

AGRICULTURE

OVERALL TRENDS

The agricultural sector which experienced a serious setback due to the prolonged drought that prevailed during early part of the year recorded mixed performance in 1992. Tea production recorded a sharp decline of 26 per cent. Rubber production rose marginally by 1 per cent while coconut production marked an increase of 9 per cent. Meanwhile, paddy production declined by 2 per cent over the previous year. Production of subsidiary food crops such as big onions, red onions and potatoes recorded substantial increases while sugar production registered a 10 per cent decline in 1992. The output of most minor export crops also increased in 1992.

One of the major structural changes effected during the year was the privatisation of the management of tea, rubber and coconut plantations owned by the Janatha Estates Development Board (JEDB) and the Sri Lanka State Plantations Corporation (SLSPC) in June 1992. Of the 502 state owned plantations, 449 were handed over to 22 private management companies. The objectives of the privatisation of management were to increase productivity, improve quality and reduce the overheads in the plantation sector.

MAJOR EXPORT CROPS

Tea

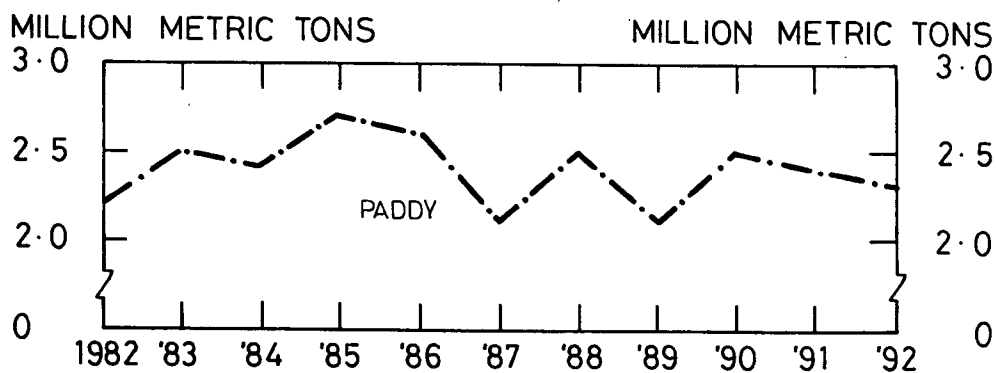
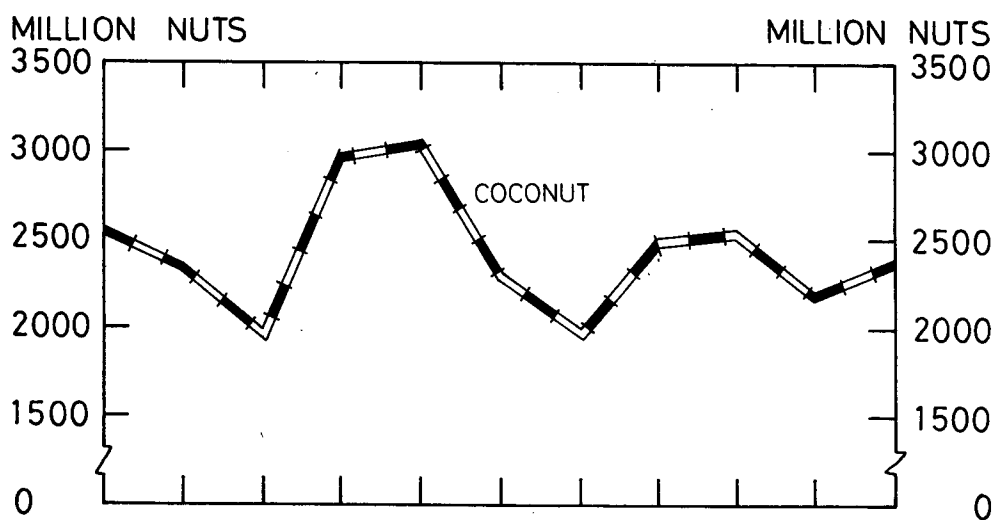
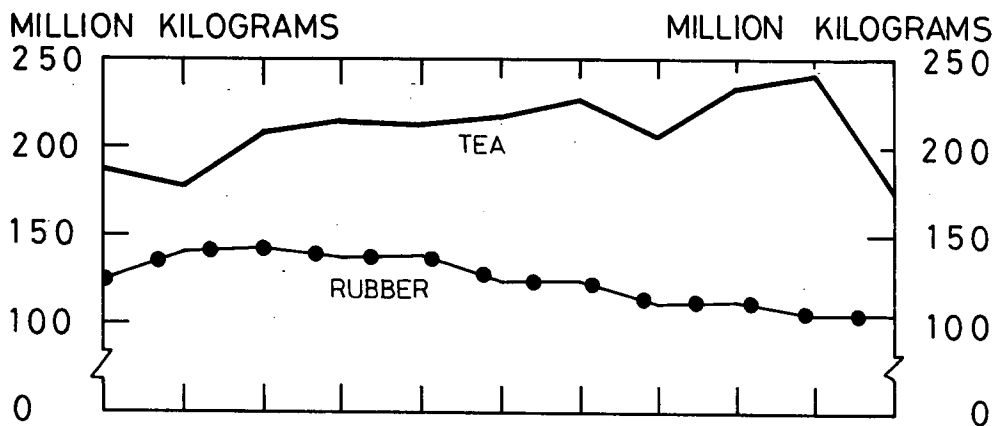
Tea production which reached a peak level of 241 million kgs. in 1991 declined drastically by 26 per cent to 179 million kgs. in 1992. This was the lowest level recorded since 1956. The prolonged drought that prevailed during early part of the year contributed to this adverse production performance. The production in all three elevational categories declined compared to the previous year. The output of low grown teas which increased by 11 per cent to 116 million kgs. in 1991 declined by 25 per cent to 87 million kgs. in 1992. The production of high grown and medium grown teas also decreased by 27 per cent and 26 per cent, respectively to 54 million kgs. and 38 million kgs. The CTC (cut, tear and curl) tea production which rose steadily during the last few years too declined by 23 per cent to 5.1 million kgs. in 1992. As in the previous year, the CTC tea accounted for only 3 per cent of the total production during 1992.

Altogether 356 tea estates consisting of 94,541 hectares belonging to the JEDB and the SLSPC were handed over to private management companies during the year. The two state plantation corporations also handed over a total of 312 tea factories to private management companies.

Fertilizer issues to the tea sector which declined by 11 per cent to 118,900 metric tons in 1991 decreased further by 8 per cent to 108,800 metric tons in 1992. Severe drought conditions that prevailed during early part of the year, as well as the depressed tea prices appears to have contributed to the reduction in fertilizer application during 1992.

The total registered extent under tea in 1992 was 221,836 hectares. This was 145 hectares higher than that of the previous year. Of the total registered extent, 28 per cent or 61,371 hectares were under smallholdings.

PRODUCTION OF PRINCIPAL AGRICULTURAL CROPS



Central Bank of Sri Lanka.

TABLE 1.9
Statistics on Tea Sector 1990 - 1992

Item	Unit	1990	1991(a)	1992(b)
1. Production	Mn.kgs.	233.2	240.7	178.9
1.1 High grown	"	76.1	73.2	53.7
1.2 Medium grown	"	51.9	51.3	37.9
1.3 Low grown	"	105.1	116.2	87.3
2. Registered Extent under Tea	'000 Hectares	222	222	222
3. Fertilizer Issues	'000 Mt. tons	134.1	118.9	108.8
4. Replanting	Hectares	1,586	1,773	1,417
5. Prices				
5.1 Colombo Net	Rs./kg.	65.72	57.13	60.51
5.2 Export f.o.b	"	91.78	84.03	81.50
6. Cost of Production	"	60.54	60.68	72.26
7. Exports	Mn. Kg.	216.0	212.4	181.7
8. Export Earnings	Rs. Mn. (SDR Mn.)	19,823.3 (364)	17,866.8 (316)	14,893.4 (241)
9. Value Added as % of GDP (c)		4.4	3.4	2.2

(a) Revised.

(b) Provisional.

(c) In growing and processing only.

Sources: Sri Lanka Tea Board;
National Fertilizer Secretariat;
Central Bank of Sri Lanka.

The total extent replanted during the year decreased by 20 per cent to 1,417 hectares, while the extent under new planting decreased by 31 per cent to 1,386 hectares in 1992.

There were no changes in the subsidy payments for replanting and new planting in different elevational categories during 1992. The total subsidy payments for new planting and replanting amounted to Rs. 32 million and Rs. 39 million, respectively during 1992. The disbursements under the Tea Factory Development Subsidy Scheme which recorded a more than three fold rise in 1991 increased by a further 18 per cent to Rs. 84 million in 1992.

The average cost of production (COP) of made tea in 1992 has been estimated at Rs. 72.26 per kg. This was an increase of 19 per cent over the COP in the previous year. The significant rise in the COP could be attributed to the substantial decrease in output on account of the unfavourable weather conditions.

Tea prices which moved in a downward direction since June 1991 showed some moderate recovery, particularly during the second half of 1992. Accordingly, the average gross price of all teas at the Colombo Auctions increased by 6 per cent to Rs 61.75 per kg. in 1992. However, the average export (f.o.b.) price of tea which declined by 8 per cent in 1991 decreased by a further 3 per cent to Rs. 81.50 per kg. in 1992. The decline in the export (f.o.b.) price inspite of an increase in the Colombo Auction price was due to the lagged effect on f.o.b. prices of teas purchased during the latter part of 1991 and the first half of 1992 when the tea prices were low.

With a view to providing relief to the tea industry, export duties were further reduced in November 1992. All export duties and the ad-valorem sales tax were completely abolished with effect from 21st December, 1992. The abolishing of the ad-valorem sales tax is expected to encourage the production of quality teas. The tea cess remained unchanged at Rs. 2.00 per kg. in 1992.

Several schemes were initiated by the Ministry of Plantation Industries during the year under review to grant relief to tea growers and factory owners who had to face severe hardships on account of the unprecedented drought conditions and the depressed prices that prevailed during the year. A relief package costing nearly Rs. 42 million, with the funds available in the Stabilization Fund for Tea (SFT), was initiated during the year under which the smallholders were paid at the rate of Rs. 10,000 per hectare to undertake replanting of the drought affected tea lands. Further, a compensation payment totalling Rs. 85 million was made to the tea small holdings for the loss of yield during the drought period from the "Tea Cess Fund".

A special loan facility of Rs. 450 million was provided to private sector tea factory owners through the commercial banks and the tea brokers as a relief measure to overcome the severe working capital problems faced by them due to falling prices and reduced intake of leaf. Fifty per cent of the interest costs on the above loan was borne by the SFT and the total commitment of the SFT on this interest subsidy would be in the region of Rs. 100 million.

Meanwhile, the Sri Lanka Tea Board introduced a subsidy scheme with a view to increasing the production of CTC teas, which has a high demand in international tea markets. Under this scheme, 70 per cent of the cost of machinery in the construction of new CTC factories is borne by the Sri Lanka Tea Board.

Rubber

Rubber production in 1992 has been provisionally estimated at 105 million kgs. which is a marginal increase of 1 per cent over the previous year. The drought conditions that prevailed in the early part of the year followed by heavy rains during June and July, shortage of tappers in some areas and the diversification of certain uneconomic rubber lands into tea in the Wet Zone were some of the factors responsible for the poor performance of rubber production.

The output of technically specified, sole crepe and unspecified grades of rubber increased in 1992. Technically specified rubber production which accounted for 17 per cent of the total output, recorded a more than two-fold increase to 18 million kgs. while the output of the sole crepe rubber rose by 20 per cent to 3 million kgs. In contrast, sheet rubber production which accounted for 42 per cent of the total output dropped by 14 per cent to 44 million kgs., while the output of scrap crepe and latex crepe decreased by 20 per cent and 10 per cent, respectively to 6 million kgs. and 26 million kgs. when compared with the previous year.

Fertilizer issues to the rubber sector amounted to 12,700 metric tons in 1992, indicating a decrease of 7 per cent over the previous year.

Although the extent under tapping increased marginally from 147,000 hectares in 1991 to 148,000 hectares, the total extent registered under rubber declined marginally by

600 hectares to 197,900 hectares in 1992. Meanwhile, the average yield recorded a marginal increase, from 706 kgs. in 1991 to 708 kgs. per hectare in 1992.

The average export (f.o.b.) price of all grades of rubber recorded an increase of 9 per cent, from Rs. 34.55 per kg. in 1991 to Rs. 37.65 per kg. in 1992. The average price of RSS1 at the Colombo Auctions rose by 24 per cent to Rs. 29.28 per kg. while the average price of RSS 2 increased by 26 per cent to Rs. 28.89 per kg. in 1992.

The rubber export duty was revised with effect from 7th November, 1992. The threshold price for taxation was increased by Rs. 2.00 per kg. to Rs. 23.00 per kg. to ensure a better producer margin to smallholders. The export duty on rubber which was reduced from 50 per cent to 30 per cent in October 1991 was abolished with effect from 22nd December, 1992.

The cost of production (COP) of rubber in the private sector including smallholdings is estimated to have increased by 7 per cent, from Rs. 19.11 per kg. in 1991 to Rs. 20.50 per kg. in 1992.

TABLE 1.10
Statistics on Rubber Sector 1990 – 1992

Item	Unit	1990	1991(a)	1992(b)
1. Production	Mn. Kgs.	113.1	103.9	105.0
2. Area				
2.1 Under cultivation	'000 Hectares	199	198.5	197.9
2.2 Under tapping	"	146.3	147.0	148.2
3. Yield	Kgs./Hectare	773	706	708
4. Fertilizer issues	'000 Mt. Tons	22.2	13.7	12.7
5. Replanting	Hectares	5,202	5,190	1,722 (c)
6. Prices				
6.1 Export f.o.b.	Rs./Kg.	35.50	34.55	37.65
6.2 Colombo RSS 1	"	22.93	23.59	29.28
7. Cost of production(d)	"	17.92	19.11	20.50
8. Exports	Mn. Kgs.	86.8	76.4	78.6
9. Domestic consumption	"	23.6	26.8	28.50
10. Export earnings	Rs. Mn. (SDR Mn.)	3,080.2 (57)	2,641.2 (47)	2,959.9 (48)
11. Value added as % of GDP (e)		1.1	1.0	1.0

(a) Revised.

(b) Provisional.

(c) Private Sector only.

(d) Weighted average cost of production of private sector estates and smallholdings.

(e) In growing and processing only.

Sources : Rubber Control Department;
National Fertilizer Secretariat;
Central Bank of Sri Lanka.

According to provisional estimates of the Rubber Control Department (RCD), the domestic consumption of rubber recorded an increase of 6 per cent to 28.5 million kgs. in 1992. This accounted for 27 per cent of the total rubber production during the year. The increased level of local consumption of rubber reflect the expansion of the rubber based manufacturing sector in the country.

Coconut

Coconut production which recorded a decline of 14 per cent in 1991 increased by 9 per cent to 2,380 million nuts in 1992. Improved coconut output could be attributed to the lagged effect of comparatively favourable weather conditions that prevailed in 1991.

The nut equivalent of DC production increased by 9 per cent, from 335 million nuts in 1991 to 365 million nuts in 1992 while the nut equivalent of coconut oil increased by 32 per cent, from 260 million nuts in 1991 to 344 million nuts in 1992. However, the nut equivalent of copra exports which recorded 38 million nuts in 1991 declined by 26 per cent to 28 million nuts while the fresh nut exports decreased by 4 per cent to 23 million nuts in 1992.

Planting activities carried out under various subsidy schemes experienced a setback in 1992 as in the previous year. The extent of coconut land rehabilitated in 1992 declined by 6 per cent to 2,873 hectares.

The extent newly planted with coconut which declined by 10 per cent in the previous year decreased by a further 37 per cent to 637 hectares during 1992. The extent under-planted and replanted which dropped by 24 per cent in 1991 declined by a further 23 per cent to 1,590 hectares in 1992. The severe drought conditions that prevailed during the early part of the year had an adverse impact on the planting activities.

The area of coconut land inter-cropped with pasture which increased by 35 per cent in the previous year, expanded by a further 30 per cent to 35 hectares in 1992. However, the extents inter-cropped with both coffee and pepper declined substantially by 88 per cent and 60 per cent, respectively to 5 hectares and 33 hectares during the year.

Fertilizer issues to the coconut sector which increased by 22 per cent in 1991, rose by a further 17 per cent to 33,800 metric tons in 1992. However, the fertilizer issued by the fertilizer stores of the Coconut Cultivation Board (CCB) dropped by 9 per cent to 1,876 metric tons during the year. The number of nurseries maintained by the CCB declined from 33 in 1991 to 27 in 1992. However, the issues of seedlings during the year increased by 23 per cent to 1.62 million seedlings.

The average fresh coconut price at the Colombo Market which rose by 57 per cent in 1991, increased by a further 33 per cent to Rs. 4.25 per nut in 1992. The average export (f.o.b.) price of the three major coconut kernel products which increased by 33 per cent in the previous year moved up by a further 46 per cent, from Rs. 4.54 per nut in 1991 to Rs. 6.61 per nut in 1992. The average cost of production per nut in 1992 estimated at Rs. 1.97 showed an increase of 16 per cent over the previous year.

The DC Mill Development Programme continued with funds made available to millers from the Mill Development Fund as well as the Cess Fund for the installation of modern machinery and equipment. With effect from 21st December, 1992 all export taxes on coconut products were abolished.

Item	Unit	1990	1991 (a)	1992(b)
1. Production (c)	Mn. nuts	2,532	2,184	2,380
1.1 Desiccated coconut	Mn. nuts (d)	376	335	365
1.2 Coconut oil	Mn. nuts (d)	598	260	344
1.3 Copra (e)	Mn. nuts (d)	36	38	28
1.4 Fresh nut exports	Mn. nuts	22	24	23
1.5 Domestic nut consumption (f)	Mn. nuts	1,530	1,552	1,620
2. Average export price f.o.b.(g)	Rs./nut	3.63	4.54	6.61
3. Fertilizer issues	'000 Mt. tons	27.80	28.80	33.8
4. Cost of production	Rs./nut	1.11	1.70	1.97
5. Replanting/Underplanting (h)	Hectares	2,724	2,057	1,589
6. New planting (h)	Hectares	1,120	1,009	637
7. Export earnings	Rs. Mn. (SDR Mn.)	2,783 (51)	2,619 (46)	3,691 (60)
7.1 Kernel products (g)	Rs. Mn. (SDR Mn.)	1,843 (34)	1,769 (31)	2,665 (43)
7.2 Other products	Rs. Mn. (SDR Mn.)	941 (17)	850 (15)	1,026 (17)
8. Value added as % of GDP (i)		1.9	2.5	3.0

National Fertilizer Secretariat;
Central Bank of Sri Lanka.

(a) Revised.

(b) Provisional.

(c) Estimated (breakdown does not add upto total production due to adjustment for changes in copra stock).

(d) In nut equivalent - converted at 1 Mt. ton DC = 6,800 nuts
1 Mt. ton Oil = 8,000 nuts and
1 Mt. ton Copra = 4,925 nuts

(e) Exports only.

(f) Estimated on the basis of per capita household consumption of 90 nuts per year. From 1991 onwards estimated at 94.8 nuts per head per annum. Excludes industrial use.

(g) Three major coconut kernel products only.

(h) This excludes planting activities undertaken on holdings less than 0.4 hectares in size owing to lack of detailed data.

(i) In producing and processing only.

Minor Export Crops

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somewhat tentative since the local consumption and stock changes are assumed to be negligible.

Export data indicate that the production of most of the important minor export crops, except cocoa, has increased in 1992 compared with the previous year. The exports of cinnamon which accounted for the largest share of total minor export crops recorded a 2 per cent increase to 10,408 metric tons in 1992 from 10,185 metric tons in the previous year. The volume of coffee, pepper and clove exports also increased by 8 per cent, 9 per cent and 7 per cent, respectively to 3,608 metric tons, 2,506 metric tons and 1,395 metric tons in 1992. However, the export volumes of cocoa recorded a 3 per cent decrease to 1,308 metric tons.

Fertilizer issues to the minor export crops sector recorded a decrease of 35 per cent to 7,200 metric tons in 1992 when compared with the previous year. During the year, the Department of Export Agriculture issued 3,497 metric tons of fertilizer to the selected minor export crops under the Fertilizer Block Demonstration Programme which promotes and encourages the application of fertilizer with regard to four selected crops, viz. pepper, coffee, cocoa and cinnamon.

According to the data provided by the Department of Export Agriculture, the extent under important minor export crops increased by 1 per cent to 66,899 hectares during 1992. The area under pepper expanded by 5 per cent to 10,502 hectares in 1992 when compared with the previous year. The extent under cocoa, coffee, and cloves also showed a marginal increase during the year under review.

The Department of Export Agriculture continued to operate the assistance scheme for the promotion of planting activities of minor export crops during 1992. However, the planting activities carried out under the Export Agriculture Crop Assistance Scheme (EAC) declined in 1992. Under EAC, the total extent newly planted and replanted decreased by 39 per cent and 33 per cent, respectively to 671 hectares and 76 hectares in 1992. The newly planted extents of coffee, pepper and cocoa, during 1992 decreased by 49 per cent, 36 per cent and 6 per cent, respectively, when compared with the previous year. The extent rehabilitated in respect of cinnamon recorded a decline of 12 per cent, from 542 hectares in 1991 to 476 hectares in 1992, while the extent rehabilitated in cocoa recorded an increase of 67 per cent, from 19 hectares to 31 hectares, during the period under review. The total amount of subsidy paid under the EAC increased by 18 per cent to Rs. 20 million in 1992.

The Mid Country Perennial Crops Development Project (PERCRODEP) which was initiated in 1989 with the assistance of the Asian Development Bank in the districts of Kegalle, Kandy, Matale, Badulla and Moneragala continued its operations in 1992. This project is intended to promote commercial farms of spices, fruits and beverage crops, improve wholesale market facilities of perennial crops which includes most of the important minor export crops, viz. pepper, nutmeg, cocoa, coffee and cardamoms, and improve the quality of produce through the introduction of better post-harvest handling and processing technologies.

Paddy

Paddy production estimated by the Department of Census and Statistics at 2.34 million metric tons (112 million bushels of paddy) in 1992 was a reduction of 2 per cent

TABLE 1.12

Statistics on Paddy Sector 1991 - 1992

Item	Unit	1991(a)			1992(b)		
		Maha	Yala	Total	Maha	Yala	Total
Gross extent sown	'000 Hectares	501	316	817	548	255	803
Credit granted	Rs. Million	512	222	734	484	134	618
Gross extent harvested	'000 Hectares	483	308	791	523	243	766
Yield per hectare (d)	Kgs.	3,620	3,048	3,398	3,512	3,252	3,428
Net extent harvested	'000 Hectares	429	274	703	464	218	682
Production	'000 Mt. tons	1,554	835	2,389	1,630	710	2,340
	('000 Bushels)	(74,485)	(39,986)	(114,471)	(78,155)	(34,029)	(112,184)
Purchases under GPS(e)	'000 Mt. tons	44	-	44	6	1	7
Rice Imports	'000 Mt. tons	-	-	132	-	-	210
(Paddy equivalent)	('000 Mt. tons)	(-)	(-)	(189)	(-)	(-)	(300)

Sources : Department of Census and Statistics;
 Department of Agriculture;
 Ministry of Agricultural Development and Research;
 Paddy Marketing Board;
 Customs, Sri Lanka;
 Central Bank of Sri Lanka.

- (a) Revised.
 (b) Provisional
 (c) The fertilizer issues during cultivation year and calender year are invariably different.
 Cultivation year comprises Maha (September/October-March/April) and Yala (April/May-August/September).
 (d) Yield per hectare for Maha and Yala are calculated using data from the Department of Census and Statistics which are based on crop cutting surveys while total yield is calculated by dividing total production by the net extent harvested.
 (e) Maha paddy harvest is purchased during the period from January to July, while Yala harvest is purchased during the period from August to December.

over the previous year. The decrease in production was wholly on account of a 15 per cent drop in production during the Yala 1992 season. Reduced extents sown and harvested during the Yala season due to the drought conditions that prevailed during early part of the year adversely affected the production performance during the year.

Paddy production in Maha 1991/92 estimated at 1.63 million metric tons (78 million bushels) was 5 per cent higher than the output of the previous Maha season. The increased production during the Maha season was inspite of a decrease in the average yield and was mainly on account of an increase in the extent sown and harvested. As in the previous year, the highest volume of production was recorded in the Kurunegala district which amounted to 224,000 metric tons accounting for nearly 14 per cent of total production during the Maha season.

Paddy production in Yala which declined by 6 per cent in 1991, decreased by a further 15 per cent to 0.71 million metric tons (34 million bushels) in Yala 1992. The drop in Yala production was attributed to the reduced extent sown and harvested because of the severe drought conditions that prevailed during early part of the year. However, the average yield during Yala 1992 was higher than that of the previous Yala season.

The annual average yield per hectare in 1992 estimated at 3,428 kgs. was marginally higher than the average yield in the previous year. The average yield during the Maha 1991/92 season dropped by 3 per cent to 3,512 kgs. per hectare compared to the previous Maha season, while the average yield in the Yala season increased by 7 per cent to 3,252 kgs. per hectare. The Uda Walawe area regained its premier position and recorded the highest average yield of 5,005 kgs. per hectare relegating the Mahaweli "H" area to second place. The Uda Walawe area also recorded the highest average yield during the Yala season for the seventh consecutive year.

During Maha 1991/92, the average yield of the rainfed areas increased by 3 per cent while the average yields of the major and minor irrigated areas declined by 3 per cent and 12 per cent, respectively. The average yields of all three categories increased during Yala 1992, compared to the previous Yala season. Accordingly, the average yields of the rainfed and minor irrigated areas increased by 22 per cent and 9 per cent, respectively during Yala 1992 while the average yield of the major irrigated areas rose marginally, compared to the previous Yala season.

The total gross extent sown with paddy which declined by 5 per cent in the previous year, decreased by a further 2 per cent to 803,250 hectares during 1992. The gross extent sown during Maha 1991/92 increased by 10 per cent to 548,190 hectares while the gross extent sown during the Yala season declined by 19 per cent to 255,060 hectares.

The total gross extent harvested which declined by 5 per cent in 1991 decreased by a further 3 per cent to 766,106 hectares in 1992. However, the gross extent harvested during Maha 1991/92 increased by 8 per cent to 522,786 hectares, while that of Yala declined substantially by 21 per cent, resulting in an overall decline for the year. The degree of crop failure which registered 4 per cent during Maha 1990/91, increased to 5 per cent during the Maha 1991/92 season, while the crop failure in Yala also increased from 3 per cent in 1991 to 5 per cent in 1992.

According to the National Fertilizer Secretariat, fertilizer issues to the paddy sector in 1992 has risen by 8 per cent to 193,000 metric tons over the issues in the previous year.

Paddy purchases by the Paddy Marketing Board (PMB) during 1992 were only 7,000 metric tons. This was less than 1 per cent of the total production. The guaranteed price of paddy remained unchanged at Rs. 136 per bushel in 1992.

Credit granted to the paddy sector under the New Comprehensive Rural Credit Scheme which recorded a two-fold increase in 1991, decreased by 16 per cent to Rs. 618 million in 1992. The total loans granted by the Agricultural Trust Fund (ATF) during the Maha 1991/92 and the Yala 1992 seasons amounted to Rs. 49 million. This was 16 per cent less than the amount granted in the previous year. From Yala 1992 onwards, it has been decided to limit the operation of the ATF to rainfed and minor irrigated areas with a view to focusing attention on the most needy of the farming population.

Rice imports during 1992 increased by 59 per cent to 210,000 metric tons compared to imports in the previous year.

Sugar

Sugar production which recorded a peak production level of 66,450 metric tons in 1991, declined by 10 per cent to 59,700 metric tons in 1992. The severe drought conditions that prevailed during the year reduced the availability of cane for crushing resulting in a considerable drop in the output of sugar. The decline in production was mainly reflected in a 22 per cent drop in production at Pelwatte, from 43,964 metric tons in 1991 to 34,217 metric tons and a 7 per cent drop in production at Kantale, from 2,558 metric tons in 1991 to 2,387 metric tons in 1992. However, during the year under review the production at Sevanagala increased by 27 per cent to 13,576 metric tons, while that at Hingurana rose marginally by 2 per cent to 9,520 metric tons, compared to the previous year.

After two consecutive years of increased production, the sugar output at Pelwatte declined in 1992. As a result, the Pelwatte factory which accounted for 66 per cent of the total sugar production in the country in 1991 decreased its share to 57 per cent in 1992. For the third consecutive year, the production at Sevanagala increased and in 1992 the Sevanagala factory accounted for 23 per cent of the total sugar production in the country.

Both the increased quantity of cane crushed as well as an improvement in the recovery rate contributed to increased production of sugar at Sevanagala. The production at Pelwatte declined in spite of an improvement in the recovery rate, mainly on account of the reduced availability of cane. The quantity of cane crushed at Pelwatte declined substantially by 27 per cent to 409,727 metric tons in 1992. Sugar recovery rates at Hingurana and Kantale declined compared to the previous year. However, the overall sugar recovery rate at the four factories improved from 7.81 per cent in 1991 to 8.17 per cent in 1992. For the third consecutive year, Sevanagala recorded the best recovery rate at 9.23 per cent compared to 8.63 per cent in the previous year.

During 1992 the total extent under sugar cane, including the ratoonnings managed by the four sugar companies along with their allottees, increased by 12 per cent to 14,517 hectares. The area under cane at Sevanagala which rose by 44 per cent in the previous year increased by a further 33 per cent to 3,777 hectares in 1992. The extent under cane at Pelwatte also increased by 5 per cent to 6,007 hectares.

The overall average yield of sugar cane in the four factories dropped by 17 per cent to 48.7 metric tons per hectare. Except at Hingurana, the average yields of all the other

TABLE 1.13

Statistics on Sugar Production 1991 – 1992

Item	Unit	Hingurana Sugar Factory		Kantale Sugar Factory		Sevanagala Sugar Factory		Pelwatte Sugar Factory		Total	
		1991	1992(b)	1991	1992(b)	1991	1992(b)	1991	1992(b)	1991	1992(b)
1. Total area under cane(with ratoons)(a)	Hectares	2,396	2,538	1,988	2,195	2,845	3,777	5,707	6,007	12,936	14,517
2. Area harvested (a)	Hectares	1,811	1,867	923	1,333	1,335	2,090	4,220	5,241	8,289	10,531
3. Cane harvested (a)	Mt.tons	89,043	96,419	34,894	34,912	121,702	146,207	238,086	234,968	483,725	512,506
4. Private cane purchased	Mt.tons	45,896	42,995	6.0	—	661	848	320,536	174,759	367,099	218,602
5. Quantity of cane crushed	Mt.tons	134,939	139,414	34,900	34,912	122,363	147,055	558,622	409,727	850,824	731,108
6. Average yield (a)	Mt.tons/ Hectare	49.17	51.64	37.80	26.19	91.16	69.96	56.42	44.83	58.36	48.67
7. Sugar production (without sweepings)	Mt.tons	9,374	9,520	2,558	2,387	10,554	13,575	43,964	34,217	66,450	59,700
8. Sugar recovery rate	%	6.94	6.83	7.33	6.84	8.63	9.23	7.87	8.35	7.81	8.17

(a) Includes nucleus estates and the allottees.

(b) Provisional.

Sources : Pelwatte Sugar Industries Ltd;
Kantale Sugar Industries Ltd;
Sevanagala Sugar Industries Ltd;
Hingurana Sugar Industries Ltd.

3 factories recorded substantial decreases of 21 per cent, 23 per cent and 31 per cent, respectively at Pelwatte, Sevanagala and Kantale. Hingurana recorded a 5 per cent increase compared to the previous year.

The total extent of sugar cane harvested by the four companies increased substantially by 27 per cent to 10,531 hectares in 1992. The extents harvested at Sevanagala, Kantale and Pelwatte increased by 57 per cent, 44 per cent and 24 per cent, respectively to 2,090 hectares, 1,333 hectares and 5,241 hectares.

Although the total extent of cane harvested by the four companies increased substantially, the quantity of cane harvested increased only by 6 per cent to 512,506 metric tons. The quantity of cane harvested at Sevanagala which rose by 6 per cent in 1991 increased by a further 20 per cent to 146,207 metric tons in 1992. In spite of a 24 per cent increase in the extent harvested at Pelwatte, the quantity of cane harvested decreased by 1 per cent to 234,968 metric tons. This decline in the quantity of cane harvested was mainly on account of the severe drought which affected the crop at Pelwatte. The quantity of cane harvested at Hingurana increased by 8 per cent to 96,419 metric tons while the quantity harvested at Kantale showed a marginal rise to 34,912 metric tons.

The quantity of cane supplied by private cultivators to factories which recorded substantial increases in 1990 and 1991 declined by 40 per cent to 218,602 metric tons in 1992. The quantity of cane purchased from private growers at Sevanagala increased by 28 per cent to 848 metric tons while the purchases at Pelwatte declined substantially by 45 per cent to 174,759 metric tons. The private cane purchases at Hingurana too declined by 6 per cent to 42,995 metric tons during 1992. Pelwatte accounted for 80 per cent of all the private cane purchased by the four factories.

Minor Food Crops

Except for a few high value crops such as potatoes, chillies and onions which are intensively cultivated in irrigated areas, most of the other minor food crops are cultivated in small scattered plots or home gardens under rainfed conditions. This manner of cultivation of minor food crops has rendered extremely difficult the collection of reliable data on area under cultivation and production. Therefore, any analysis of the performance of minor food crops are based on tentative estimates.

According to data provided by the Ministry of Agricultural Development and Research, the performance of the minor food crops sector during 1992 had been rather mixed. The production of big onions, red onions, kurakkan and potatoes recorded increases of 28 per cent, 13 per cent, 10 per cent and 9 per cent respectively, compared to the production in the previous year. This significant expansion in production was mainly attributed to increased extents under these crops.

Meanwhile, the production of green gram, soyabean, chillies, gingelly and black gram recorded decreases of 35 per cent, 30 per cent, 29 per cent, 28 per cent and 19 per cent, respectively during the year under review. This substantial decline in the output of these crops was due both to reduced average yield and lesser extent under cultivation.

Fertilizer issues to the minor food crops sector declined by 14 per cent to 43,600 metric tons during 1992.

TABLE 1.14
Floor Price Scheme for Subsidiary Food Crops

(Rs. per kg.)

Crop	From 1st January, 1992 To 31st December, 1992
Maize	5.25
Kurakkan	5.00
Groundnut (with shell)	8.15
Soyabean	7.30
Gingelly	
Black	8.00
White	9.90
Chillies (dried)	
Chillies I	32.00
Chillies II	30.00
Cowpea	9.00
Greengram	12.00
Blackgram	7.50

Source : Ministry of Agricultural Development and Research.

The floor price scheme operated by the Paddy Marketing Board (PMB) was in operation in respect of 9 selected minor food crops during 1992. These prices, however, remained at the same level as in the previous year.

The purchase of maize by the PMB in 1992 declined by 47 per cent to 49 metric tons when compared with the previous year. Meanwhile, the purchases of potatoes by the Co-operative Wholesale Establishment (CWE) increased from 2 metric tons in 1991 to 73 metric tons in 1992, while the purchases of big onions recorded a three-fold increase to 4,401 metric tons. The purchases of green gram by the CWE rose by 29 per cent to 2,824 metric tons in 1992. Consequent to a shortfall in the production of chillies, the CWE imported 6,985 metric tons of dried chillies during 1992. Meanwhile, the import of big onions by the CWE decreased by 27 per cent to 35,507 metric tons in 1992 due to an increase in output.

FISH AND LIVESTOCK

The Ministry of Fisheries and Aquatic Resources has provisionally estimated fish production in 1992 at 206,168 metric tons, indicating an increase of 4 per cent when compared with the production in the previous year. This was mainly due to an improvement of the security situation in the Eastern province, the development activities initiated by the Ministry of Fisheries and Aquatic Resources by using more multi-day boats and the substantial increases in subsidy payments under the various subsidy schemes includes subsidy under the disbursement of loans under Agriculture Rehabilitation Credit (ARC) Scheme.

Coastal fishery sector accounting for 79 per cent of the total fish production raised its production from 159,151 metric tons in 1991 to 163,168 metric tons in 1992. Fish production of the off-shore sub-sector rose by 46 per cent to 22,000 metric tons. In contrast, the output of inland fisheries sector declined by 12 per cent to 21,000 metric tons. As in the past, the private sector continued to account for a major share of total fish

TABLE 1.15
Fish Production 1988 - 1992

					Mt. tons
Sub-Sector	1988	1989	1990	1991	1992(a)
Coastal	155,099	157,411	134,132	159,151	163,168
Deep Sea and Off-shore	4,425	8,155	11,666	15,080	22,000
Inland	38,012	39,720	31,265	23,832	21,000
Total	197,536	205,286	177,063	198,063	206,168

(a) Provisional.

Source : Ministry of Fisheries and Aquatic Resources.

production. The total fish supply of the Ceylon Fisheries Corporation (CFC) in 1992 estimated at 1,893 metric tons showed a 2 per cent decrease over the previous year. Ice production of the CFC at 5,032 metric tons was 16 per cent lower than the production in 1991.

The work in respect of several special fisheries development projects continued in 1992. These comprised the East Coast Fishery Development Project and the West Coast Fishery Development Project.

The subsidy payment for the issue of new boats and for mechanization of traditional crafts in the marine fishery sector increased by 85 per cent to Rs. 61 million in 1992 as compared with Rs. 33 million in 1991. Under various subsidy schemes, 779 boats and 1,614 traditional crafts were issued to the marine sector in 1992. During the year, the management of fisheries activities improved mainly through Fisheries Co-operative Societies. The number of Fisheries Co-operative Societies (FCSS) formed in 1992 increased by 2 per cent to 806. As a result, the total membership of FCSS moved up from 75,000 in 1991 to 83,627 in 1992. Despite the increase in the level of production, the average prices of all varieties of fish increased during 1992.

The Department of Census and Statistics has provisionally estimated milk production, excluding production in the Kilinochchi, Mannar, Vavuniya, Mullaitivu and Trincomalee districts, in 1992 at 302 million litres, an increase of 8 per cent over the preceding year. The volume of milk collected by the milk industries of Lanka Co. Ltd. (MILCO) was 49 million litres in 1992, showing an increase of 4 per cent compared with 1991. In contrast, the milk collection of the Nestle Lanka Limited at 34 million litres recorded a substantial decrease of 30 per cent compared to 1991. The producer price of milk remained unchanged at Rs. 8.50 per litre in 1992 as well.

The Department of Census and Statistics has provisionally estimated egg production (excluding Kilinochchi, Mannar, Vavuniya, Mullaitivu and Trincomalee districts) in 1992 at 794 million, showing a marginal increase of 1 per cent over the previous year.

According to tentative data provided by the major feed producers, the total animal feed production, increased by 33 per cent to 179,647 metric tons during 1992 due to higher demand attributed to expansion in the livestock industry.

FERTILIZER

The total fertilizer issues to the different crop sectors during the year 1992 increased by 1 per cent to 459,400 metric tons when compared with the comparable period of the previous year. Issues to the paddy sector which accounted for the largest share of 42 per cent of total issues increased by 8 per cent. Issues to coconut sector also rose by 17 per cent during the period under review. In contrast, fertilizer issues to tea, rubber, minor food crops and minor export crops sectors dropped by 8 per cent, 7 per cent, 14 per cent and 35 per cent, respectively.

The amount of fertilizer issued by the public sector which accounted for 66 per cent of the total, decreased by 14 per cent to 301,542 metric tons in 1992, due mainly to significantly lower issues by the Janatha Fertilizer Enterprises Ltd. and Ceylon Fertilizer Company Ltd. In contrast, the volume of fertilizer issued by private sector wholesalers recorded a five fold increase to 157,841 metric tons during the year.

TABLE 1.16
Fertilizer Issues by Crops 1989 - 1992

Crop	'000 Mt. tons			
	1989	1990	1991	1992(a)
1. Paddy	238.1	161.2	179.3	193.3
2. Tea	127.9	134.1	118.9	108.8
3. Rubber	22.6	22.2	13.7	12.7
4. Coconut	38.5	23.6	28.8	33.8
5. Minor Food Crops	28.7	46.3	50.7	43.7
6. Minor Export Crops	5.6	7.6	11.1	7.2
7. Others	60.9	42.1	51.2	59.9
Total	522.3	437.1	453.7	459.4

(a) Provisional.

Source : National Fertilizer Secretariat.

According to the National Fertilizer Secretariat the total quantity of fertilizer imported in 1992 amounted to 369,619 metric tons, recording a decrease of 4 per cent over 1991. The Ceylon Fertilizer Company Ltd., which has been the main fertilizer importer in the past, continued to dominate fertilizer imports during 1992 as well. The import of Urea which is the most popular fertilizer item recorded a substantial decrease of 28 per cent to 130,860 metric tons in 1992. The import of Sulphate of Ammonia fell marginally to 92,565 metric tons, while Muriate of Potash imports increased by 16 per cent to 76,084 metric tons in 1992.

The fertilizer prices remained stable almost throughout the year. The total stock of fertilizer available with the wholesalers which stood at 147,029 metric tons at the beginning of the year, depleted to 92,821 metric tons by 31st December, 1992. The increase in the fertilizer issues in the context of a fall in imports resulted in the reduced stock position by the end of the year.

TABLE 1.17

Issues of Fertilizer by Wholesalers 1991 – 1992

Sector	1991		1992(a)		% Change in Quantity
	Quantity (Mt. tons)	%	Quantity (Mt. tons)	%	
1. Public Sector	349,149	78	285,307	62	- 19.9
1.1 Ceylon Fertilizer Corporation	(201,262)	(45)	(166,655)	(36)	- 17.2
1.2 Janatha Fertilizer Enterprise Ltd.	(101,187)	(21)	(68,671)	(15)	- 32.1
1.3 Colombo Commercial Fertilizers Ltd.	(53,772)	(12)	(49,981)	(11)	- 7.1
2. Private Sector	96,650	22	174,076	38	+ 78.4
2.1 A. Baur & Co. Ltd.	(49,538)	(11)	(60,528)	(13)	+ 22.2
2.2 Others-	(47,112)	(11)	133,548	(25)	+136.5
T O T A L	453,770	100	459,383	100	+ 1.2

(a) Provisional.

Source : National Fertilizer Secretariat.