

The establishment of agricultural export zones enables the use of uncultivated lands for the cultivation of export agricultural crops, involving the youth and women labor in agricultural sector whilst strengthening of the household economy and the rural economy will directly promotes the export agro-crop sector. Benefits of this project to the export agro farmers are that they can have the harvest of a particular crop at a same time as it is cultivated simultaneously within a same area. It also creates a better price for their products and have the advantage of direct delivery of harvest to the market without intermediaries.

Project reports for export zones approved by the District Secretary and the Divisional Development Committee on the recommendation of the Divisional Secretary were brought to the Ministry as the initiative of the project. Planting materials along with the cultivation and technical instructions are provided to the selected export agricultural zones through the Ministry and the agencies thereunder.

**Table 02: Progress of Export Agricultural Zones**

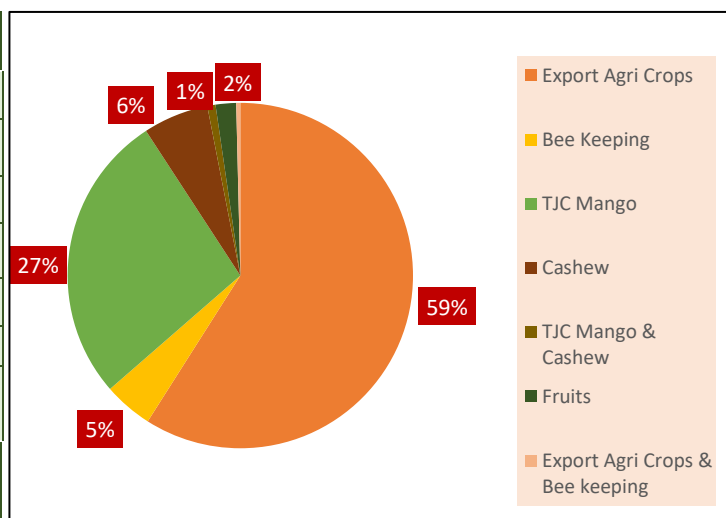
Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Export Agricultural Zones - 210	261 zones (124%)	516.00	511.18 (99%)
Processing Centers 05	03 centers (60%)		

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- 261 export crop and related production zones were established including cinnamon, pepper, vanilla, cashew, mango and betel, centered in Kurunegala, Matara, Hambantota, Ratnapura, Anuradhapura, Galle, Kegalle, Kandy, Badulla, Moneragala, Ampara, Trincomalee, Polonnaruwa, Vavuniya and Matale districts. Its summary is as follows.

**Table 03: Summary of Export Agricultural Zones****Crop-wise distribution of Agri Zones**

Zone Type	Number of zones
Export agricultural crops	154
Beekeeping	12
Mango	71
Cashew	16
Mango and cashew	02
Fruits	05
Export agricultural crops and beekeeping	01
<b>Total number of zones</b>	<b>261</b>



Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

Note: Distribution of benefits at district level are shown in Annexure 01 and 02

- 07 workshops were conducted to introduce the concept of the project, to explain the project report and action plan preparation to the District Secretaries, Divisional Secretaries and all officers involved in the Export Zonal Program in Ratnapura, Kurunegala, Matara, Hambantota and Kegalle Districts.
- Under the training program for trainers, training programmes on export crops were conducted for 100 Development Officers covering all the Divisional Secretariats in the Ratnapura District. Training programmes on TJC mango cultivation were conducted for over 471 officers in Trincomalee, Kurunegala, Anuradhapura, Hambantota, Ampara, Moneragala and Matale districts.

- Provision amounts to Rs. 217.17 million has been transferred to the Department of Export Agriculture to purchase cinnamon and pepper seedlings for export villages.
- Rs. 4.60 million has been provided to the District Secretariats for fruit farming villages such as Cavendish, Amban and Soursop.
- 765,168 TJC mango seedlings and 1000 pruning kits have been distributed.
- 136,061 cashew seedlings have been distributed through the Sri Lanka Cashew Corporation to Kurunegala, Kegalle, Kandy, Hambantota and Matara districts.
- National programme for the Export Agriculture Zones was launched under the patronage of the Hon. Prime Minister at the historic Kasagala Rajamaha Viharaya, Hambantota on 27.02.2021. Cultivation has already commenced in other districts as well.
- Provision amounts to Rs. 8 million has been transferred to District Secretariates to install name boards for each export agricultural zone.
- Modern technological kits were purchased from the Sri Lanka State Trading Corporation at a cost of Rs. 46.29 million for export villages.



- For cashew and mango cultivation promotion program in Batticaloa, Matale, Mannar, Moneragala and Mullaitivu districts, Rs. 5.6 million has been provided by World Food Program (WFP), of which 11,600 cashew seedlings and 16,980 mango seedlings have been distributed so far.



- In 2020 with the objective of resolving the food crisis caused by the COVID 19 epidemic and reducing the import of dried chillies in collaboration with the Agriculture and Livestock Board of the Sri Lanka Army, 50 acres of dry chilli production was commenced at the Adiyapuliyankulam Army Farm. The Ministry has allocated Rs. 79 million to the Directorate for Agriculture and Livestock of the Sri Lanka Army for this purpose and its harvest was purchased by the Spices and Allied Product Marketing Board in order to reach to the public for a reasonable price.







- Allocation of Rs. 1 million has been handed over to the Pepper Processing Center proposed by the Department of Export Agriculture in Velanwita Grama Niladhari Division, Kumaratenna, Haldummulla Divisional Secretariat, Uva Province, for the purchase of a Pepper Dryer (with a capacity of 750 kg).
- Rs. 5.15 million has been provided in order to establish a Cinnamon Training Center in the Mulatiyana Divisional Secretariat.
- Vegetable and Fruit Export Processing Center has been established in Nachchaduwa, Anuradhapura with a view to enhancing the value addition of vegetables and fruits in Sri Lanka. Having been given a processing and storage facility for the produce of vegetable and fruit farmers, it enables them to maintain a stable economic status. At present, the construction of the cold storage Center and the solar panels for the Export Processing Center has been completed.
  - ❖ Around 3,000 farmers in the area have been networked via the Kaluwila Village Farmers' Organization that functions through the center and they are currently actively involved in the export processes of fruits and vegetables.
  - ❖ The export center consisting of 28 permanent farmer members and 158 surrogate farmers, exports vegetables to the *Maldives, Dubai, Iraq, the Middle East, and European countries*. Below are its production and Export details from January to December 2021.

Export volume	- 122,000 kg
Issued for domestic consumption	- 250,000 kg
Annual Export Income	- Rs. 100 lakhs
Anuual Local Market Income	- Rs. 100 lakhs

- ❖ As per the proposal made by the `Ranamayura` Bedum Ela Farmers' Association, arrangements are being made to construct 05 Green Houses at the Processing Center with the objective of producing higher quality vegetables and fruits by cultivating in greenhouses and uplifting organic farming. The estimated cost for this is Rs. 10 million.



## 1.2. Installation of drip irrigation systems

### 1.2.1. Irrigation for export crops

Provisions were made in accordance with the budget proposal for the project to improve the water supply facilities for the Gasnawa Central Nursery, Matale Central Nursery and Matale Research Center proposed to be implemented by the Department of Export Agriculture.

**Table 04: Irrigation for export crops**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Developing 05 Export - agro nurseries	03 Nurseries <b>60%</b>	150.00	42.474 <b>28.32%</b>

*Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion*



**Table 05: Provisions made for Nurseries**

	Project	Amount (Rs. mn)
1	Gasnawa Central Nursery	10.76
2	Matale Central Nursery	7.20
3	Matale Research Center	3.35
4	For other nurseries	8.69
	<b>Total</b>	<b>30.00</b>

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- 14 water tanks have been constructed as water sources.
- After selecting suitable areas for the installation of tube wells, 14 tube wells have been constructed
- Five 400 L stainless steel water bowsers, ten 2000L PVC water tanks are installed.
- Drip water supply pipes, 10, 10KV generators, 14 submersible pumps have been installed and 14 generator housings have been completed.
- Provisions have been released to install a water supply scheme covering an area of 6.02 Acres for the turmeric seed garden at the agricultural unit of the Sri Lanka Air Force, Katunayake at a cost of Rs. 0.65 Mn.
- Provisions have been released to Agriculture and Livestock Board of the Sri Lanka Army to install a drip irrigation scheme fulfilling water coverage for 10 Acres of turmeric cultivation in Niraviya Farm at a cost of Rs. 11.824 Mn.

### 1.2.2. Irrigation of cashew plantations

In line with the budget proposal relevant to the installation of water supply systems and land preparation in the Kondachchi Estate reinstate project, which is proposed to be implemented by the Sri Lanka Cashew Corporation necessary allocations were granted and the arrangements for the installation of water supply units are underway at present.

**Table 06: Progress of water Supply Project in Kondachchi Estate**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Installation of drip irrigation systems for 07 cashew nurseries	07 Nurseries (100%)	100.00	100.00 (100%)

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

### 1.2.3 Irrigation for sugarcane cultivation (for centric cultivation units)

Provisions required for the installation of water supply systems for sugarcane cultivation in the Pelwatta unit was made as per the budget proposal of 2021.

**Table 07: Progress of water Supply Project in Pelwatta**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Installation of drip irrigation systems for 01 sugarcane nursery	01 Nursery (100%)	100.00	100.00 (100%)

*Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion*

- Development of 30 small water catchment areas next to Pelwatta unit was carried out and the project was financed with Rs. 21.19 million by the Ministry. Provisions of Rs. 13.9 million were allocated for the second phase of the project in order to develop 20 more water catchment areas.



- Apart from that, preliminary work is being done for the construction of two water systems using the Pivot method; a state-of-the-art irrigation system at the Pelawatta unit at a cost of Rs.46 million. It is proposed to provide an uninterrupted supply of water to an area of about 1,000 hectares during both Yala and Maha seasons.
- A Drip Irrigation System was also established in Sevanagala unit in order to ensure continuous supply of high-quality seeds of sugarcane.

### 1.3. Maize Cultivation Programme

These projects are implemented with the objective of promoting the cultivation of maize using local maize seeds and the production of local maize seeds, and funds are allocated for project reports obtained through the Provincial Departments of Agriculture.

**Table 08: Progress of Maize Cultivation Project Activity**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
02 projects	02 projects	17.00	16.123 (95%)

*Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion*

- Under the Maize Project presented by the North Central Provincial Department of Agriculture, a sum of Rs. 5.8 million has been paid in order to purchase seed shredders, weeding machines and other equipment and to get seed maize for 100acres.
- Under the Maize Project Presented by the North Western Provincial Department of Agriculture, the Government has contributed Rs. 117,600 to purchase parent seeds required for the production of hybrid seeds in 42 acres.
- 5,000 metric tons of urea fertilizer to maize farmers in Anuradhapura, Moneragala, Badulla, Ampara and Kurunegala districts has been distributed through the Agrarian Services Department.

### 1.4. Floriculture Development

With the aim of maintaining role model of a successful floriculture business, achieving local market targets in the first phase through commercial floriculture and export targets in the second phase, training female Army officers as resource persons for floriculture workshops and generating floriculture entrepreneurs out of retired army officers, this project activity is being implemented in collaboration with the Ministry of Defense and the Department of National Botanic Gardens.



**Table 09: Progress of Floriculture Development Project Activity**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Establishment of Kalu Aggala floriculture project and training center	80%	2.00	1.491 (75%)

*Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion*

- In 2020, 15 female Army officers were trained via the Department of National Botanic Gardens to be used as training instructors of floriculture for the Army as well as for the civil society.
- On the recommendation of the Department of National Botanic Gardens, the construction of the net house was carried out in the year 2020 so that it could be maintained by the Army as a cultivation house as well as a sales center.
- Provision has been made for the supply of 2,000 flowering orchid plants and 2,000 pots and media, as well as training aids such as mother plants, small seedlings, pots, equipment, media, chemical fertilizers and hormones, and this is being successfully maintained by female soldiers.





### 1.5. Bee-keeping value-chain Development

With the objective of meeting the local honey demand, sending value added products to local and foreign markets, strengthening the economy of the rural population by introducing an additional source of income for them and increasing the pollen carrier bee population, beekeeping teams are trained and they were provided Apiaries and other equipment. Such groups were combined and strengthened as export villages / zones through these projects.

**Table 10: Progress of Beekeeping Value Chain Development Project Activity**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Apiaries 5,000	Apiaries 5,000 (100%)	5.00	4.044 (81%)

*Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion*

- 25 beekeeping training programmes were conducted covering Matara, Galle, Moneragala, Anuradhapura, Badulla, Kandy, Kegalle, Vauniya and Ampara districts and 786 beneficiaries were trained.
- 64 disabled war heroes with agricultural-entrepreneurial skills selected from the Ranaviru Seva Authority and 21 war heroes from the Adiyapuliyankulam Army Farm were among those trainees.
- 2,300 Apiaries, 276 smokers and 191 extractors were provided for the above trainees and following places.
  - Army Farms under the Agriculture and Livestock Board of the Sri Lanka Army.
  - The model coconut gardens and nurseries under the Coconut Cultivation Board.
  - Oddusudan Infantry Headquarters
  - Reserved areas under the Trincomalee Naval Base
  - Sugarcane cultivated lands of Pelwatte unit under the Lanka Sugar Company Ltd.





## 2. Nurseries Development Programme

### 2.1 Quality assurance of certified seeds and planting materials

**Table 11: Information on Turmeric Cultivation**

2021 Cultivation Area	3,500ha
Seed requirement for the year 2021 (raw Turmeric MT)	5,250MT
Yield from previous year's crop (raw Turmeric MT)	25,506 MT

Source: Department of Export Agriculture

06 Seed Turmeric Gardens were established in 06 selected districts to make Sri Lanka self-sufficient in turmeric by providing the seeds required for turmeric cultivation without any delay. Since manpower and lands are easily available for this purpose, these Project Activities are being launched in collaboration with the Directorate of Agriculture and Livestock of the Sri Lanka Army.

**Table 12: Progress of the Project Activity of Seed Turmeric Nursery Development**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Seed Turmeric Gardens 05	Seed Turmeric Gardens 05 (100%)	180	178.75 (99%)

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- These Seed Turmeric Gardens are established in the following areas in the Districts of Galle, Kurunegala, Gampaha, Ampara, Colombo and Anuradhapura as follow.

**Table 13: Progress of Seed Turmeric Gardens**

No	Venue	Progress achieved so far
<b>Seed Turmeric Gardens established in 2020 - 01</b>		
01.	Elpitiya Karandeniya Army Camp Park	<ul style="list-style-type: none"> <li>✓ The Seed Garden was established in an area of 5 acres in the year 2020 and water supply facilities were provided at a cost of Rs. 676,719.</li> <li>✓ In the year 2021, the yield of 5500 kg of seed turmeric was purchased at a cost of Rs. 2.2 million. It was donated 3,000kg of turmeric for the 05-acre turmeric seed garden at the Gertland Model Garden of the Coconut Cultivation Board, 1000kg for the Ceylon Sugar Company and 1,500kg for the Semaul Global Foundation.</li> </ul>
<b>Seed Turmeric Gardens established in 2021 - 05</b>		
01.	Garden at the Ampara Army Camp Grounds	✓ Seed Turmeric Garden has been established providing 3,500 kg of Seed Turmeric.
02.	Kurunegala Balalla Park	✓ A Seed Turmeric Garden was established providing 10,000 seedlings in the year 2020 followed 1,420 kg seed turmeric in the year 2021.
03.	Sri Lanka Army Volunteer Force Headquarters, Kosgama	✓ 02 Acres Seed Turmeric Garden was established with 1,300 kg of Seed Turmeric.
04.	Base Katunayake, Sri Lanka Air Force Executive Agriculture Unit	✓ A seed turmeric garden of 6.02 acres was established providing 3,614 kg of seed turmeric.
05.	Niraviya Army Farm	✓ A financial allocation of Rs.11,824,000 was granted for installing of a sprinkler water system in these 10 acres seed garden.

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- To establish a seed garden with 100,000 Turmeric seedlings by 2020, Lanka Sugar Company was granted Rs. 4.01 million of provisions.
- The Department of Export Agriculture was given additional provisions of Rs. 150 million to produce 7.5 million potted Turmeric seedlings for households. Accordingly, work was commenced to provide Rs. 7.5 million of potted plants for 1.5 million household units i.e. 05 per each housing units at the local level. This was inaugurated on 01.05.2021 at the residence of His Excellency where simultaneously, 30,000 potted Turmeric saplings were planted under the leadership of 150 Parliamentarians including Ministers.



- The Department of Export Agriculture was allocated Rs. 18 million to distribute one million of Ginger saplings for household units.



### 3. Processing and value addition in export agriculture

#### 3.1 Development of Agricultural Production, Export and Processing Zone- Elpitiya

Aiming that the current amount of value added products which is less than 10% be increased up to 30% by 2025, and with a view to increasing value added products in the field of export agriculture which will create new market opportunities, high quality market access opportunities and the potential to bring more foreign exchange to the country through higher market prices, this Mega-zone has been established in the Mahahintenna area near the Kurundugahahathepma interchange on the Southern Expressway. Due to the fact that this zone is located in an area with easy access to the main ports of Colombo and Hambantota, and since it is rich in export agricultural raw materials such as cinnamon, pepper, tea and coconut, it makes easy for investors to run their industries so that it will save money and time on transportation, improve the livelihoods of the people in the area and create more direct and indirect employment.



**Table 14: Progress of the Development of Agricultural Production, Export and Processing Zone - Elpitiya**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Mega Zone 01	60%	265.00	262.5 (100%)

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- The land surveying was done and a safety fence has been constructed.
- With the approval of the Cabinet, arrangements have been made to allocate land plots to 14 agricultural entrepreneurs
- Construction of internal road network, provision of electricity and water facilities are in progress. 05 tube wells have been constructed for water supply
- Provision of telephone facilities to the area, development of internal road network and provision of electricity facilities have been completed.

**Estimated cost**

For the internal road system	- Rs. Mn. 100.00
For the electricity	- Rs. Mn. 230.00
For water supply facilities	- Rs. Mn. 270.00



## 4. Certification, Accreditation, Standardization and Training

### 4.1. National and International Certification

Through an internationally recognized intellectual property ownership certification system, awarding a special certificate under the “GI” brand (Trade Mark), a project is implemented to establishing a Geographical indicator system in Sri Lanka with a view to get a special price for the remarkability of local and traditional products unique to Sri Lanka. System installation projects are being implemented. By providing the necessary regulations and guidelines after assessing the existing legal loopholes for the implementation of the projects, the National GI Inventory is developed through a participatory approach to building and strengthening the capabilities of the national agencies responsible for GI control and administration, as well as security. This project operates with a total financial contribution of USD 242,000 granted by the United Nations Food and Agriculture Organization (FAO)



- Two products were selected to establish a Geographical Index system in Sri Lanka. *ie*; Kolonna Pepper & Ceylon Golden Pineapple
- After conducting 10 workshops with various special professional groups representing the relevant national, international and private sectors and with the participation of all value-chain stakeholders of two selected products, the two specification books have been prepared and completed. The constitution required for the establishment of the two associations for awarding the certificate of a Geographical Index has been prepared and two workshops have been conducted with the participation of all relevant value-chain stakeholders and thus the two Boards of Directors were established.



## 4.2. Constitution of policies relevant to the scope of the State Ministry

In consultation with all relevant stakeholders to implement a development policy for the promotion of the sugar industry in Sri Lanka, it has been able to complete about 90% of the framework for a national policy on sugar. Policies are also being formulated to uplift the cashew industry.

**Table 15: Formulation of policies for the Sector**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Formulation of policies for the relevant sectors including Cashew and Sugar	80%	4.00	0.058 <b>(1.45%)</b>

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

### 1. Present Situation of the Sugar Industry in Sri Lanka

Currently, only four sugar mills viz. Sevanagala, Pelwate, Galya and Athamalae are functioning in Sri Lanka. The total processing capacity of them are 7,700 TCD and thus for a 200-day crushing season, a total of 1.54 million tonnes of cane can be processed and 123,200 tonnes of sugar (which is 20% of the local requirement) can be produced annually at an average sugar recovery rate of 8.0%. Nearly 73,000 tonnes of molasses can also be produced as a by-product which can be processed into about 22.0 million litres of Extra Neutral Alcohol (ENA) annually.

During the year 2019, only a volume of 52,000 Mt. of sugar which is around 8.5% of the total requirement of 610,000 Mt. and nearly 12.5 million litres of ENA is being produced due to low efficiency and insufficient cane supplies to run the mills at their full capacity. None of the sugar companies were able to produce excess electricity by co-generation using bagasse to supply to the national grid. Thus, there exists a large scope for further improvement in sugar, ENA production and electricity generation even with the existing mill and distillery capacities of the country.

### 2. The necessity of a Development Policy

Sugar being an essential food commodity providing caloric energy and the country producing only 8.5% of the requirement with the balance being imported, costing more than Rs.35.7 Bn annually, there exists a vast potential for the sugar sector to contribute to Gross Domestic Product (GDP), employment, food and energy security, poverty alleviation and upliftment of the economic status of the underdeveloped areas of the country. Being a high income generating and lower price risk crop which can develop the country's economy through uplifting the rural farmer communities, while saving foreign exchange to the country, the development of the sugar sector which has been already identified by the National Policy of "Vistas of Prosperity and Splendour" is vital at this crucial stage. The above national policy document submitted in year 2019 clearly mention that the country's sugar needs must be met with domestically produced sugar. This requires, in addition to the modernisation and expansion of the existing sugar mills, establishment of sugarcane cultivation and processing complexes in new areas. Sugarcane industry development is highly capital intensive and production of sugar alone is not highly attractive for investment. Therefore, diversification of the sugar industry with products such as ENA, electricity, animal feed, organic fertilizer etc. is important for the sustainability of the industry. Furthermore, proper planning, guidance and regulation of the industry is required to achieve the targets of sugar sector development in the country in a competitive and sustainable manner.

The country is endowed with suitable climatic and soil conditions for sugarcane cultivation and sufficient extents of land are available in the intermediate and dry zone areas.

The high price volatility has caused the sugar-producing and -exporting countries to adopt various policies to protect their industries which in turn have caused further aggravations of the instability. As a result, the price of sugar in the world market is highly distorted.



## 4.3 Rectifying Legislature relevant to the scope of the State Ministry

- Cabinet approval has been granted to amend the Sugarcane Research Institute Act, and it has been referred to the Attorney General.
- Necessary steps are being taken to amend the Export Agriculture Act and the Cashew Corporation Act.

#### 4.4 Training and Capacity Building

**National Vocational Qualification (NVQ) Level 03 Training Programme for Cinnamon Peelers** was launched, aiming to train 1,000 cinnamon peelers within the year according to the modern technology and to equip them with NVQ 3 standards as international level trained workers, in order to earn more foreign exchange by producing a team of high quality scientific technologists for the excellence of the cinnamon industry and to sustainably develop the economic and social standards of all stakeholders in the cinnamon industry. Upon the recommendation of the Department of Export Agriculture, 5-day initial training programme was scheduled to be held for the candidates who have no experience in the field and Applicants with experience in the field who can be certified by Grama Niladhari Certificates will be trained as professionals having them referred to the NVQ - 3 Level **A01S009.1: Cinnamon Field Operations** Course approved by the Tertiary and Vocational Education Commission.

**Table 16: Progress of the Cinnamon Peelers' Training**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Training of 1000 Cinnamon Peelers	Peelers 300 (40%)	4.00	2.56 (64%)

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- Beneficiary training has already been commenced in the Ratnapura, Galle, Matara and Kurunegala districts.



## 5. Research and Development

Having integrated the sectors of Industry, Cultivation and Research in the fields of sugar production, cashew and export agriculture, plans are being formulated for dialogue on sector issues and related strategies.

**Table 17: Progress of Sectoral Research & Development**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Research and Development Workshops – 03	Being planned	3.00	-

*Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion*

## 6. Marketing, Branding and Promotion

### 6.1. Promotion of “Ceylon True Cinnamon” brand locally and internationally - “CINNAMON GATE”

To take the Ceylon Cinnamon brand to the national and international level, *the Cinnamon Gate* - a special promotion center will be established covering an area of 03 acres near the Pinnaduwa access road in the Galle Southern Expressway. It provides the infrastructure needed to bring knowledge and entertainment through experience by creating a model for taking domestic cinnamon and its historical significance to the international level.

- Measures are being taken to acquire the identified land of 03 acres owned by the Road Development Authority near the Pinnaduwa access road on the Galle Expressway.
- It has been planned to set up a cinnamon promotion center, a training center, a cinnamon museum and an industrial startup center for new young entrepreneurs as well.

### 6.2 Media Programmes

The Ministry implements media programmes to enlighten the farmers in the field of agriculture and export agriculture and the stakeholders who contributes to the value-chain development in export agriculture field, about the development projects being implemented by the Ministry in the journey of striving towards the development of export agriculture. These media programmes are conducted using electronic, print and social media platforms, and media briefings are also organized to raise media awareness. The main purpose of conducting these media briefings is to raise public awareness and it is achieved through the mechanisms of publishing a newspaper supplement, Subharathi contemporary Radio Discussion Programme and organizing news conferences.

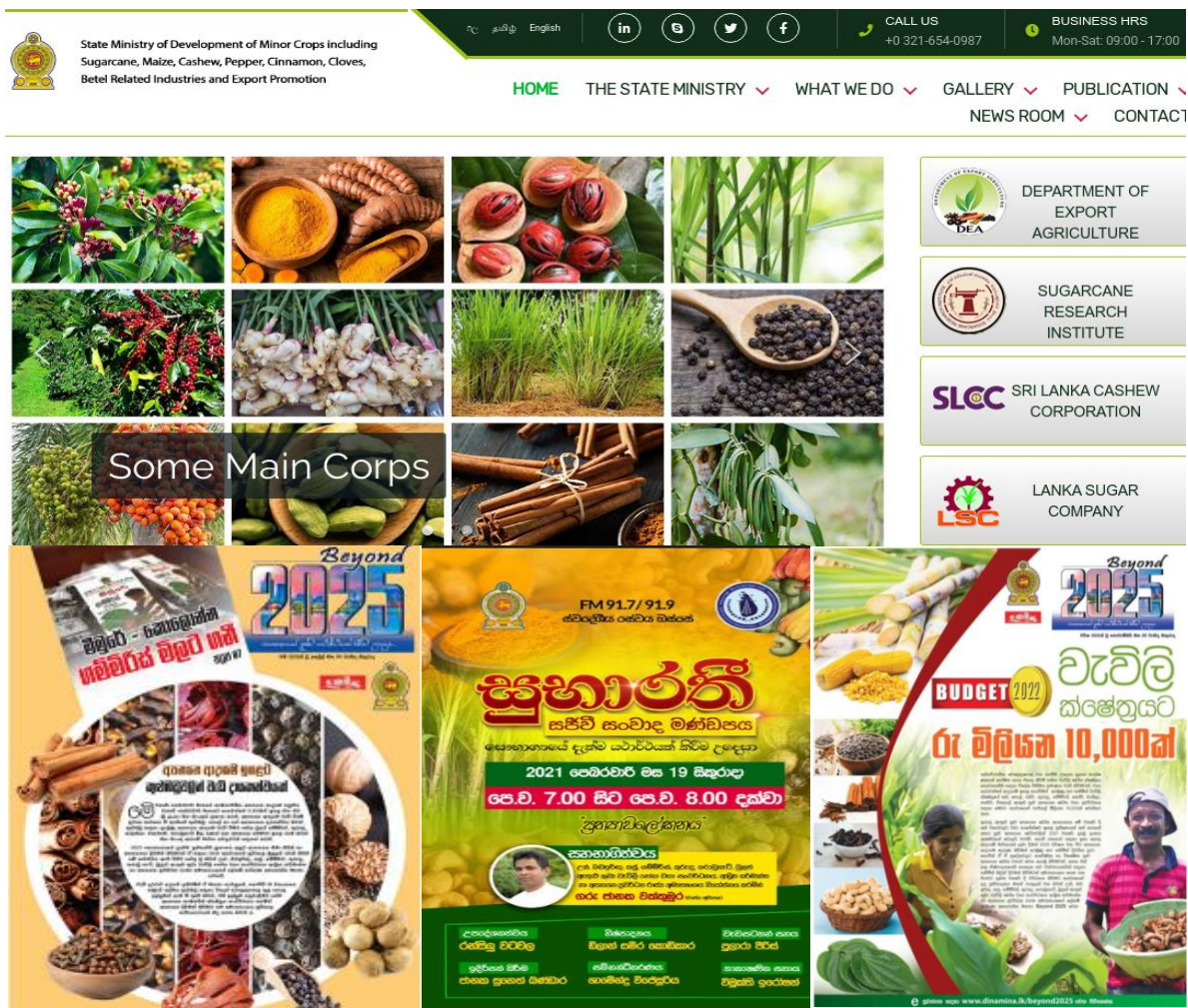
**Table 18: Progress of Media Programmes**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
BEYOND 2025 newspapers - 12	Newspapers - 10	5.00	3.888 Commitments 1.17 (78%)
Subharathi Radio programmes - 47	Programmes - 51	8.00	7.344 Commitments 1.15 (92%)
Other media programmes	Programmes - 03	9.00	7.542 (84%)

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- A monthly supplement named **BEYOND 2025** is published together with Lake House, Dinamina so far it has been printed 12 newspapers.
- The Sri Lanka Broadcasting Corporation (SLBC) is sponsored by the Ministry that the '**Subharathi**' programme broadcasts one-hour live radio discussion every Friday of the week. All Subharathi programmes sponsored by the Ministry are also published on the Sri Lanka Broadcasting Corporation website and the YouTube channel.
- Organizing **Press Conferences** to inform the media directly about the development projects implemented by the Ministry and to disseminate relevant information through electronic and print media has been carried out. Despite the adverse effects of the current COVID pandemic, three news conferences have been held so far.
- News about all development activities carried out by the Ministry is transmitted to the public through the Ministry's **official Facebook account**.
- **Designing the website** of the State Ministry has also reached the final stage and arrangements have been made to launch the website at a future date.





## 7. Special projects implemented under the State Ministry

### 7.1. Restoration of Kondachchi Cashew Estate belongs to Sri Lanka Cashew Corporation

By the budget speech for the year 2021, financial provisions have been allocated to cultivate the 4,000 acres that had been identified as cultivable in order to reinstate the Kondachchi Estate which is owned by the Cashew Corporation of Sri Lanka, and this is carried out under the programme to implement a sustainable and integrated project to generate foreign exchange as well as to further strengthen the local cashew industry, on the instructions of His Excellency. Accordingly, 1,500 acres were to be cultivated in the year 2021 and the remaining is planned to be completed by the year 2023.

**Table 19: Progress of Restoration of Kondachchi Cashew Plantation**

Physical Target	Physical Progress	Financial Target (Rs. mn)	Financial Progress (Rs. mn)
Cultivation of cashew in 1500 acres	Field work is under way	125.00	125.00

Source: State Ministry of Development of Minor Crops Including Sugarcane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion



- 1,500 acres of land in the Kondachchi Estate is being prepared for cashew cultivation.
- Provision of electricity and other related infrastructure facilities for the estate has been commenced.
- Installation of electronic elephant fences and renovation of holiday bungalows have been done.
- Standardization and mechanization of cashew processing has been commenced with the liaison of the Department of Civil Security and the Sri Lanka Cashew Corporation.



## 7.2. Development of the Sugar Industry

Sevanagala and Pelwatta factory premises are being expanded with bio-fertilizer manufacturing facilities and with modern machinery on the provisions of the 2021 Budget Proposal.

**Table 20: Progress of the Development of Sugar Industry**

Physical Target	Physical Progress	Financial Target (Rs. mn.)	Financial Progress (Rs. mn.)
Pelwaththa and Sevanagala factories 02	60%	475.00	475.00 <b>(100%)</b>

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion





- According to a policy decision taken by the Government in 2021, to move away from the use of chemical fertilizers to an environmentally friendly non-toxic organic farming system, a partnership project named “Bio Ingredients” was launched in collaboration with the Pelwatta and Sevanagala units to produce high quality superior bio-fertilizer in line with modern American biotechnology using waste water, yeast extract, sugarcane and filter effluents emitted by the sugarcane industry, which have been considered as pollutants so far. It is considered as the highest percentage of nitrogen bio-organic fertilizer ever produced in Sri Lanka.
- The estimated investment for the entire project of constructing these 02 fertilizer factories is Rs. 1.1 million and it is expected to be earned within an year of the commencement of fertilizer production.



- It is expected to produce 80,000 kg of bio-fertilizer, which is predicted to meet the fertilizer requirement of 10% of the total cultivated area in Sri Lanka in accordance with the Government's decision to encourage the compost production. Galoya Plantations (Pvt) Ltd has also established the largest compost fertilizer production yard in the country during 2020/21. This fertilizer plant has a production capacity of over 7,000 metric tons and the preliminary approvals are being obtained to increase the capacity and to set up a bio-unit with additional bio-fertilizer production. Currently, the project is in progress.



### 7.3. Promoting and Marketing of Turmeric and other Spices

Harvest of turmeric, pepper, etc., received to the Spices and Allied product Marketing Board mainly from Rathnapura district are processed with high quality and sell them to the public for reasonable prices through its outlets.

**Table 21: Progress of the project to promote market and production of Turmeric and other Spices.**

Physical Target	Physical Progress	Financial Target (Rs. Mn.)	Financial Progress (Rs. Mn.)
Promoting the Market and the production of Turmeric and other Spices.	50%	224.54	224.50 (100%)

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

- According to the instructions of His Excellency the President, 15,000 kg Spices and related products were purchased through the Spices and Allied product Marketing Board at a cost of Rs.7.5 million and released to the market.
- For the construction and modernization of the spice factory and warehouse to be established in Embilipitiya, Rs. 217 million was given to the Spices and Related Products Marketing Board and construction and modernization work is being done there.

**Table 22: Financial Progress of the State Ministry**

Rs.000

Recurrent Expenditure			Capital Expenditure			
Allocation	Expenditure	%	Allocation	Imprest	Total	%
543,760	496,322.9	91.28	4,118,224	3,607,917	3,607,917	87.6

## Development Programmes/ Project Plans of the State Ministry for the Year 2022

### 1. Livelihood Development Program (Rs. 1,814.65 mn.)

1.1. Export Agriculture Zones – District Based Minor Crops Development Project for Enhancing Livelihood	Rs.614.64 mn
1.1.6. Program for establishment of Sugarcane Value Added Production Zones	Rs. 50.00 mn
1.2. Program to establish 1,000 Quality export crop nurseries	Rs. 200.00 mn
1.3. Establishment of 30,000 model home gardens of economically viable export crops	Rs. 450.00 mn
1.4. Program to develop 2,000 young export agri-entrepreneurs	Rs. 400.00 mn
1.5. Promotion of cultivation of local hybrid maize varieties	Rs.100.015 mn
<b>Total</b>	<b>Rs.1,814.65 mn</b>

### 2. Socio-economic Development Program (Rs.1,835.35 mn)

2.1. Payment of outstanding bills in the year 2021 of the Department of Export Agriculture	Rs.355.00 mn
2.2. National Cinnamon Industry and Related Cultural Promotion Center “Cinnamon Gate”	Rs.591.95 mn
2.3. Establishment of an accredited laboratory for certification of spice products	Rs.160.00 mn
2.4. Promotion, marketing, improvement and improvement of processing centers of spices and allied products	Rs.50.00 mn
2.5. Establishment of processing centers and agro-tourism parks at Anuradhapura, Kolonna, Kalawana, Kegalle, Narammala, Matale, Gasnawa, Netapitiya and Kajugama	Rs.298.40 mn
2.6. Modernization and improvement of Nadagamuwa cashew factory	Rs.30.00 mn
2.7. Promotion of cashew cultivation on land owned by Cashew Corporation	Rs.50.00 mn
2.8. Value Chain Development of Export Agricultural Mega Zone – Galle, Elpitiya	Rs.300.00 mn
<b>Total</b>	<b>Rs.1,835.35 mn</b>

### 3. Projects implemented by the State Ministry based on the provisions received from the Appropriation Act (Rs. 220.00 mn)

3.1. Establishment of Turmeric Seed gardens	Rs. 25.20 mn
3.2. 261 Export Agricultural Zones Development Program	Rs.89.46 mn
3.3. Certification, Accreditation, Standardization and Training	Rs. 26.80 mn
3.4. Education, awareness and promotion	Rs.78.54 mn
<b>Total</b>	<b>Rs. 220.00 mn</b>

### 4. Administrative expenses (Rs. 9.9 mn)

4.1. Office of the State Ministry	Rs.1.60 mn
4.2. Administrative and corporate services	Rs.8.30 mn
<b>Total</b>	<b>Rs. 9.90 mn</b>



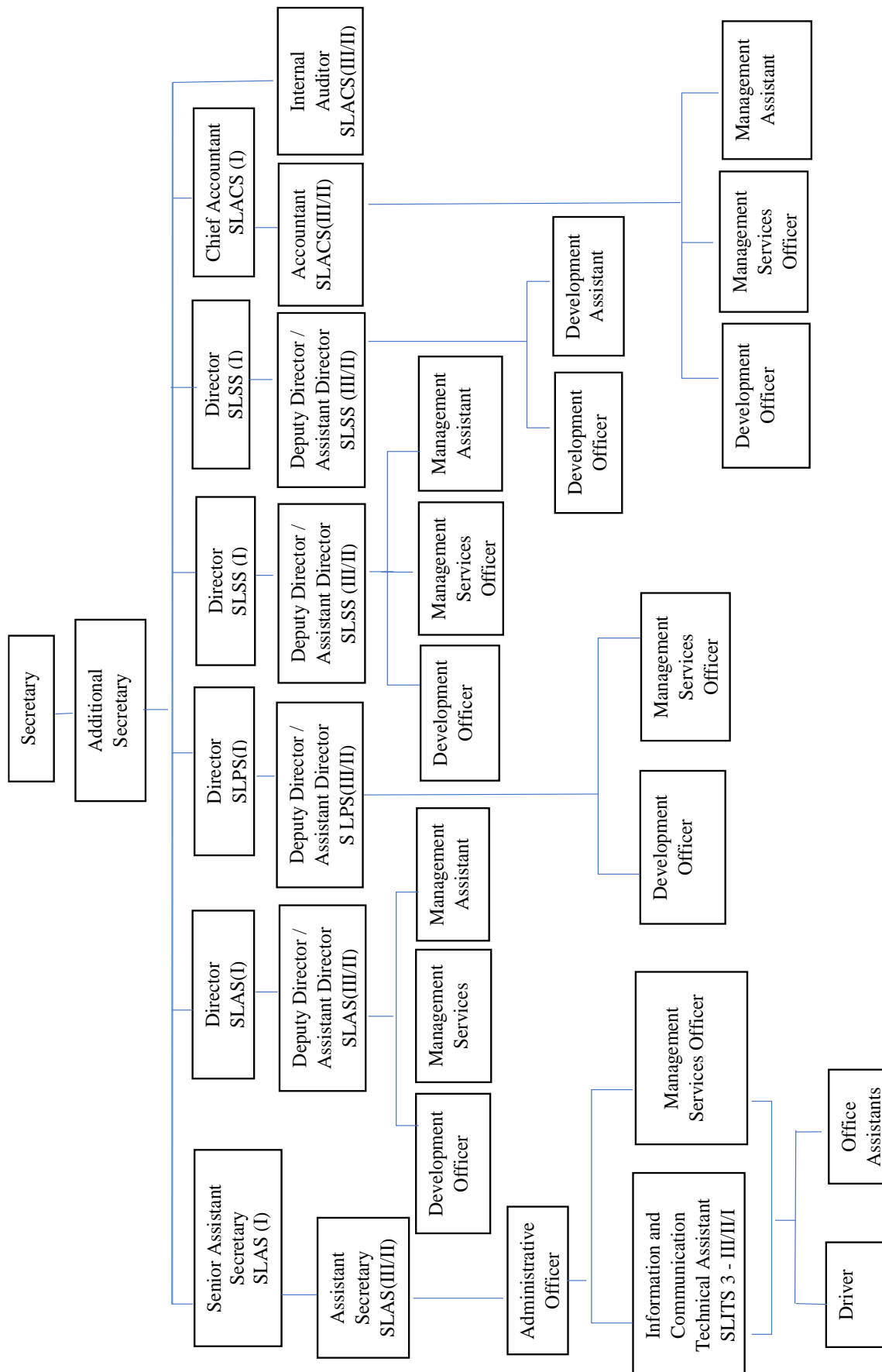
## Organizational structure and the Human resource profile of the State Ministry

### Office Staff of the State Ministry

**Table 23: Office Staff of the State Ministry**

No	Employee Level	Designation	Service	Approved Cadre	Actual Cadre	Vacancies
(i)	<b>Senior Level</b>	Secretary	SLAS (Special Grade)	01	01	-
		Additional Secretary	SLAS (Special Grade)	01	01	-
		Director General	SLSS (Special Grade)	01	-	01
		Senior Assistant Secretary	SLAS (I)	01	01	-
		Director	SLAS (I)	01	01	-
		Director	SLPS (I)	01	01	-
		Director	SLSS (I)	02	01	01
		Chief Accountant	SLACS (I)	01	01	-
		Deputy Director / Assistant Director	SLAS (III/II)	01	-	01
		Deputy Director / Assistant Director	SLPS (III/II)	01	01	-
		Deputy Director / Assistant Director	SL Agri S (III/II)	01	-	01
		Deputy Director / Assistant Director	SLSS (III/II)	03	-	03
		Assistant Secretary	SLAS (III/II)	01	01	-
		Accountant	SLACS (III/II)	01	01	-
		Internal Auditor	SLACS (III/II)	01	-	01
(ii)	<b>Tertiary Level</b>	Administrative Officer	M.S.O.S.	01	01	-
		Coordinating Secretary to the Secretary	Temporary	01	01	-
		Development Officer	D.O.S. III/II/I	11	11	-
(iii)	<b>Secondary Level</b>	Development Assistant	Allied services III/II/I	02	01	01
		Information and Communication Technical Assistant	SLITS 3 – III/II/I	01	01	-
		Management Services Officer	M.S.O.S. (III/II/I)	15	13	02
		Management Assistant	Departmental (III/II/I)	04	04	-
(iv)	<b>Primary Level</b>	Driver	C.D.S III/II/I/spc.	07	06	01
		Office Assistants	O.E.S. III/II/Ispc.	10	08	02
		Video Cameramen	Temporary	01	01	-
		Still Photographer	Temporary	01	01	-
		Cameraman Assistant	Temporary	01	01	-

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion



Staffing Plan of the State Ministry

## Human Resource Development of the State Ministry

Investments were made as follows in 2021 to increase efficiency and capacity development of the state ministry officials.

**Table 24: Human Resource Development of the State Ministry**

Training program	No of participated officers	Expenditure from the Ministry (Rs)
<b>Local Training Programmes</b>		
1. Skills Development Foundation (SDFL)	02	7,000.00
* One day online workshop on “Transport Management”	01	7,000.00
* Training Workshop on Government Procurement Process	01	7,000.00
* Maintaining a Personal File (Online)		
2. University of Sri Jayawardhana Pura	01	260,000.00
* Master of Professional Accounting (MPACC) Degree		
3. MILODA Academy	01	10,000.00
* Online certificate in Public Procurement Management (CPPM)	03	15,000.00
* Online workshop on Public Financial Regulations	01	2,000.00
* Online workshop on preparation of spreadsheets using MS Excel	01	5,000.00
* Online workshop on Formal Letter writing skills	03	6,000.00
* Online seminar on Awareness Programme on MS Access		
4. Sri Lanka Foundation Institute	02	16,000.00
* Procurement Process in Public Financial Management		
5. National Institute of Labor Studies	01	5,000.00
* Maintenance of government Vehicles (Online)	01	4,000.00
* Duties of the Leave Clerk		
<b>Overseas Training Programmes (online)</b>		
6. National Productivity Secretariat	02	-
* 21-CL-05-GE-WSP-A: Workshop on Agribusiness for Sustainable Rural Community Development Pakistan: 24-26 March 2021		
7. National Productivity Secretariat	01	-
* 21-AG-10-GE-CON-A: Conference on Smart Agriculture: 19 April 2021 (one day)		
8. Ministry of Labour	06	-

*21-IP-03-GE-CON-B: Conference on Enabling Regulation to Accelerate Agricultural Innovation 22 <sup>nd</sup> July 2021 (one day)		
9. APO Country Director for Sri Lanka *21-CL-04-GE-WSP-B: Workshop on the Circular Economy in the Agroindustry Sector 12 <sup>th</sup> -14 <sup>th</sup> October 2021 (Three days)	01	-
10. APO Country Director for Sri Lanka *21-CL-04-GE-WSP-B: Workshop on the Circular Economy in the Agroindustry Sector 12 <sup>th</sup> -14 <sup>th</sup> October 2021 (Three days)	01	-
11. Obtaining Approval for travel abroad for a fellowship training programme at Sugarcane Research Institute, Yunnan Academy of Agricultural Science (YAAS), China (Sugarcane Research Institute)	02	-
12. Seminar on Agricultural Biotechnology for developing countries, from 18 November- 01 December 2021(Online) (Department of Export Agriculture)	02	-
13. Seminar Agricultural Technology Innovations and Management for “The Belt and Road” Countries. From 10-23 November 2021 (Online) (Department of Export Agriculture)	02	-
14. Seminar on modern Agricultural Development and Agricultural Park Constructions in Sri Lanka Project introduction form. From 22 <sup>nd</sup> of July to 04 <sup>th</sup> August 2021. (Department of Export Agriculture)	02	-
15. 21 – 03GE-CON-B: Conference on enabling regulations to Accelerate Agricultural Innovations 22 <sup>nd</sup> July 2021 (One day) (Department of Export Agriculture)	02	-

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion





## Auditor General's Report



## ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE

මගේ අංකය  
எனது இல.  
My No.

PAL/E/SMMC/02/21/05

ඔබේ අංකය  
உமது இல.  
Your No.දිනය  
திகதி  
Date

2022 ජූනි 17 දින

ගණන්දීමේ නිලධාරී

උක්, බඩඉරිඟු, කපු, ගම්මිරිස්, කුරුඳු, කරාබු නැට්, බුලත් ඇතුළු කුඩා වැවිලි හෝග වගා සංවර්ධනය, ආශ්‍රිත කර්මාන්ත හා අපනයන ප්‍රවර්ධන රාජ්‍ය අමාත්‍යාංශය.

උක්, බඩඉරිඟු, කපු, ගම්මිරිස්, කුරුඳු, කරාබු නැට්, බුලත් ඇතුළු කුඩා වැවිලි හෝග වගා සංවර්ධනය, ආශ්‍රිත කර්මාන්ත හා අපනයන ප්‍රවර්ධන රාජ්‍ය අමාත්‍යාංශයේ 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව විගණකාධිපති සම්පිණ්ඩන වාර්තාව.

## 1. මූල්‍ය ප්‍රකාශන

## 1.1 තත්ත්වගණනය නොකළ මතය

උක්, බඩඉරිඟු, කපු, ගම්මිරිස්, කුරුඳු, කරාබු නැට්, බුලත් ඇතුළු කුඩා වැවිලි හෝග වගා සංවර්ධනය, ආශ්‍රිත කර්මාන්ත හා අපනයන ප්‍රවර්ධන රාජ්‍ය අමාත්‍යාංශයේ 2021 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය ප්‍රකාශනය, එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශනය හා මුදල් ප්‍රවාහ ප්‍රකාශනවලින් සමන්විත 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන සමඟ සංයෝජිතව කියවිය යුතු ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාවේ ඇතුළත් විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව උක්, බඩඉරිඟු, කපු, ගම්මිරිස්, කුරුඳු, කරාබු නැට්, බුලත් ඇතුළු කුඩා වැවිලි හෝග වගා සංවර්ධනය, ආශ්‍රිත කර්මාන්ත හා අපනයන ප්‍රවර්ධන රාජ්‍ය අමාත්‍යාංශය වෙත ඉදිරිපත් කරනු ලබන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මාගේ දඟස් දැක්වීම හා නිරීක්ෂණයන් මෙම වාර්තාවේ සඳහන් වේ. ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ 10 වගන්තිය ප්‍රකාරව ඉදිරිපත් කළ යුතු විගණකාධිපති වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුව වෙත ඉදිරිපත් කරනු ලැබේ.





ජාතික විගණන කාර්යාලය  
 தேசிய கணக்காய்வு அலுவலகம்  
 NATIONAL AUDIT OFFICE

උක්, බඩඉරිඟු, කජු, ගම්මිරිස්, කුරුඳු, කරාඬු නැටි, බුලත් ඇතුළු කුඩා වැවිලි හෝග වගා සංවර්ධනය, ආශ්‍රිත කර්මාන්ත හා අපනයන ප්‍රවර්ධන රාජ්‍ය අමාත්‍යාංශයේ මූල්‍ය ප්‍රකාශනවලින් 2021 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මූල්‍ය කාර්යසාධනය හා මුදල් ප්‍රවාහ ප්‍රකාශනය පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

## 1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතීන්ට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් මාගේ වගකීම, විගණකගේ වගකීම යන වගන්තියේ තවදුරටත් විස්තර කර ඇත. මාගේ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබා ගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

## 1.3 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ගණන්දීමේ නිලධාරීගේ වගකීම

පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව හා 2018 අංක 19 දරන ජාතික විගණන පනතේ 38 වගන්තියේ සඳහන් විධිවිධානවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කෙරෙන පරිදි මූල්‍ය ප්‍රකාශන පිළියෙල කිරීම හා වංචා සහ වැරදි හේතුවෙන් ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකි වනු පිණිස අවශ්‍යවන අභ්‍යන්තර පාලනය තීරණය කිරීම ගණන්දීමේ නිලධාරීගේ වගකීම වේ.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16(1) වගන්තිය ප්‍රකාරව අමාත්‍යාංශය විසින් වාර්ෂික හා කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වා ගෙන යා යුතුය.

ජාතික විගණන පනතේ 38(1)(ඇ) උප වගන්තිය ප්‍රකාරව අමාත්‍යාංශයේ මූල්‍ය පාලනය සඳහා සඵලදායී අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ගණන්දීමේ නිලධාරී සහතික විය යුතු අතර එම පද්ධතියේ සඵලදායීත්වය පිළිබඳව කලින් කල සමාලෝචනයක් සිදු කර ඒ අනුව පද්ධතිය ඵලදායී ලෙස කරගෙන යාමට අවශ්‍ය වෙනස්කම් සිදු කරනු ලැබිය යුතුය.

## 1.4 මූල්‍ය ප්‍රකාශන විගණනය පිළිබඳ විගණකගේ වගකීම

සමස්තයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා හා වැරදි හේතුවෙන් ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සැම විටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කර ගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ



ජාතික විගණන කාර්යාලය  
 தேசிய கணக்காய்வு அலுவலகம்  
 NATIONAL AUDIT OFFICE

වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇති විය හැකි අතර, එහි ප්‍රමාණාත්මකභාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කර ගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම් හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වේතනාන්විත මහභරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මග හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සඵලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.
- හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල ව්‍යුහය සහ අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණ අයුරින් මූල්‍ය ප්‍රකාශනවල ඇතුළත් බව ඇගයීම.
- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ත ඉදිරිපත් කිරීම අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව ප්‍රධාන ගණන්දීමේ නිලධාරී දැනුවත් කරමි.

#### 1.5 වෙනත් නෛතික අවධානය පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ) වගන්තිය ප්‍රකාරව පහත සඳහන් කරුණු මා ප්‍රකාශ කරමි.

- (අ) මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වන බවට,
- (ආ) ඉකුත් වර්ෂයට අදාළ මූල්‍ය ප්‍රකාශන පිළිබඳ මා විසින් කර තිබුණු පහත සඳහන් නිර්දේශ ක්‍රියාත්මක කර නොතිබුණි.





ජාතික විගණන කාර්යාලය  
 தேசிய கணக்காய்வு அலுவலகம்  
 NATIONAL AUDIT OFFICE

පේද යොමුව විගණන නිරීක්ෂණය

නිර්දේශය

3.1 (අ) පළාත් සභා, පළාත් පාලන හා ක්‍රීඩා අමාත්‍යාංශය වෙතින් අලාභය අයකර ගැනීමට 2018 ජුනි 13 දින ලැබී තිබුණු KC 5500 මෝටර් රථය 2018 කටයුතු කළ යුතුය. අගෝස්තු 24 දින අනතුරකට පත්ව තිබුණි. මෙම රථය අමාත්‍යාංශය වෙත මෙතෙක් පවරාගෙන නොතිබුණු අතර අනතුරින් රු.6,783,254 ක අලාභයක් සිදු වී තිබුණද එය මෙතෙක් අයකර ගෙන නොතිබුණි. මෙම මෝටර් රථය කල් ඉකුත් වූ රක්ෂණ බලපත්‍රයක් සහිතව ධාවනය කර ඇති නිසා අනතුර සිදුවීමෙන් ඇති වූ පාඩුව රක්ෂණ ආයතනය මගින් ද ආවරණය කර ගැනීමට නොහැකිව තිබුණි.

#### 1.6 මූල්‍ය ප්‍රකාශන පිළිබඳ අදහස් දැක්වීම

##### 1.6.1 මූල්‍ය කාර්යසාධන ප්‍රකාශය

භාණ්ඩාගාර පරිගණක මුද්‍රිත සටහන (එස්ඒ 30) අනුව තැන්පතු ලැබීම් හා ගෙවීම් පිළිවෙලින් රු.11,800,281 ක් හා රු.6,775,526 ක් වූ අතර මූල්‍ය කාර්යසාධන ප්‍රකාශයේ එම වටිනාකම් පිළිවෙලින් රු.11,595,550 ක් සහ රු.6,620,526 ක් දැක්වීම හේතුවෙන් රු. 204,731 ක් සහ රු.155,000 ක් අඩුවෙන් දක්වා තිබුණි.

#### 2. මූල්‍ය සමාලෝචනය

##### 2.1 වියදම් කළමනාකරණය

මේ සම්බන්ධයෙන් පහත සඳහන් කරුණු නිරීක්ෂණය විය.

(අ) සමාලෝචිත වර්ෂයේ පුනරාවර්තන වැය විෂයයන් 10 ක් සඳහා සලසා තිබුණු එකතුව රු.48,579,000 ක ප්‍රතිපාදන වලින් එකතුව රු.17,362,760 ක ප්‍රතිපාදන උපයෝජනය කර නොතිබුණු අතර එහි ප්‍රතිශතය සියයට 21 සිට සියයට 100 දක්වා පරාසයක් ගෙන තිබුණි.

(ආ) සමාලෝචිත වර්ෂයේ ප්‍රාග්ධන වැය විෂයයන් 07 ක් සඳහා සලසා තිබුණු එකතුව රු.891,200,000 ක ප්‍රතිපාදනවලින් එකතුව රු.328,687,085 ක ප්‍රතිපාදන උපයෝජනය කර නොතිබුණු අතර එහි ප්‍රතිශතය සියයට 29 සිට සියයට 100 දක්වා පරාසයක් ගෙන තිබුණි.

(ඇ) සමාලෝචිත වර්ෂයේ කුඩා වැවිලි බෝග සංවර්ධනය සඳහා වූ විශේෂ වැඩ සටහන සහ අපනයන කෘෂි ගම්මාන සඳහා විසිරි ජල සම්පාදනය යන සංවර්ධන උප ව්‍යාපෘති 02 ක්



ජාතික විගණන කාර්යාලය  
 தேசிய கணக்காய்வு அலுவலகம்  
 NATIONAL AUDIT OFFICE

සඳහා සලසා තිබුණු රු.275,000,000 ක පරිපූරක ප්‍රතිපාදනවලින් රු.177,357,357 ක් හෙවත් සියයට 40ක් සියයට 84 ක් අතර ප්‍රමාණයක් ඉතිරිව පැවතිණි. ඒ අනුව අදාළ කාර්යයන් සැලසුම් කළ පරිදි වර්ෂය තුළදී අවසන් කර ගැනීමට නොහැකිව තිබුණි.

### 3. මෙහෙයුම් සමාලෝචනය

#### 3.1 පාඩු හා හානි

- (අ) පළාත් සභා , පළාත් පාලන හා ක්‍රීඩා අමාත්‍යාංශය වෙතින් 2018 ජුනි 13 දින ලැබී තිබුණු KC 5500 මෝටර් රථය 2018 අගෝස්තු 24 දින අනතුරකට පත්ව තිබුණි. මෙම රථය අමාත්‍යාංශය වෙත මෙතෙක් පවරාගෙන නොතිබුණු අතර අනතුරින් රු.6,783,254 ක අලාභයක් සිදු වී තිබුණද එය මෙතෙක් අයකර ගැනීමට කටයුතු කර නොතිබුණි. මෙම මෝටර් රථය කල් ඉකුත් වූ රක්ෂණ බලපත්‍රයක් සහිතව ධාවනය කර ඇති නිසා අනතුර සිදුවීමෙන් ඇති වූ පාඩුව රක්ෂණ ආයතනය මගින් ද ආවරණය කර ගැනීමට නොහැකිව තිබුණි.
- (ආ) PC 4812 දරන මෝටර් රථය 2019 ජුනි 19 දින අනතුරට පත්ව තිබුණු අතර ඊට අදාළව අයවිය යුතු රු.71,215 ක අලාභය මෙතෙක් අයකර ගැනීමට කටයුතු කර නොතිබුණි.

### 4. ගත පාලනය

#### 4.1 අභ්‍යන්තර විගණනය

මෙම අමාත්‍යාංශය පිහිටුවා වසරක් ගත වී ඇතත් මු.රෙ.133 ප්‍රකාරව අභ්‍යන්තර විගණකවරයෙකු මෙතෙක් පත්කර නොතිබුණි.

### 5. මානව සම්පත් කළමනාකරණය

#### 5.1 අනුමත කාර්ය මණ්ඩලය හා තරාය කාර්ය මණ්ඩලය

සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට අනුමත සේවක සංඛ්‍යාව 73 ක් වූ අතර, එයින් 16ක් පුරප්පාඩුව පැවතුණි.

ආර්.එම්.රත්නායක  
 නියෝජ්‍ය විගණකාධිපති  
 විගණකාධිපති වෙනුවට  
 ආර්.එම්. රත්නායක  
 නියෝජ්‍ය විගණකාධිපති  
 ජාතික විගණන කාර්යාලය

## Agriculture Sector Modernization Project - Value-Chain Development Component

### Introduction

This project is implemented to enhance export opportunities for entrepreneurs with innovative ideas in the Agricultural sector, with a grant under the World Bank Fund according to total investment, called the Value Chain Development Component of the modernization project comes under the State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion. The cost of the project is USD 102.73 million, of which US D 61.19 million is provided by the International Development Association (IDA), World Bank.

### Basic Objectives of the Agriculture Sector Modernization Project:

- Improving the productivity of agriculture
- Improving the market access
- Improving the value addition of the agribusinesses of small farmers, related to the project.

### Physical progress achieved in 2021

- Large Scale Projects (Total Investment from Rs. 30 Mn. To Rs. 375 Mn.) - 138 projects have been approved and the production activities are in progress.
- Small Scale Projects (Total Investment from Rs. 1.5 Mn to Rs. 30 Mn) - 142 Projects have been approved and the production activities are in progress.
- Further, the following projects are being implemented as small-scale projects, under the concept of cluster projects and the production activities are in progress.
  1. There are 41 prawn breeding and cultivation projects are operating in Puttalam and Batticaloa districts. (2 clusters)
  2. There are 77 ornamental fish breeding projects are in operation island-wide. (6 clusters)
  3. There are 49 projects in Sustainable Value Addition of Spices (3 clusters)
  4. There are 17 projects are operating related to the dairy farming. (4 clusters)
  5. There are 45 projects are operating related to ornamental floriculture. (1 cluster)
  6. There are 50 goat breeding projects are operating. (2 clusters)





7. There are 29 mushroom cultivation projects. (3 clusters).
8. There are 25 vanilla growers. (2 clusters)
9. There are 15 tissue culture projects. (2 clusters)
10. There are 23 Cinnamon oil extraction projects. (1 cluster)
11. There are 30 agro-product dehydration improvement projects in operation, island wide.
12. There are 87 projects in the construction of safe houses with side windows and vents. (3 clusters)
13. There are 200 motor coiling machine projects implemented by one society club.

### Financial Progress for the Year 2021



### Cumulative Financial Progress from 2017 to 2021



### Cumulated Expenditure Profile up to 2021

- Cost of project preparation: Rs. mn 685.01
- Total Capital Matching Grant Rs. mn. 4,797.66

(These Matching grants were distributed among 769 small, large and cluster projects)

- Capital Matching Grants will be mainly used for payment of second and third installments of the projects, currently in operation belonging to large and small projects category.
- Also, new grants were provided for large, small, and cluster projects before the end of this quarter.

### Projects to be implemented in 2022

It has been planned to spend Rs. 3.2 Billion for 2022. Necessary steps should be taken to provide second and final grants for sub-projects which have been implemented in previous years as well. The estimation of the grants for sub-projects are as follows.

**Table 25: Projects expected to be implemented in 2022**

	No. of Projects	Provisions (Rs. Mn.)
Small amount grants for small projects :	120	1,000
Large amount grants for large projects :	25	900
For cluster projects :	10	200
Work in Progress :	-	900
<b>Total :</b>	<b>155</b>	<b>3,000</b>

*Source: Agriculture Sector Modernization Project*

The expected budget allocation for this in 2022 is Rs. Mn. 3200, and it is planned as follows;

For preparation of the projects : Rs.mn.200

For Capital Matching Grants : Rs. mn. 3000



## **Institutions receiving Treasury Funds and Performing under the purview of the State Ministry**

### **Department of Export Agriculture**

#### **Introduction**

The Department of Minor Export Crops established in 1972, having been named as the Department of Export Agriculture in terms of the Parliamentary Act No. 46 of 1992, carries out development and research activities in an organized manner with the main objective of developing the agricultural crop sector by increasing the export volume and improving the quality of the product to earn higher foreign exchange income.

According to the official classification, export crops are the perennial crops that account for more than 32% of the annual production other than tea, coconut, rubber and cashew nuts, and also any crop that will be included in the scope of the Department as determined by the Minister in-charge-of the relevant subject. Traditional crops such as cinnamon, pepper, nutmeg, cloves, cardamom, coffee, cocoa, betel, areca nut, vanilla, Citronella, lemongrass, Garcinia (Goraka), ginger and turmeric are included in the current scope of the Department.

The Department of Export Agriculture consists of two Divisions namely Development Division and Research Division. The Development Division carries out the production and distribution of planting materials for the promotion of export crops, providing financial assistance and technical know-how and guidance to the stakeholders. The Research Department is engaged in the activities related to introduction of new varieties in crop cultivation, introduction of disease and pest control methods, and introduction of crop cultivation methods and conducting of research and enhancing knowledge about the social, economic and market conditions that are intertwined with export agriculture.

#### **Vision of the Department of Export Agriculture**

“Excellence in Exports of Spices and Allied Products”

#### **Mission of the Department of Export Agriculture**

“Planning and Implementation of appropriate Research and Development Programmes with the prime objective of earning more foreign exchange income through enhancement of quality and quantity of Export Agricultural Crop Production for sustainable development of economic and social standards of all the stakeholders of the Export Agricultural Crops (EAC) sector while ensuring the safeguards to the environment”

A number of major programmes are conducted by the Department of Export Agriculture by performing its mission and aiming at achieving its vision. Those programmes mainly focus on

- Increasing the production by increasing the cultivated area

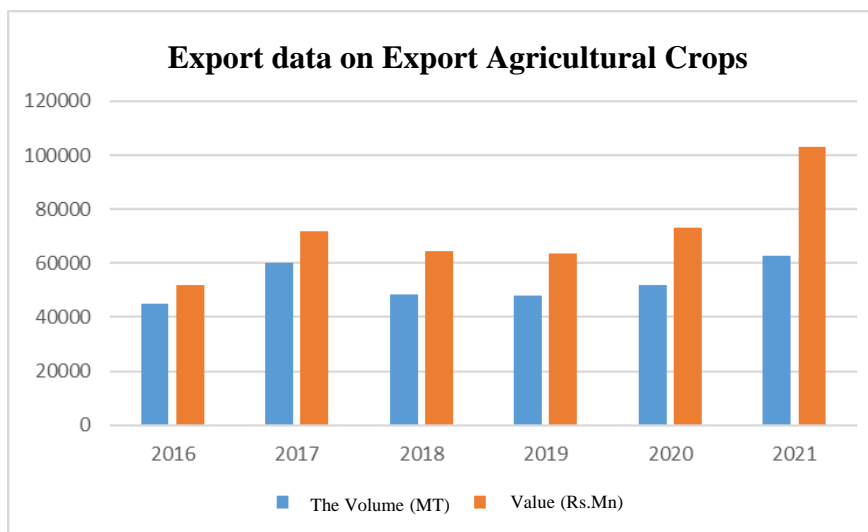


- Increasing the production by increasing the productivity of existing crops
- Production of quality planting material
- Enhancing product quality by introducing appropriate technology
- Getting access to international market through certification
- Providing necessary guidance and motivation to new entrepreneurs and exporters through trade promotion
- Providing necessary solutions to the issues that arise in the sector from time to time

**Table 26: Change in Agricultural Export earnings and volume**

Year	Export Quantity (Mt)	Export Value (Rs.mn)
2016	44,861.72	51,739.52
2017	60,104.02	71,971.51
2018	48,331.83	64,590.52
2019	47,981.64	63,495.80
2020	51,986.61	72,992.00
2021	62,580.86	102,939.40

Source: Sri Lanka Customs



Source: Department of Export Agriculture

## Investment Assistance Programme for Export Agricultural Crop Promotion implemented by the Department of Export Agriculture

### 1. Programme to promote New Cultivations in Export Agricultural Crops

With the aim of increasing the cultivation area of export agricultural crops in Sri Lanka in an economical and productive manner, agricultural crops cultivators or agricultural entrepreneurs are provided following facilities.

- Under the New Cultivation Promotion Programme, the required number of export agricultural crop seedlings for recommended cultivations are provided free of charge,

subject to a maximum cultivation area of 02 hectares.

- In addition, the Department provides other free services such as providing technical know-how for cultivation, field inspections and conducting soil tests when necessary.
- Under this project, follow-up activities are carried out after cultivation, instructions are given and market coordination is provided.

### 1.1. Benefits made available for beneficiaries under this program

- Providing technical knowledge to the stakeholders required for cultivation of export agricultural crops.
- Free supply of certified quality planting material.
- Providing hand-on experience by conducting field tests including land tests.
- Necessary guidance for pest control and proper maintenance.
- Market coordination.
- Referring participants to other programmes of the Department.

### 1.2. Contribution of this programme to the long-term development of the sector

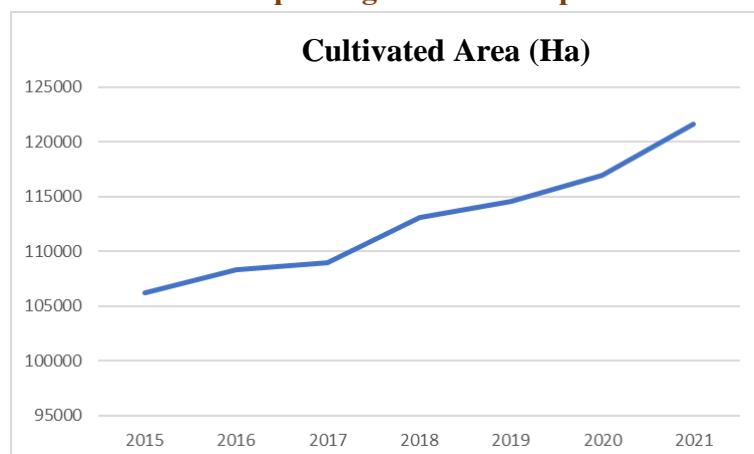
This programme is expected to increase the area under cultivation, which directly affects the growth of export income and export volume. When the past period is considered, it is clear how the area of export crops has grown steadily and, the corresponding growth in export volume and export income. Under these programmes, necessary technical support is provided for the supply of quality and disease/pest-free planting material, crop maintenance and pest control, so that the crops can be maintained free of diseases, pests and virus.

**Table 27: Cultivation Area of export agricultural crops (ha.)**

Crop	2015	2016	2017	2018	2019	2020	2021
Cinnamon	31,927	32,282	32,964	33,588	34,231	34,777	35,737
Pepper	37,519	38,090	39,284	40,245	41,030	41,327	41,744
Clove	7,919	7,931	7,944	7,958	7,977	7,981	7,994
Cocoa	1,706	1,765	1,797	1,804	1,827	1,855	1,879
Coffee	4,470	4,507	4,528	4,541	4,573	4,598	4,690
Cardamom	1,719	1,720	1,722	1,723	1,724	1,726	1,734
Nutmeg	2,674	2,710	2,760	2,787	2,844	2,866	2,905
Betel	1,462	1,462	1,462	1,463	1,463	1,579	1,579
Areca Nut	11,825	12,048	12,329	12,533	12,582	12,829	13,272
Citronella	1,194	1,352	1,413	1,425	1,427	1,428	1,428
Ginger	2,483	2,488	1,883	1,907	1,838	2,390	2,812
Turmeric	1,334	1,987	932	974	923	1,417	3,650
Vanilla				57	57	66	93
Lemongrass				16	16	16	20
Garcinia	2,067	2,067	2,067	2,067	2,067	2,071	2,077
<b>Total</b>	<b>108,299</b>	<b>110,409</b>	<b>111,085</b>	<b>113,088</b>	<b>114,579</b>	<b>116,925</b>	<b>121,615</b>

Source: Department of Export Agriculture

## Growth in Total Export Agriculture Crop Cultivation Area



Source: Department of Export Agriculture

## 2. Production of planting materials

In addition to the programmes implemented by the Department, the state Ministry and other parallel government and private institutions, the Department of Export Agriculture produces certified and quality planting material for the needs of farmers.

### 2.1. Seedling production under the Development Programme of Central Nurseries

Under this programme, production and distribution of required seedlings is done at the Central Plant Nurseries owned by the Department of Export Agriculture, with the intention of producing quality export-agricultural crop seedlings. Nearly 02 million plants of export crops are produced annually under this programme.

### 2.2. Production of saplings by private nurseries registered under the Department

Agricultural plants of the required quality are produced by the private-sector plant producers registered under the Department of Export Agriculture, to meet the plant requirement of each area.

**Table 28: Quantities of Export Agricultural Crops produced in the year 2021**

Serial No.	Crop	No of plants produced
1.	Ginger	154,505
2.	Cardamom	28,898
3.	Cloves	31,403
4.	Turmeric	5,615,195
5.	Kithul (Solitary fishtail palm)	243
6.	Cinnamon	34,373,447
7.	Cocoa	118,600
8.	Coffee	672,292
9.	Pepper	3,243,563
10.	Goraka	7,264
11.	Areca Nut	1,568,101
12.	Betel	2,311
13.	Vanilla	79,730
14.	Nutmeg	48,744
	<b>Total</b>	<b>45,944,296</b>

Source: Department of Export Agriculture



### 2.3. Benefits made available for beneficiaries under this programme

- To supply cultivators with quality and certified planting material which are free from disease or pest damage
- Due to the availability of central plant nurseries and registered plant nurseries all over the island, plants can be easily obtained from a place close to the cultivation area.
- Entering into agreements with nurseries for the production of saplings, in order to supply saplings without any shortage.

### 2.4. Contribution of this programme to the long-term development of the sector

- As a result of supplying high-quality planting material without shortage, the programmes implemented by the Departments, Ministries and other government institutions and private institutions can be maintained without interruption.
- Due to the production of quality planting material, cultivation can be maintained free from diseases and pests and viruses
- By cultivating high yielding varieties, highly productive crop cultivations can be maintained.

## 3. The programme to increase the productivity of export agricultural crops

This project is implemented with the aim of converting low-productive export agricultural lands into economically-productive export crop cultivations, and under this project, the required planting materials and technological cultivation know-how are provided on free of charge basis, while the follow-up activities are carried out regularly. Also, necessary measures are taken for carrying out field tests and soil tests under this project.

- Free plants are issued under this programme to complete the filling plants requirement, depending on the amount of existing filling plants in the field.
- In addition, the Department provides other free services such as providing necessary technical know-how, field inspections and conducting soil tests when required.
- According to the recommendations of the Department of Export Agriculture, prescribed crop management practices (such as shade control, soil moisture control, nutrient control) are followed and necessary advice to solve the existing problems is provided.

### 3.1. Benefits made available for beneficiaries under this programme

- Disseminating technological know-how on agronomic methods required for the promotion of crop productivity.
- To promote value-added products in coordination with the State Ministry and other government agencies.
- Coordination with the market

### 3.2. Contribution of this programme to the long-term development of the sector

- Increasing the production of export agricultural crops and as a result, being able to systematically increase the total export volume of the country.
- Increasing the export income by increasing the volume and quality of exports

## 4. Introducing appropriate water supply methods to make export crops resilient to climate changes

The aim of this project is to increase the cultivation area of productive export-agricultural crops and to create new cultivations through the introduction of suitable and systematic water supply methods to adapt to climate changes. Following activities are carried out under this project.

- Necessary technical instructions are given to the cultivators and field inspections are also conducted
- Financial assistance is paid once the introduced water supply systems are installed in the field, and it is followed by continuous follow-up activities.
- In addition, other services such as soil tests (pH, EC, nutrient composition etc.) are provided by the Department under free-of-charge basis

### 4.1. Benefits made available for beneficiaries under this programme

- Identifying befitting irrigation methods for cultivation and providing technical know-how required to construct the approved irrigation system.
- Providing necessary recommendations to the organization selected by the farmer to construct the system.
- After the construction of the system, a part of the cost is reimbursed for the successfully constructed projects
- Conducting necessary follow-up and providing guidance for system maintenance

### 4.2. Contribution of this programme to the long-term development of the sector

- Successful crop cultivations are created by minimizing the negative impact on crop establishment caused by irregular rainfall due to climate change.
- Contributing to increase the export volume and income, through enhancing the productivity of the crop by proper irrigation of the existing crop.

## 5. Introducing equipment/systems to prevent pest/animal damage to export crops

The following measures are taken to increase the cultivation area of productive export-crops, by preventing potential pest/animal damage

- Providing free services such as providing technological know-how, conducting field inspections and giving recommendations, providing financial assistance once the system is installed and conducting follow-up activities

- Apart from this, other services such as conducting soil tests (pH, EC, nutrient composition etc.) are provided by the Department, under free-of-charge basis

### **5.1. Benefits made available for beneficiaries under this programme**

- Providing support to identify and design systems to prevent pest damage to crops
- After the construction of the system, a part of the cost is reimbursed for the successfully constructed projects
- Providing necessary technological support for maintenance of the system and other activities.

### **5.2. Contribution of this programme to the long-term development of the sector**

- The damage caused by mammalian pests has significantly increased nowadays. As a solution, constructing electric fences, mesh fences, single mesh covers, and loudspeaker systems were used as pest damage prevention systems and thereby it was possible to reduce harvest losses and increase the land productivity which eventually increased the export volume and income.

## **6. Programme to improve the quality of export agricultural crops through proper technology/post-harvest technology**

This programme is conducted with a view to providing necessary technological know-how and conducting demonstrations (relating to machinery) in order to improve the quality of export crops and their post harvests, conducting machine trials, providing technological advice and guidance to overcome the problems related to quality improvement, conducting field observations when necessary, providing financial support for the equipment and machinery purchased by the beneficiaries and coordinating cultivators with the relevant institutions.

### **6.1. Benefits made available for beneficiaries under this programme**

- Providing technical know-how and financial assistance to purchase the equipment and machinery required for boosting the product quality
- Providing necessary technological assistance and financial subsidy for the construction of processing centres
- Providing technical know-how and support for value addition
- Coordination with market

### **6.2. Contribution of this programme to the long-term development of the sector**

- Due to the increase in the ability to develop high-quality products that meet the current international market demand, the potential to enter high-end markets is amplified and export revenue is increased
- Potential to increase export earnings by converting exports into value-added products, as opposed to the traditional exports which are currently exported as raw materials



## 7. Organic farming programme

In order to motivate export crop cultivators for organic cultivation and to increase the production of certified organic export that suits modern international market, measures were taken to disseminate technical know-how, to provide services such as field inspections and recommendations, to provide filling plants free-of-charge to cultivators, and to partially fund the cost by the Department which is borne for the certification.

### 7.1. Benefits made available for beneficiaries under this programme

- Conventionally maintained crops can be converted to organic farming
- Having Organic certification for products brings higher value to the crops

### 7.2. Contribution of this programme to the long-term development of the sector

- According to the rising demand for organic products in the international market, export revenue is increased by obtaining organic certification for Sri Lankan spice products

## 8. Mass Media / Communication Programme

Giving more attention to the achievement of export development goals, management and disseminating the technological knowledge related to export agriculture among the stakeholders by means of trainings and awareness raising programmes were conducted whenever possible via digital platforms such as television, radio, telephone, social media, video etc. Apart from this, articles for newspapers were also issued.

### 8.1. Benefits made available for beneficiaries under this programme

Delivering technological know-how needed by the stakeholders in export agriculture sector

### 8.2. Contribution of this programme to the long-term development of the sector

Contribute to the development of the sector by disseminating the technical know-how using the most efficient method, required by the stakeholders of export crops throughout the island

## 9. Training and Capacity Development Programme

The Department continues to implement training programmes through the Department of Export Agriculture Training Institute and the Department's field officers to educate the officers and other stakeholders in the export agriculture sector.

### 9.1. Benefits made available for beneficiaries under this programme

- Providing necessary technological know-how and training to stakeholders in the export agriculture sector
- Arranging specific training programmes to the required stakeholders through In-Service Training Institute (ISTI)

## 9.2. Contribution of this programme to the long-term development of the sector

Working on the capacity development of all stakeholders including government officials and private sector officials in the sector, based on In-Service Training Institute (ISTI), research centres and island wide district offices

## 10. Certification Programme

In order to increase the quality of export agricultural products and cultivations through certification, this programme provides investment assistance for export-agricultural crop certification and necessary technological guidance, and establishing coordination with relevant institutions and stakeholders as well

### 10.1. Benefits made available for beneficiaries under this programme

- Assisting in obtaining certificates required for the exportation of spices to foreign markets
- Assisting the upgrading of cultivation lands and processing centres required to obtain certificates
- Providing financial assistance by reimbursing a part of the certification cost

### 10.2. Contribution of this programme to the long-term development of the sector

The ability to reach for high – end markets by obtaining product certification, system certification, etc., which are required for sending export agricultural crops to the international market, and thereby increasing the export income with exporting high-end export crop products to the international market.

## Special programmes/projects/activities carried out under the provisions of the Ministry

### 1. Export Agricultural Zones Programme

Taking into consideration the environmental, social and agricultural issues that are specific and recommended for each area, this programme is implemented with the aim that the quantity, quality and value addition is improved within the region itself, having classified the production into regions in order to get high benefits from the export agricultural crops.

- Formulation of project proposals to identify and promote leading export crops in the region
- Implementation of the programme upon the approval of the Ministry
- Conducting land inspections as required, providing technical support and free planting material, coordinating with the markets.
- Taking follow up actions and where necessary, providing technical assistance and other guidance

### Benefits made available for beneficiaries under this programme

- Quality planting material for cultivation can be obtained and leading export crops in the region are identified and project proposals for promotion are formulated
- Implementation of programmes subject to the approval of the Ministry, carrying out land inspections as required, providing technical support, providing free planting material, and coordinating with the market.
- Taking follow up actions and providing technical assistance and other guidance when required.

### Contribution of this programme to the long-term development of the sector

- Increasing the production by multiplying the export area and, boosting the export income by increasing the exports
- Streamlining the production and thereby the value chain, by carrying out the production, value addition and processing of export crops within the agricultural zone itself

## 2. Special promotion and assistance programme for the popularization of turmeric cultivation

With the policy decision taken to completely ban the import of turmeric in terms of Gazette No. 2116/7 dated 26.03.2019 and, sub-section (1) and (2) of Section 22 A of Chapter 235 of the Customs Ordinance, urgent attention was paid to popularize turmeric cultivation. Accordingly, the supply of seed turmeric was identified as a major problem in encouraging the turmeric cultivation, and as a solution, production of tissue culture plants, registration of suppliers of turmeric seeds and establishment of turmeric seed gardens were commenced. Currently, Sri Lanka is self-sufficient in ginger, and the Department has guided farmers to produce the necessary seed ginger in order to maintain the same condition in the future, by giving necessary instructions and doing other needful. Under this programme, 4,847,763 turmeric plants and 114,574 ginger plants were issued in the year 2021, and turmeric seed subsidy has been granted for 312.62 hectares.

### Benefits made available for beneficiaries under this programme

- Export crop planting materials are freely available for home gardens with cultivation potential for export agricultural crops
- Ability to get the spices required for domestic consumption from the home garden itself and additional income can be obtained by selling the excess
- Employing the underutilized family labour for an economically productive purpose



### Contribution of this programme to the long-term development of the sector

- Adding strength to the family by earning an additional income to the family
- Creating a healthy society by increasing the health of the family with addition of non-toxic spices to the diet
- Contributing to increase the export volume and export income of the country, by increasing the overall spice production of the country

### Overall Financial and Physical Progress of the Department – 2021

**Table 29: Overall Financial and Physical Progress of the Department**

Total allocated Provisions (Rs. mn)	Expenditure (Rs. mn)	Financial Progress	Physical Progress
741.15	398.07	54%	84%

Source: Department of Export Agriculture

### Plans of the Department for the year 2022

According to the plan for the year 2022, the expected capital allocation is Rs.1, 838.30 million. Accordingly, the detailed budget estimates related to the Development and Research programme are as follows.

#### Development Programme

**Table 30: Plans of the Department for the year 2022**

01. Cultivation Extension Programme	
Programme to promote New Cultivations in Export Agricultural Crops	Expected allocations Rs. Mn. 700
Home Gardening and Small-Scale Cultivation Promotion Programme	Provision of direct supervision and subsidies - 7,000 hectares
Special programmes for promotion of export crops	
Cluster Village Programme	Provision of secondary support 35,000 hectares
Turmeric and Ginger Cultivation Promotion Programme	
Areca Nut cultivation promotion programme	
02. Development Programme of Central Nurseries	
Procurement of seeds and planting material	Expected allocations Rs. Mn.60
Purchase of Polythene and other materials	Targeted total of plant production 40 million plants
Purchase of potting media	
Establishing water supply systems and mother plant gardens	
Technical assistance programme for private nurseries	
03. Programme to increase the productivity of export agricultural crops	
Land Productivity Enhancement Programme	Expected allocations Rs. Mn.300
Programme to popularize production and use of organic fertilizers	Provision of direct supervision

Programme for provision of devices/systems for the prevention of pest and crop damage	and subsidies - 7,000 hectares
Installation of micro irrigation systems	Provision of secondary support 70,000 hectares
04. Postharvest Technology Programme	
Organic Village Programme	Expected allocations Rs. Mn. 300
Improving the quality of export agricultural crops through the use of appropriate technology	Number of direct beneficiaries 3,000
Trade Promotion Programme	
Information Technology Development Programme	Provision of secondary support Beneficiaries 300,000
Implementation and certification of optimal agricultural practices	
05. Mass Media / Communication Programme	
Television and radio	Expected allocations Rs. Mn. 60 Expected No of Beneficiaries 2,000,000
Electronic and social media	
Printed media	
Information desk and telephone services	
06. Capacity Development Programme	
Training Programme for Officers	Expected allocations Rs. Mn. 35 Expected No of Beneficiaries 50,000
Field days and training classes for stakeholders	
Conferences and Workshops	
Multi-day training programme of Cinnamon processing	
07. Administration Expenditure	Expected allocations Rs. Mn. 45
Expected allocations Rs. Mn	1500.00
Other capital requirements including construction and purchasing	274.50

**Research Programme**

Building renovation, building construction, land and land development, infrastructure development	Physical target - 38 Financial target - Rs. Mn. 32.7
Repair of machinery and equipment and purchase of machinery and equipment	Physical target - 29 Financial target - Rs. Mn. 8
Vehicle repairs	Physical target - 40 Financial target - Rs. Mn. 5.0
Furniture and office equipment	Physical target - 20 Financial target - Rs. Mn. 4.5
Knowledge development and training	Physical target - 8 Financial target - Rs. Mn. 0.6
Implementation of the National Agricultural Research Plan	Physical target - 152 Financial target - රු. මි. 7.0
Pests' prevention and pest control in export agricultural crops	Physical target - 5 Financial target - Rs. Mn. 4.0
Conducting research for new crops	Physical target - 3 Financial target - Rs. Mn. 2.0
<b>Total Financial Targets</b>	<b>Rs. Mn. 63.80</b>

**Export Crops and Integrated Disease and Pest Management (IPM) Programme**

No	Scope of research	No. of researches
1.	Crop improvement and conservation of genetic resources	27
2.	Increasing production through crop management and natural resource management techniques	43
3.	Protection of crops from biotic and non-biotic stresses	22
4.	Improving quality and introducing value added products through post-harvest technology	20
5.	Production of quality plants	20
6.	Mitigating the impact on export crops exerted by climate change	9
7.	Crop adaptation techniques for non-indigenous areas	4
8.	Introduction of new crop cultivation methods	3
9.	Development of knowledge about socioeconomic and market conditions	4
<b>Total Researches</b>		<b>152</b>

## Sri Lanka Cashew Corporation

### Introduction

Sri Lanka's current domestic and foreign demand for Cashew with Shell is 25,000 MT. Even though the Cashew with Shell production target for the year 2021 is 12,500 MT, in that year, only 6,125 MT was made available. Due to the extremely dry weather conditions in 2021 and the physiological changes in the cashew trees, the yield of Cashew with Shell decreased by nearly 50%. Accordingly, in order to meet the supply for the annual demand, it is planned to plant 7,000 acres per year. The current production should be increased from 241 Kg/Ha to 480. The target should be achieved that the exports should be increased from 5% of annual total cashew nut production, up to 25% in five years of time. Accordingly, the necessary actions have been taken to cultivate the required amount of 7000 Ha for the year 2021, which is constituted by 4,000 acres under the subsidy program, 2,285 acres under the export village establishment project, 1,500 acres in cashew corporation estates, and 1,000 acres through public sector and private sector projects.

### Programs / Projects implemented through Sri Lanka Cashew Corporation

#### Production of cashew plants for cashew cultivation extension programmes

High-quality grafted seedlings are produced in central nurseries of the Corporation, which are required for cashew nut subsidy programs, new planting, replanting and other commercial programmes in estates of the Corporation. Plant production activities in the nurseries were carried out for the year 2021 and its progress is as follows.

**Table 31: Progress of Plant Production**

Nursery	District	Targeted No. of grafted plants	Targeted No. of seedlings	Number of grafted plants	No. of plants issued as at 31.12.2021
1.Kamandaluwa	Puttalam	195200		158686	100868
2. Mihintale	Anuradhapura	158440		177175	111429
3.Mangalagama	Ampara	16600	10850	18198	4293
4.Mahiyanganaya	Badulla	110900		61677	12144
5.ChandrikaWewa	Ratnapura	59250		62000	20593
6. Dambulla	Matale	60600		38997	12046
7. Kumbukkana	Monaragala	93750		158686	1905
8. Hardy	Batticaloa	29970	6510	41510	5746
<b>Total</b>		<b>724,710</b>	<b>17,360</b>	<b>716,929</b>	<b>269,024</b>

Source: Sri Lanka Cashew Corporation



**Table 32: Progress of Plant Production for Cashew Cultivation Extension Programmes**

Financial Target (Rs.mn.) (CF)	Financial Progress (Rs .mn.)
16.5	15.52

Source: Sri Lanka Cashew Corporation

These plants are issued with the beginning of the Maha season. Setting up permanent nursery houses has been commenced in these central nurseries, and cover nets have been purchased for all the nurseries.



-A Cashew Plant Nursery of the Corporation –

### New plantation under Cashew Subsidy Programme

Under the Cashew Cultivation Subsidy Scheme, 4,000 acres are targeted for new cultivation, and it is implemented in 128 Divisional Secretariats covering 22 Districts of the island. Under said scheme, 2,355 acres of grafted cashews and 565 acres of seed cashews were to be cultivated in small and medium -scale lands, while 1,030 acres of grafted cashew and 40 acres of seed cashews were to be cultivated under the Home-Garden *Program*. So far, nearly 95% of the activities has been completed with regard to farmers and land selection, farmer training classes, land preparation and weed control. For the year 2021, 95,282 grafted plants and 21840 seedlings have been issued, whereas 17,025 grafted plants and 1,720 seedlings have been issued under the Home-Garden program.

**Table 33: Progress of the Project of New Plantation**

Financial Target(Rs.Mn.) (CF)	Financial Progress (Rs.Mn.)
18.5	14.76

Source: Sri Lanka Cashew Corporation

**Table 34: Cashew Subsidy Program year 2021**

District	Grafted Plants targeted Acres	Seedlings targeted Acres	Home Garden Project	
			Targeted Grafted Cashew Acres	Targeted Cashew Seedling Acres
1. Monaragala	285	-	15	-
2. Hambantota	100	20	80	-
3. Matara	60	-	15	-
4. Galle	10	-	15	-
5. Ratnapura	30	15	55	-
6. Puttalam	276	20	33.5	20
7. Kurunegala	188	05	27	-
8. Gampaha	85	-	15	-
9. Kegalle	10.5	-	19.5	-
10. Badulla	112	-	85	-
11. Kandy	-	-	50	-
12. Polonnaruwa	100	-	100	-
13. Trincomalee	60	30	10	-
14. Batticaloa	95	100	105	-
15. Ampara	70	230	90	10
16. Jaffna	20	12	15	-
17. Kilinochchi	140	68	10	-
18. Mulathivu	105	45	10	-
19. Mannar	25	20	10	-
20. Vavuniya	160	-	40	20
21. Matale	175	-	75	-
22. Anuradhapura	245	-	155	-
<b>Total</b>	<b>2355</b>	<b>565</b>	<b>1030</b>	<b>50</b>

Source: Sri Lanka Cashew Corporation

## Management of Estates

### Development of Seed Gardens of the Corporation

The seed gardens at Eluwankulama, Wilachchiya, Suduwathura ara, Mahaoya and Nalanda which have been established to produce high yielding and disease and pest-resistant new varieties, are well-maintained adhering to the research standards following best agricultural practices. Improved cashew varieties introduced as a result of research conducted with Wayamba University, have been planted in these seed gardens and are under evaluation. In the year 2021, 799,785 mother seeds and 905,887 seedlings have been issued to produce high quality grafted plants.

**Table 35: Progress of the Project of Development of Seed Gardens of the Corporation**

Financial Target (Rs. Mn.) (CF)	Financial Progress (Rs. Mn.)
25.0	14.53

Source: Sri Lanka Cashew Corporation

### Rehabilitation of cashew plantations of the Corporation

In the year 2021, cultivation in 25 acres in Puttalam estate has been commenced. Also, procurement activities are being carried out to plant cashew nuts in 20 acres of Eluwankulama Seed Garden, 25 acres of coconuts in Kamandaluwa estate and 20 acres of coconuts in Hardy estate. Apart from that, the new cultivation along with maintenance of old cultivation in these estates are successfully carried out.

**Table 36: Rehabilitation of cashew plantations of the Corporation**

Financial Target (Rs. Mn.) (CF)	Financial Progress (Rs. Mn.)
6.75	6.95

Source: Sri Lanka Cashew Corporation

### Maintenance of cashew plantation estates of the Corporation

The daily maintenance activities of Puttalam, Kamandaluwa, Kondachchi, Mankarni, Hardy, Vellankulam, Punareen and Thiriyaya estates are in smooth operation. Cashew harvest from cashew estates in the year 2021 is 120 MT (field weight). Also, a number of 43317 coconuts has been procured from Kamandaluwa and Hardy estates.

**Table 37: Maintenance of cashew plantation estates of the Corporation**

Financial Target (Rs. mn.) (GF)	Financial Progress (Rs. mn.)
38.05	19.63

Source: Sri Lanka Cashew Corporation

### Implementation of programs to improve the productivity of cashew plantations

The Corporation is providing fertilizer to the plantations, in order to improve the productivity of the cashew plantations, and programs in operation to control the stem and root borer which harmfully affects the cashew plantation. Due to the import restrictions imposed on chemical fertilizers and pesticides, they were not this year, and organic fertilizer is being produced at the Kamandaluwa estate in Puttalam district. Furthermore, organic fertilizer is being successfully applied for the plantations at present, whereas arrangements are being made to obtain a special approval to procure insecticides, for the control of insects and pests in the estates,

**Table 38: Progress of the Programme to Improve Productivity of Cashew Cultivation Lands**

Financial Target (Rs. mn.) (CF)	Financial Progress (Rs. mn.)
5.75	-

Source: Sri Lanka Cashew Corporation

## Research and Development Programmess

In collaboration with the Faculty of Agriculture and Plantation Management of Wayamba University, 08 major research programs are being carried out continuously, including research on gene technology, fertilizer management, insect and pest control, plant density, grafting and seedling cultivation, post-harvest technology and inter-cropping. Farmers were educated about training and technology on production and use of organic fertilizer in farmer training programs and the same will be conducted online as well.

**Table 39: Progress of Research and Development Programmes**

Financial Target (Rs. mn.) (CF)	Financial Progress (Rs. mn.)
4.00	2.69

Source: Sri Lanka Cashew Corporation

## Sales Promotions

With the aim of providing high quality local cashews to the customer at a concessional price without the intervention of middlemen, a formal process was initiated for the modernization of outlets in line with the concept of "Cashew Pub" under the sales promotion program for the year 2021. As its inaugural event, Corporation outlets were established in Narahenpita "Rajavasa" premises and in Wellawatta Town. More cashew outlets were established in Balangoda, Badagamuwa, Pelmadulla and Trincomalee under this concept. Apart from this, 06 new franchise outlets have also been opened by Trincomalee under this concept. Apart from this, 06 new franchise outlets have also been opened by now.

**Table 40: Progress of Sales Promotion Projects**

Financial Target (Rs. mn.) (CF)	Financial Progress (Rs. mn.)
1.0	0.16

Source: Sri Lanka Cashew Corporation

## Development of cashew processing industry

Under the provision of the State Ministry, procurement has been started for purchasing and repairing equipment for full mechanization of the Puttalam Processing Center. It is expected to increase the efficiency of the cashew processing network under this programme. Furthermore, with the use of allocation of the line ministry, an automatic cashew packaging machine has been purchased for the Corporation and installed at the Nadagamuwa cashew processing center. Currently, in Puttalam and



Nedagamuwa processing centers, 85.25 MT of Cashew with Shell has been processed and, 28.67 MT of value-added cashew nuts has been sold and Rs. 89.90 million has been earned.

**Table 41: Progress of the Project of Development of Cashew processing industry**

Financial Target (Rs. mn.) (GF)	Financial Progress (Rs. mn.)
24.43	27.83

Source: Sri Lanka Cashew Corporation



A Cashew cutting machine



A Cashew cutting machine



A Cashew packaging machine

## Human Resources Development

In the year 2021, Efficiency Bar Examinations were conducted for 70 Management Assistant employees of the Corporation. The training and development programmes that had been scheduled were halted due to the Covid-19 pandemic.

**Table 42: Human Resources Development**

Financial Target (Rs. mn.) (CF)	Financial Progress (Rs. mn.)
0.5	0.18

Source: Sri Lanka Cashew Corporation

## Fixed Asset Management

In the year 2021, a threshing floor and an employee quarter for officers in-charge- were established at Vellankulam estate and a threshing floor for drying cashew was established at Punareen estate. Further, necessary repairs were carried out in the regional offices, official residences, Circuit bungalow and outlets owned by the Corporation, which had not been repaired for a long time. The Jeep KK-3559 at

the Corporation head office and double cab 57-8803 at Kamandaluwa estate were repaired and tractor RA-8449 at Kilinochchi regional office was also repaired. In addition to this, necessary repairs were carried out in the pool of vehicles owned by the Corporation.

**Table 43: Progress of Fixed Asset Management Projects**

Financial Target (Rs. mn.) (CF)	Financial Progress (Rs. mn.)
12.0	9.21

*Source: Sri Lanka Cashew Corporation*



Cashew-Drying Threshing Floor, Vellankulama and the Station Office



Cashew-Drying Threshing Floor, Pooneryn

### Restoration of the Kondachchi Estate

Restoration of Kondachchi estate which is in extent of 6000 acres in Mannar district was started and preliminary work for cashew cultivation and an Agro Based Eco Tourism was commenced in the year 2020, based on the provisions of the State Ministry. Under the special budget provisions for the year 2021, the State Ministry granted altogether Rs.225 million i.e. Rs.125 million for the restoration of the estate and Rs. 100 million for the development of water supply system.



Out of the 4,000 acres of cultivable land in the Kondachchi Estate, 131 acres of land was established in the year 2020, and out of the remaining 3,900 acres, nearly 400 acres of forest clearance has been done for new cultivation at the end of the year 2021, and the remaining clearance is still in progress. Also, estimates have been obtained to make electricity availability for the Kondachchi estate, and for this, Rs. 23.0 has been paid and markings for electricity wiring are in operation. Construction of electric fence has been started to protect the estate from elephants. 15 water bowsers have been purchased and

scheduled to be granted to the estate. 01 store, 02 halls and 05 houses which had been damaged during the war in Kondachchi Estate have been renovated.

The target of producing saplings to cultivate the entire target area has been completely achieved. 16 tractors used by the Agrarian Services Department, have been repaired and the actions are underway to take them over for the use as the tractor requirement of the estate. For increasing the food security, 120 acres of land has been set up and cultivated with pumpkin, winter melon, cooking melon and urad as intercrops on the land where these new crops and immature cashews have been cultivated.



–Harvesting of pumpkins grown as intercrops in the Kondachchi Estate–

### Implementation of cluster village project of export-oriented cashew

A number of 130,204 grafted plants have been distributed, and selection of land and farmers have been completed up to 98% for the project aimed at providing 100,000 grafted cashew plants for Hambantota District and 60,000 Grafted cashew plants for the Districts of Kurunegala, Kegalle, Kandy and Matara under the Agricultural Export Village Program conducted by the Line Ministry. 09 training sessions have been conducted targeting 335 beneficiary farmers and, 478 Development Officers have been trained under this program. Also, the production of saplings required for this project has been completed. Funds for this program are scheduled to be received at the end of issuing plants. (This project was completed on 28.01.2022, and Rs. 32.55 million has been granted).

**Table 44: Distribution of saplings under cashew cluster village Project**

Serial No.	District	No of plants distributed
1	Kurunegala	28,685
2	Kandy	321
3	Matara	9,800
4	Hambantota	40,158
5	Kegalle	2,5000
6	Vavuniya	1240
7	Ratnapura	5000
8	Puttalam	20000
<b>Total</b>		<b>130,204</b>

Source: Sri Lanka Cashew Corporation

## **"Saubhyagya" cashew cultivation project implemented in 05 districts under the provisions of the World Food Program (WFP).**

A number of 11600 grafted cashew plants have been distributed among 580 beneficiaries in Batticaloa, Mannar, Matale, Monaragala and Mullaitivu districts. The provision received for this is Rs. 2.9 million.

## **Establishment of 07 employee quarters for officers-in-charge of estates and nurseries**

Under the provisions of the State Ministry, foundations have been laid, the floors are being prepared and the walls are being erected for construction of 07 quarters. The financial cost in this regard is Rs. 3.5 million. This program is in operation in 2022 as well.

## **Programs to be implemented in the year 2022**

### **New Plantation under Cashew Plantation Subsidy Scheme**

In approximant, 3500 beneficiary families are expected to be selected under this program to establish 4,000 acres of new plantations in 22 districts. It is also expected to cultivate nearly 1,000 acres under the Home Garden program.

### **Production of grafted plants and seedling**

It is expected to produce about 700,000 grafted cashew plants and cashew seedlings in the central nurseries owned by the Corporation to achieve the annual cultivation target of 7000 acres in the island.

### **Development of Seed Gardens of the Corporation**

The aim is to increase productivity and production of high-quality planting materials by developing seed gardens in Mahaoya, Suduwathura Ara Gama, Nalanda, Eluwankulama and Wilachchiya. It is expected to receive 900000 mother seeds and 750,000 shoots from these seed gardens.

### **New plantation and rehabilitation of plantation in the estates of the Corporation**

It is expected to replant and rehabilitate the plantations in accordance with the advanced agricultural techniques in Puttalam, Kamandaluwa, Hardy, Mankarni, Kondachchi and Pooneryn, Vellankulam and Thiriyaya estates.

### **Conducting research and development programs**

Research would be continuously conducted in conjunction with the Faculty of Agriculture and Plantation Management of Wayamba University on transplanting, fertilizer management, pest control, intercropping and other agricultural methods. In addition, with the support of the National Institute of Plantation Management, farmer training programs on increasing productivity and using optimal agricultural methods are scheduled to be continually conducted. In the year 2022, 02 high quality cashew varieties are to be introduced under this programme.



## Sales promotion

It is expected to carry out sales promotion activities by introducing 05 new products to the market with value addition, and by opening of 05 cashew outlets including 02 cashew super markets with addition of 20 new outlets all together to the network of franchised outlets. In the year 2022, it is expected to earn Rs 210 million from the sale of 60. M T of value-added cashew nuts.

## Development of cashew processing industry

It is planned to support small and medium scale processors, introduce new equipment and technology, value addition, packaging and standardization in order to improve the productivity and hygiene of the processing industry. Also, it is aimed to increase productivity by fully mechanizing the processing centers of the Corporation and to obtain HACCP and ISO standard certification for such centers. Further, commercial production of cashew wine and spirit is to be commenced using Cashew apple.

## Management of the Fixed Asset

It is proposed to construct required buildings, purchase machinery and equipment, vehicles, tools and devices, furniture and office equipment, under this programme. Also, it is proposed to renovate of the regional offices, circuit bungalows, Quarters and cashew outlets of the Corporation that have not been repaired for a long time, and the vehicle pool of the head office and regional offices of the Corporation and, as well as to carry out the necessary repairs of the plantation estates, seed gardens, central nurseries of the Corporation.

## Restorations of Kondachchi Estate

- ★ Completion of cultivation and infrastructure development of 1500 acres developed in the year 2021.
- ★ Cultivation of intercrops covering the entire land area.

## Sugarcane Research Institute

The Sugarcane Research Institute (SRI) was established as a statutory body by the Parliament Act No. 75 of 1981 to meet the technical requirements for the development of the sugar industry in Sri Lanka and to conduct researches on the cultivation and processing of sugarcane. So far, this institute has introduced new technologies to the sugarcane farmers including 22 new sugarcane varieties. The main research complex of the Sugarcane Research Institute is located in Udawalawe and the Coordinating office is established in Malabe, Colombo. In addition, a quarantine center at Hanthane, a breeding center at Deniyaya, a pathology farm at Siambalanduwa and two regional sub-centers have been established at Kantale and Kilinochchi, as well as, four Development Officer's offices have been established in Buttala, Siyambalanduwa, Badulla and Higurana to distribute the knowledge and technology.

### Research and Development programmes /projects implemented by Sugarcane Research Institute.

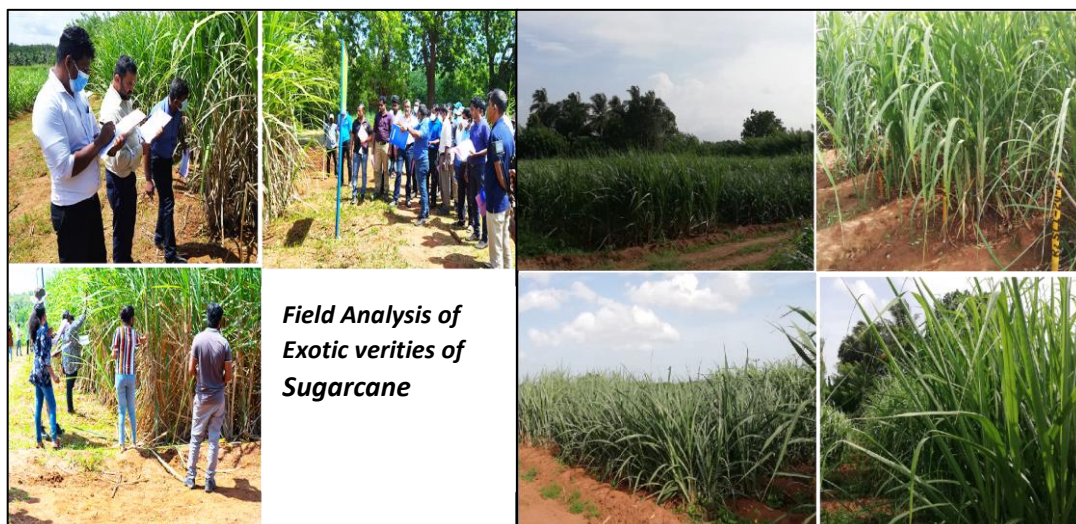
#### Crop Improvement

The project of Crop Improvement has worked in conducting analytical work for introducing exotic sugarcane varieties to commercial cultivation, quarantining of sugarcane varieties imported from China at Hanthana Quarantine Centre, commencing sugarcane breeding activities at Deniyaya Sugarcane Breeding Center in the year 2021 and introducing new sugarcane varieties and selecting varieties for organic cultivation.

**Table 45: Progress of the Crop Improvement project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
36.5	33.57

Source: Sugarcane Research Institute



## Management of Crop Resources

Production of sugarcane seeds for small-scale processing industries and expansion of sugarcane cultivation were carried out in Kilinochchi area and, under this project, actions were taken to study the maturity pattern of commercial varieties introduced by the Sugarcane Research Institute, to supply water management and drip irrigation, to study the use of polythene mulch for weed control, and to study the use of green manure crops for soil improvement.

**Table 46: Progress of the Management of Crop Resources Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
13.04	13.86

Source: Sugarcane Research Institute

## Soil Fertility Management for sugarcane cultivation

As it is necessary to carry out fertile soil management for the improvement of sugarcane cultivation, actions were taken to introduce the integrated nutrient management package in sugarcane and specific fertilizer recommendations for different regions, and to provide analytical services for the requirements of the research sections and sugar industry, and to complete organic fertilizer trials and production targets.

**Table 47: Progress of Soil Fertility Management for sugarcane cultivation Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
13.32	13.925

Source: Sugarcane Research Institute



In sugarcane lands, practice cultivation of Sunhemp to enrich the soil

## Crop Protection

As major milestones achieved under the Crop Protection Process in the past year, following activities were carried out i.e. recommending hot water treatment as the most effective treatment for controlling white leaf disease in sugarcane, and introducing an Integrated Pest Management System for the control of the disease vector and to identifying suitable chemicals for the control of bud and stem borers in sugarcane.

**Table 48: Progress of the Crop Protection Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
11.11	17.73

Source: Sugarcane Research Institute

## Processing Technology

According to biochemical and recovery analyzes of SL 2006 series, varieties of SL 06 93 and SL 06 224 were identified as high-quality sugarcane varieties for the production of quality jaggery. Also, SL 2009 series was evaluated for the purpose of producing quality jaggery, and biochemical and recovery evaluation was conducted for 15 sugarcane varieties of SL 2009 series and 1374.5 kg sugarcane jaggery was produced from sugarcane harvested in the field test. Also, during the last year, it was possible to identify the post-harvest losses of SL 96 128 and SL 98 2524 sugarcane varieties and the practical reasons causing such risk and, to conduct a large mill test at the sugar factory of Ahtemale Plantation (Private) Company to analyze the various functions of the SL 96 128 series at the factory level.

**Table 49: Progress of the Processing Technology Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
5.4	4.63

Source: Sugarcane Research Institute



- Conducting mill inspection and field inspection in the Sugar factory -



## Mechanization Technology

As a cooperation project under this programme, an electric panel for automating the seed-sugarcane hot water treatment unit in Lanka Sugar Company Ltd. in Palwatte was installed and upgraded and necessary consultation was given. Also, an integrated project was designed to construct an automatic seed -sugarcane hot water treatment unit in the Ethimale Plantation (Pvt) with a treatment capacity of one ton per hour, and as well as providing the necessary consultation for the said construction. Designing of the manure handling machine was initiated, so that the dry leaves and residues remaining in the field after harvesting is incorporated into the soil as an organic material. Also, it was started to modify of the metering mechanism of the upgraded fertilizer applicator which is developed to apply organic fertilizer granules to sugarcane, and it was possible to develop an “Internet of Things” (IoT) integrated Data Management Framework to monitor and evaluate the use of machinery in the sugarcane industry in Sri Lanka.

**Table 50: Progress of the Mechanization Technology Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
5.14	6.36

Source: Sugarcane Research Institute

## Technology Exchange and Development

In the last year, under the technology transfer and development programme, existing sugarcane technologies and new technologies were further popularized, and small-scale jaggery production villages were established in Badulla district, Kanthale sugarcane nursery project was initiated, Sevanagala, Palwatta, Ethimale and Higurana sugarcane nurseries were developed and preliminary arrangements were made for an information and promotion center (Colombo office).

**Table 51: Progress of the Technology Exchange and Development Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
27.78	23.26

Source: Sugarcane Research Institute

## Economics, Biometrics and Information Technology

Information regarding the production of sugar factories, sugar imports and etc. has been looked up and computer data analysis has been conducted.

**Table 52: Progress of the Economics, Biometrics and Information Technology Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
4.41	4.3

Source: Sugarcane Research Institute

## Capital Investment

As capital investment for the programs and projects of the Sugarcane Research Institute, an allocation of 55.55 million rupees was utilized to purchase and repair the following machinery.

**Table 53: Acquisitions of Capital Investment**

No	Title of Procurement	Total Cost estimate (Rs.)
01	Water tank structure renovation	3,500,000.00
02	Deniyaya land development	3,000,000.00
03	Lightning Protectors	3,500,000.00
04	Termite Protection	3,250,000.00
05	Furniture and office equipment	3,403,000.00
06	Grinders	25,000.00
07	Water distills and deionizer	800,000.00
08	PH meter	500,000.00
09	Auto Lever	800,000.00
10	Gel electrophoresis (Vertical)	1,200,000.00

Source: Sugarcane Research Institute

**Table 54: Progress of the Capital Investment Project**

Financial Target (Rs. mn)	Financial Progress (Rs. mn)
80.75	55.55

Source: Sugarcane Research Institute

## Proposed programs for the year 2022

### Crop Improvement

- Introduction of exotic sugarcane varieties for commercial cultivation
- Using sugarcane varieties imported from China for field research
- Invention of new varieties suits to Sri Lanka

### Management of Crop Resources

- Supply of healthy sugarcane seeds required for the sugarcane farmers in Anavilunthan and supplying further technical support for jaggery and treacle processing
- Providing technical assistance required for Skandhapuram Sugarcane Village Project
- Providing technical support required for Vishwamadu CSD Farm Sugarcane Project
- Informing sugar manufacturing institutions about the maturity pattern of the commercial varieties introduced by the Sugarcane Research Institute

### Soil Fertility Management for sugarcane cultivation

- Introduction of the Integrated Nutrient Management Package for sugarcane, and specific fertilizer recommendations for different regions
- Introduction and testing of upgraded fertilizer for sugarcane
- Analytical services for research and industrial needs

## Crop Protection

- Introduction of an Integrated Pest Control System for pest and disease control in sugarcane
- Introduction of pheromones, insecticides, resistant varieties, miticide, biological pest control methods
- Providing crop protection services to sugarcane farmers and industrial institutions

## Processing Technology

- Development of value-added products based on sugarcane
- Screening of suitable sugarcane varieties for jaggery production
- Evaluation of SL2010 series for high quality jaggery production
- Exploring the impact of organic farming on producing high-quality sugarcane jaggery
- Establishing and maintaining field trial inspections to evaluate suitable sugarcane varieties for quality organic jaggery production
- Conducting large mill trials for new sugarcane varieties and for SL 96128 series under each of the individual sugar companies.
- Exploring different control methods to reduce post-harvest quality and quantity losses in sugarcane

## Mechanization Technology

- Evaluation of the operation of seed sugarcane hot water treatment units and further improving their energy efficiency, which are established in various sugar industries and in the Sugarcane Research Institute.
- Application of System Approach Concept for Appropriate Mechanization, Energy Optimization and Smart Agriculture (AMEOSA) to improve productivity in sugarcane cultivation.
- Construction and maintenance of safety electric fences for sugarcane cultivation

## Technology Exchange and Development

- Conducting farmer training programs using established fields.
- Establishing an observation field at Ethimale Plantation (Pvt) Ltd for monitoring the effect of organic fertilizers on sugarcane cultivation and obtaining their observations.
- Conducting training programs for farmers using established fields.
- Initiation of sugarcane cultivation at the end of the year.
- Furthering the nursery area (up to 50 ha)
- Conducting demonstration programs and popularizing the relevant sugarcane varieties among farmers and carrying out the desired tasks.

## Economics, Biometrics and Information Technology

- Analysis of information related to sugarcane industry
- Submission of policy proposals related to sugarcane industry development

## Annexure 01

## Export Agricultural Zone Program - Summary as at 31.12.2021

District	No. of Zones	No. of Beneficiaries	Crop	No. of plants issued
Ratnapura	50	20,278	Cinnamon	5,515,100
			Pepper	194,790
			Ginger	100 Acres
			Vanilla	> 100 Acres
			Turmeric	70 Acres
			TJC Mango	77,875
Matara	21	3431	Cinnamon	1,552,470
			Pepper	16,750
			Bee Keeping	299 boxes smokers 65 extractors 49
			Cashew	9,800
			Betel	11,100
			Cardamom	20,000
			Turmeric	3,454
			Banana	750
Galle	18	2516	Cinnamon	1,878,050
			Pepper	87,875
			Turmeric plants	6,835
			Turmeric seeds	12,000kg
			Ginger Plants	2,820
			Ginger Seeds	3,000
Hambantota	25	3643	Pepper	189,560
			Cinnamon	1,551,440
			TJC Mango	69,325
			Cashew	45,515
Kurunegala	36	5574	Cinnamon	524,700
			Pepper	242,359
			TJC Mango	87,925
			Cashew	28,682
			Ginger Seeds	4,200
			Soursop	20,450
			Vanilla	10,000
			Banana	1,800
			Turmeric seed	7200 kg
Anuradhapura	25	8992	Pepper	84,629
			TJC Mango	219,160
Kandy	22	8554	Cinnamon	134,895
			Pepper	1,381,022
			Turmeric plants	575,000
			Ginger Plants	
			Clove	7,612
			Vanilla	6,260
			Nutmeg	32,194
			Betel	3,229



			ariconut	2000
			Cardamom	5600
			Cashew	321
<b>Trincomalee</b>	11	3066	TJC Mango	76,675
<b>Kegalle</b>	21	2974	Cinnamon	916,880
			Pepper	205,985
			Vanilla	> 15,900
			Cashew	25,000
			Clove	2,779
			Aricanut	10,150
			Bee hive	413
			Smokers	60
			Extractors	60
<b>Badulla</b>	8		TJC Mango	2775
			Pepper	66,349
			Cinnamon	11,590
			TJC Mango	2775
<b>Monaragala</b>	11	2240	TJC Mango	151,000
<b>Pollonnaruwa</b>	1	24	TJC Mango	22,125
<b>Ampara</b>	2	2545	TJC Mango	67,550
<b>Matale</b>	6	1561	TJC Mango	89,025
<b>Vavniyawa</b>	4	302	TJC Mango	7,550
			Cashew	Beneficiaries 66

Source: State Ministry of Development of Minor Crops Including Sugarcane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion

## TJC Mango Export Zones - Summary as at 31.12.2021

Zone	District	No of Zones	Divisional Secretariat Division	No of Beneficiaries	Number of seedlings approved for supply in the first phase
1	Hambantota	6	Sooriyawewa	172	4,300
2			Hambantota	300	7,500
3			Angunukolapelessa	577	11,700
4			Tangalle	200	5,000
5			Ambalanthota	300	7,500
6			Thissamaharama	928	23,200
7	Kurunegala	10	Kotawehera	373	9,325
8			Wariyapola	27	675
9			Ahatuwewa	100	2,500
10			Giribawa	127	3,175
11			Nikaweratiya	93	2,325
12			Mawathagama	28	700
13			Kobeigane	440	11,000
14			Polpitigama	55	1,375
15			Alawwa	57	1,425
16			Galgamuwa	2345	55,425
17	Monaragala	11	Medagama	1040	51,000
18			Monaragala	1200	100,000
19			Badalkumbura		
20			Siyabalanduwa		
21			Bibila		
22			Madulla		
23			Buttala		
24			Wellawaya		
25			Thanamalwila		
26			Sewanagala		
27			Katharagama		
28	Badulla	1	Giradurukotte	46	1,525
29	Polonnaruwa	1	Elahera	785	19,625
30	Ampara	2	Mahaoya	1391	34,775
31			Padiyathalawa	1154	28,850
			Padiyathalawa Second Round	157	3,925
32	Trincomalee	11	Goramankadawala	622	15,550
33			Morawewa	504	12,600
34			Verugal	290	7,250
35			Muttur	122	3,050
36			Thambalagamuwa	25	625
37			Padavi Sri Pura	626	15,000
38			Seruwila	448	10,000

39			Kuchchaweli	30	750
40			Kanthale	400	10,000
41			Kinniya		1,200
42			Town & Gravest		650
43	Rathnapura	1	Kumbugoda Ara Grama Niladari Division of Embilipitiya Agrarian Services Division	278	6,950
44	Anuradhapura	20	Horowpathana	500	25,000
45			Galenbinduna Wewa	2200	55,000
46			Kahatagasdigiliya	400	10,000
47			Nuwaragampalatha Central	600	15,000
48			Mahavilachchiya	500	12,500
49			Nochchiyagama	44	1,100
50			Thalawa	240	6,000
51			Mihinthale	400	10,000
52			Galnewa	200	5,000
53			Kekirawa	200	5,000
54			Palagama	200	5,000
55			Palugaswewa	300	7,500
56			Kebithigollewa	400	10,000
57			Medawachchiya	200	5,000
58			Rambewa	680	17,795
59			Nuwaragampalatha East	120	3,000
60			Rajanganaya	400	10,000
61			Thambuththegama	24	1,000
62			Ipalagama	40	600
63			Thirappane	400	14,665
64	Mathale	6	Wilgamuwa	830	20,750
65			Naula	731	18,275
66			Laggala	649	8,500
67			Dambulla	2274	25,000
68			Pallepola	624	8,000
69			Galewela	668	8,500
70	Vavniya	Mango -2 Mango+Cashew-2	Vavniya	302	7,550
71			Vengalacheddikulama		
			Vavniya North		
			Vavniya South		
	<b>TOTAL</b>			<b>29,366</b>	<b>786,185</b>

Source: State Ministry of Development of Minor Crops Including Sugar Cane Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion