# AGRICULTURE

## OVERALL TRENDS

The agricultural sector which experienced a strong recovery in 1993 improved further, on account of favourable weather, during 1994 with tea, paddy and sugar reporting the highest ever production levels recorded so far. Tea production increased by 4 per cent to record a peak production of 242 million kg. Meanwhile, rubber production in 1994, at 105 million kg., indicated a marginal improvement over the previous year. Paddy production in 1994, which increased by 4 per cent over the production in 1993, surpassed the previous highest level of production recorded in 1985 by 23,000 metric tons. Sugar production rose by 5 per cent over the previous year. The output of most minor export crops and minor food crops recorded an improved performance in 1994.

A significant policy measure adopted during 1994 was the re-introduction of the fertilizer subsidy after a lapse of nearly five years.

## MAJOR EXPORT CROPS

### Tea

Tea production reached a level of 242 million kg. in 1994 indicating an increase of 4 per cent over the production of the previous year. This was the highest ever production recorded so far. Favourable weather conditions that prevailed during the year under review coupled with better management, contributed to the improved performance. The output of low grown teas, which increased by 28 per cent to 112 million kg. in 1993, further rose by 5 per cent to 118 million kg. in 1994. The output of high grown teas rose by 6 per cent to record 77 million kg., while that of medium grown teas virtually remained at the 1993 level. Meanwhile, the CTC (cut, tear and curl) tea production expanded by 40 per cent to 11.2 million kg. in 1994. Consequently, the share of CTC teas increased to 4 per cent of the total production in 1994 from 3 per cent in 1993.

Fertilizer usage in the tea sector which increased significantly to 147,200 metric tons in 1993, declined to 131,000 metric tons in 1994.

The subsidy rates for new planting in the three elevational categories remained at Rs.36,000 per hectare during 1994. Meanwhile replanting subsidy rates too remained at Rs.57,000 per hectare for low elevation areas and at Rs.67,000 per hectare for high and medium elevations. The total extent replanted and newly planted decreased by 5 per cent and 10 per cent, respectively, to 1,239 hectares and 1450 hectares in 1994. The total subsidies disbursed by the Tea Small Holdings Development Authority (TSHDA) during the year for replanting increased by 13 per cent to Rs.33 million, while subsidies for new planting declined by 16 per cent to Rs.42 million. Meanwhile, disbursements under the Tea Factory Development Subsidy scheme declined further by 54 per cent to Rs.21 million in 1994.

The Sri Lanka Tea Board continued to operate the subsidy scheme introduced in 1992 for factory modernisation for the production of CTC teas, under which 70 per cent (85 per cent in the case of factories located in medium elevation areas) of the cost of machinery is subsidised. In addition, an incentive of 15 per cent of the cost of CTC machines was granted to factories which installed such machinery and commissioned production of CTC teas on or before 1st October, 1994. The payment was made only after three months of continuous production from the date of commencement.

The average cost of production (COP) of made tea in 1994 has been estimated at Rs. 73.83 per kg., a decrease of 3 per cent over the COP of the previous year.

## TABLE 1.9
## Statistics of the Tea Sector 1992 – 1994

| Item | Unit | 1992 | 1993(a) | 1994(b) |
|---|---|---|---|---|
| 1. Production | mn. kg. | 178.9 | 231.9 | 242.2 |
| 1.1 High grown | ,, | 53.7 | 72.6 | 76.7 |
| 1.2 Medium grown | ,, | 37.9 | 47.2 | 47.4 |
| 1.3 Low grown | ,, | 87.3 | 112.1 | 118.1 |
| 2. Registered extent under tea | '000 hectares | 222 | n.a.(d) | n.a.(d) |
| 3. Fertilizer used | '000 Mt. Tons | 110.2 | 147.2 | 131.0 |
| 4. Replanting | hectares | 1,417 | 1,311 | 1,239 |
| 5. Prices | | | | |
| 5.1 Colombo (net) | Rs./kg. | 60.51 | 68.88 | 65.12 |
| 5.2 Export (f.o.b.) | ,, | 81.98 | 91.16 | 91.32 |
| 6. Cost of production | ,, | 72.26 | 75.81 | 73.83 |
| 7. Exports | mn. kg. | 181.7 | 218.4 | 229.6 |
| 8. Export earnings | Rs. mn. (SDR mn.) | 14,893.4 (241) | 19,911.1 (296) | 20,963.7 (296) |
| 9. Value added as % of GDP (c) | | 2.0 | 2.4 | 2.3 |

(a) Revised.
(b) Provisional.
(c) In growing and processing only.
(d) Tea Commissioner has terminated the registration of new extents under tea from 1st January, 1993 onwards.

*Sources*: Sri Lanka Tea Board, National Fertilizer Secretariat and Central Bank of Sri Lanka.

The average gross price of all teas at the Colombo Auctions declined by 5 per cent to Rs.65.12 per kg. in 1994 from Rs.68.88 per kg. in 1993. However, the average export (f.o.b.) price increased marginally to Rs.91.32 per kg.. The low prices at the Colombo Tea Auctions and the resulting continuous negative profit margins for the fourth successive year were very much a cause for concern amongst tea growers and manufacturers. The private sector that dominated the low growns was affected the most. The Government in consideration of these unfavourable price trends, appointed a Special Presidential Commission of Inquiry to investigate into the declining prices realized at the Colombo Tea Auctions.

The tea cess remained unchanged at Rs.2.00 per kg. during 1994. The total cess collected during the year increased by 5 per cent to Rs.469 million, from Rs.446 million in the previous year.

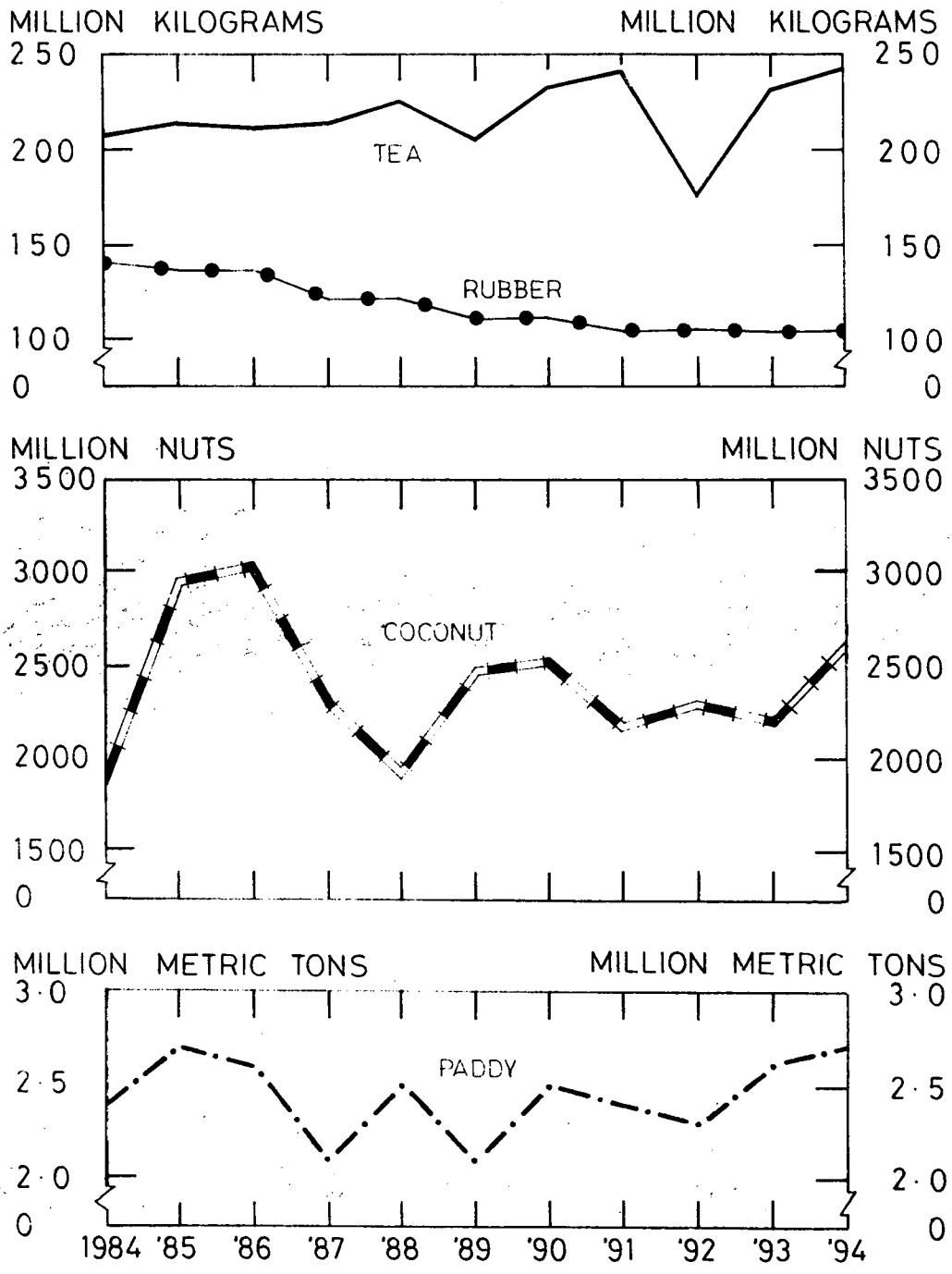
### Rubber

Rubber production in 1994 is estimated at 105 million kg. reflecting a 1 per cent growth over the previous year.

The output of sheet and crepe rubber increased during the year. Sheet rubber, which accounted for 42 per cent of the total output, increased by 1 per cent to 44 million kg. while the output of crepe rubber rose by 4 per cent to 35 million kg. In contrast, technically specified rubber production declined by 6 per cent to 13 million kg.

The total quantity of fertilizer used by the rubber sector amounted to 16,700 metric tons in 1994, indicating a decrease of 7 per cent over the previous year.

## PRODUCTION OF PRINCIPAL AGRICULTURAL CROPS




Central Bank of Sri Lanka.

The total extent registered under rubber decreased marginally by 794 hectares to 191,554 hectares in 1994, while the extent under tapping increased by 4 per cent to 151,600 hectares. During the year, 1,374 hectares were replanted by the small holders, as against 2,084 hectares replanted in the previous year. The extent newly planted in 1994 also declined by 40 per cent to 538 hectares. Following the reduced extents replanted and newly planted during the year, the amount of subsidy disbursed for replanting fell by 38 per cent to Rs.65 million while the subsidy disbursed for new planting declined by 32 per cent to Rs.22 million when compared with 1993.

The average yield of rubber dropped from 714 kg. per hectare in 1993 to 692 kg. per hectare in 1994. The decline in the yield was due to a loss of tapping days caused by a shortage of experienced tappers.

The average export (f.o.b.) price of all grades of rubber recorded an increase of 17 per cent from Rs.44.34 per kg. in 1993 to Rs.51.81 per kg. in 1994. The annual average price of RSS1 at the Colombo Auctions rose by 42 per cent to Rs. 50.48 per kg., while the average price of RSS2 increased by 47 per cent to Rs.49.57 per kg. in 1994. Average monthly price started improving at the Colombo Auction from September onwards and recorded an all time high of Rs.66.17 per kg. in December 1994.

**TABLE 1.10**

**Statistics of the Rubber Sector 1992 – 1994**

| Item | Unit | 1992 | 1993(a) | 1994(b) |
|---|---|---|---|---|
| 1. Production | mn. kg. | 106.1 | 104.2 | 105.0 |
| 2. Area | | | | |
| 2.1 Under cultivation | '000 hectares | 194.6 | 192.3 | 191.6 |
| 2.2 Under tapping | " | 146.3 | 145.9 | 151.6 |
| 3. Yield | kg./hectare | 725 | 714 | 692 |
| 4. Fertilizer used | '000 Mt. Tons | 13.1 | 17.9 | 16.7 |
| 5. Replanting | hectares | 3,918 | 2,084(c) | 1,374(c) |
| 6. Prices | | | | |
| 6.1 Export (f.o.b.) | Rs./kg. | 37.65 | 44.34 | 51.81 |
| 6.2 Colombo (RSS 1) | " | 29.28 | 35.48 | 50.48 |
| 7. Cost of production(d) | " | 20.50 | 23.00 | 24.90 |
| 8. Exports | mn. kg. | 78.6 | 69.6 | 69.1 |
| 9. Domestic consumption | " | 28.8 | 32.9 | 34.0 |
| 10. Export earnings | Rs. mn. (SDR mn.) | 2,959.9 (48) | 3,086.3 (46) | 3,582.2 (51) |
| 11. Value added as % of GDP (e) | | 1.0 | 0.7 | 0.9 |

(a) Revised.
(b) Provisional.
(c) Small holders only
(d) Weighted average cost of production of private sector estates and smallholdings.
(e) In growing and processing only.

*Sources :* Rubber Development Department, National Fertilizer Secretariat and Central Bank of Sri Lanka.

According to the Rubber Development Department, the cost of production of rubber in the private sector including smallholdings is provisionally estimated to be Rs.24.90 per kg. in 1994, an increase of 8 per cent when compared with the previous year.

The domestic consumption of rubber, which has been steadily increasing since 1985, recorded a further increase of 3 per cent to 34 million kg. in 1994 and accounted for 32 per cent of the total production during the year. A significant improvement in the activities of the rubber-based manufacturing sector was the major contributory factor for the higher level of local consumption of rubber during the year.

With a view to ensuring a more efficient service to rubber smallholders, the Rubber Development Department was established on 1st June 1994 by amalgamating the Rubber Control Department and the Advisory Services Department of the Rubber Research Board of Sri Lanka.

## Coconut

Coconut production provisionally estimated at 2,610 million nuts in 1994, was 21 per cent higher than the production in the previous year. This is the highest level of production recorded since 1986. The increase in nut production may be attributed to the lagged effect of the favourable weather conditions that prevailed during 1993.

Following increased nut production, the nut equivalent of desiccated coconut production increased by 41 per cent to reach 380 million nuts, the highest on record since 1986. The nut equivalent of coconut oil production, which has followed a declining trend since 1990, improved significantly with a near three-fold increase to register 480 million nuts in 1994. The nut equivalent of copra exports and the exports of fresh nut too increased by 29 per cent and 18 per cent, respectively to 31 million and 26 million nuts in 1994. Domestic nut consumption has been estimated to have increased by 1 per cent to 1,687 million nuts, accounting for 65 per cent of the total production in 1994.

All planting activities carried out under the various subsidy schemes, except new planting, experienced a setback for the fourth consecutive year. The extent newly planted in 1994 increased by 45 per cent to 657 hectares. In contrast, the extents rehabilitated and replanted declined by 53 per cent and 46 per cent, respectively, to 1,062 hectares and 842 hectares.

According to the regulations imposed in the second half of 1993, the extents under-planted do not qualify for the replanting subsidy unless the old stand of coconut trees is completely uprooted within the first stage of establishing the new stand. The reluctance on the part of growers to uproot the old stand led to a decline in the extents qualifying for the replanting subsidy.

The extent of coconut land inter-cropped during the year showed a five-fold increase to 854 hectares. This phenomenal increase was achieved as a result of an increase in the range of crops which qualify for the inter-cropping subsidy.

Fertilizer used in the coconut sector declined by 14 per cent to 30,200 metric tons in 1994. However, the issues by the fertilizer stores of the Coconut Cultivation Board (CCB) increased by 22 per cent to 2,085 metric tons during the year. The number of nurseries maintained by the CCB remained unchanged at 29. The number of coconut seedlings issued by these nurseries, which recorded an increase of 7 per cent in 1993, rose by a further 37 per cent to 2.36 million seedlings in 1994.

The average wholesale price of fresh coconuts in the Colombo market dropped by 22 per cent to Rs.3.67 per nut in 1994 in response to the increased nut production. The average export (f.o.b.) price of the three major kernel products, which dropped by 2 per cent in the previous year, recorded a further 10 per cent drop to Rs.5.67 per nut in 1994. However, export earnings from kernel

## TABLE 1.11

## Statistics of the Coconut Sector 1992 – 1994

| Item | Unit | 1992 | 1993(a) | 1994(b) |
|---|---|---|---|---|
| 1. Production (c) | mn. nuts | 2,296 | 2,164 | 2,610 |
| 1.1 Desiccated coconut | mn. nuts (d) | 365 | 269 | 380 |
| 1.2 Coconut oil | mn. nuts (d) | 242 | 176 | 480 |
| 1.3 Copra (e) | mn. nuts (d) | 29 | 24 | 31 |
| 1.4 Fresh nut exports | mn. nuts | 25 | 22 | 26 |
| 1.5 Domestic nut consumption (f) | mn. nuts | 1,635 | 1,668 | 1,687 |
| 2. Average export price f.o.b.(g) | Rs./nut | 6.47 | 6.31 | 5.67 |
| 3. Fertilizer used | '000 Mt. Tons | 34.3 | 35.1 | 30.2 |
| 4. Cost of production | Rs./nut | 1.97 | 2.03 | 2.09 |
| 5. Replanting/Underplanting (h) | hectares | 1,589 | 1,553 | 842 |
| 6. New planting (h) | hectares | 637 | 452 | 657 |
| 7. Export earnings | Rs.mn. (SDR mn.) | 3,691 (60) | 2,796 (41) | 3,761 (53) |
| 7.1 Kernel products (g) | Rs. mn. (SDR mn.) | 2,665 (43) | 1,847 (27) | 2,476 (35) |
| 7.2 Other products | Rs. mn. (SDR mn.) | 1,026 (17) | 949 (14) | 1,285 (18) |
| 8. Value added as % of GDP (i) | | 3.1 | 2.6 | 2.4 |

(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 94.8 nuts per year. 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.

*Sources :* Coconut Cultivation Board, Coconut Development Authority, National Fertilizer Secretariat and Central Bank of Sri Lanka.

products increased by 30 per cent to SDR 35 million compared with SDR 27 million earned in 1993. The export earnings from other coconut products too increased by 29 per cent to SDR 18 million in 1994. Meanwhile, the average cost of production which increased by 3 per cent in 1993 rose by a further 3 per cent to Rs.2.09 per nut in 1994.

Under the D.C. Mill Development Programme, a further sum of Rs.3 million was disbursed among eight millers during the year. In 1994, another 480 hectares of newly planted coconut were insured under the insurance scheme initiated by the Agricultural Insurance Board in collaboration with the CCB in 1993.

## OTHER AGRICULTURAL PRODUCTS

### Minor Export Crops

Minor export crops consist of a wide range of economically important spice and beverage crops. These crops are mainly grown as mixed crops in home gardens and in smallholdings. It is therefore difficult to obtain accurate data on the extent under these crops or their production levels. However, given the fact that the bulk of the output of these crops is exported, export volumes are used as a proxy for production. The production estimates of minor export crops are somewhat tentative since the local consumption and stock change are assumed to be negligible.

According to the Department of Export Agriculture, the production of most of the important minor export crops, except coffee and cardamoms, more or less remained unchanged when compared with the previous year. Coffee production which recorded a 39 per cent decline in the previous year improved significantly by 83 per cent to reach 3,687 metric tons in 1994. The improvement in coffee production is attributed to the favourable weather conditions and the enhanced application of fertilizer in 1994. Cardamom production which declined by 30 per cent in 1993, recorded a 33 per cent increase to 40 metric tons in 1994. However, cardamom production has been on a declining trend since 1990, mainly due to the restriction imposed on commercial cultivation activities in forest lands above an elevation of 1,062 meters. Nearly 60 per cent of the area under cardamom is situated in these restricted areas. The output of cinnamon quills recorded a 2 per cent growth to 9,696 metric tons, while the output of cocoa too increased marginally to 1,463 metric tons. The output of cloves and nutmeg remained unchanged at the 1993 level. Pepper, which recorded peak production in 1993, recorded a marginal drop in output to 4,694 metric tons in 1994. The drop in production has been attributed to a physiological strain on the plants after heavy bearing in the previous season.

Fertilizer used in the Minor Export Crops sector, which declined during the past two years, recorded a further decline by 21 per cent to 5,500 metric tons in 1994. Fertilizer issues by the Department of Export Agriculture under the Fertilizer Block Demonstration Programme declined by 66 per cent to 424 metric tons, largely due to a 43 per cent drop in the number of farmers who participated in this Programme during 1994.

According to the estimates of the Department of Export Agriculture, the total extent under important minor export crops rose by 1 per cent to 68,315 hectares in 1994. Pepper and cocoa together accounted for almost the entire increase in extent during the year. The extent under pepper which rose by 5 per cent in the previous year recorded a further 4 per cent increase to 11,517 hectares in 1994. Meanwhile, the extent under cocoa rose by 3 per cent to 8,039 hectares during the year.

There was an improved performance in the replanting and new planting activities of the Minor Export Crops sector in 1994 when compared with the previous year. The total extent replanted during the year increased by 34 per cent to 138 hectares, while the extent newly planted rose by 23 per cent to 793 hectares. However, the extent rehabilitated under cinnamon and cocoa, which declined by 63 per cent in 1993, recorded a further 65 per cent decrease to 118 hectares in 1994.

The Mid Country Perennial Crops Development Project (PERCRODEP), a credit-subsidy scheme initiated in 1989 with the assistance of the Asian Development Bank, in the districts of Kegalle, Kandy, Matale, Badulla and Moneragala, was in its fifth year of implementation in 1994. During the year, three new districts were brought under the scheme, viz. Puttalam, Gampaha and Kurunegala. The project intends to increase commercial production and productivity of perennial crops which includes most of the important minor export crops. The total amount of loans disbursed under the project during the year was Rs.144 million as against Rs.41 million disbursed in 1993. The total extent of land that benefited under the scheme in 1994 was 1,842 hectares com-

pared to 598 hectares in the previous year. The total amount of loans disbursed under this scheme as at the end of 1994 amounted to Rs.250 million, benefiting a total extent of 4,078 hectares.

In 1994, a new scheme was introduced to encourage the hitherto neglected vanilla and arecanut cultivation by providing planting materials and the technical know-how for small and large scale cultivation of these crops.

## DOMESTIC AGRICULTURE

### Paddy

Paddy production, provisionally estimated by the Department of Census and Statistics, at 2.68 million metric tons (129 million bushels) in 1994, was an increase of 4.4 per cent over the production of the previous year. This is the highest production level recorded so far, surpassing the previous peak production recorded in 1985 by 23 thousand metric tons. The improved performance was entirely due to the increased production during the Yala season.

Paddy production in Maha 1993/94, estimated at 1.67 million metric tons (80 million bushels), was one per cent lower than the output of the previous Maha season. The poor performance resulted from a reduction in the average yield as the extent sown and harvested had in fact increased during the season. For the seventh consecutive year, the Kurunegala District recorded the highest Maha production, amounting to 262,000 metric tons and accounting for nearly 16 per cent of the total production during the Maha season. Kurunegala and Anuradhapura districts together accounted for over a fourth of the entire production (27 per cent) in the Maha season.

Paddy production in Yala, which rose by 24 per cent in 1993, increased by a further 16 per cent to over one million metric tons (49 million bushels) in 1994. In spite of a decrease in the yield, paddy production increased during the Yala season due to an increase in extent sown and harvested. During the Yala season the Ampara district recorded the highest production of 197,000 metric tons, accounting for nearly a fifth of the total production. Ampara and Polonnaruwa districts, which cultivate paddy mainly under major irrigation schemes, together accounted for over a third (36 per cent ) of the entire Yala production.

The annual average yield of paddy per hectare in 1994 declined by 4 per cent to 3,363 kg. over the previous year. This was the lowest yield recorded since 1984. This poor performance was observed in both the seasons. Favourable weather led to an abundant supply of water and hence the cultivation of marginal paddy lands. The cultivation of marginal lands led to a decrease in overall yields. The average yield during the Maha 1993/94 season declined by 5 per cent to 3,345 kg. per hectare. The average yield, which increased by 7 per cent in the previous Yala season, declined by 2 per cent to 3,393 kg. per hectare in the 1994 Yala season. During 1993/94 Maha, the Uda Walawe area once again recorded the highest average yield (4,840 kg. per hectare). The Mahaweli "H" area recorded an average yield of 4,830 kg. per hectare. The Uda Walawe area also recorded the highest average yield for Yala (4,757 kg. per hectare), for the ninth consecutive year.

The average yield of all three irrigation categories, i.e., major irrigated, minor irrigated and rainfed, showed decreases during the Maha 1993/94 season when compared with the previous Maha. The average yield of major irrigated areas dropped significantly by 20 per cent to 3,400 kg. per hectare, while the yields of minor irrigated and rainfed areas decreased by 6 per cent and 2 per cent, respectively, to 3,080 kg. and 2,840 kg. per hectare. The average yield of the major irrigated areas during the Yala season also dropped by 8 per cent to 3,871 kg. per hectare. In contrast, the yields of the minor irrigated and rainfed areas during the Yala 1994 season increased by 3 per cent and 4 per cent, respectively to 2,932 kg. and 2,454 kg. per hectare.

The total gross extent sown with paddy, which rose by 4 per cent in 1993, recorded a further 11 per cent increase to 930,000 hectares in 1994. Both seasons contributed to the expansion in the

## TABLE 1.12

## Statistics of the Paddy Sector 1993 – 1994

| Item | Unit | 1993 (a) | | | 1994 (b) | | |
|---|---|---|---|---|---|---|---|
| | | Maha | Yala | Total | Maha | Yala | Total |
| Gross extent sown | '000 hectares | 546 | 289 | 835 | 581 | 349 | 930 |
| Credit granted | Rs.million | 418 | 185 | 603 | 633 | 211 | 844 |
| Gross extent harvested | '000 hectares | 538 | 282 | 820 | 561 | 336 | 897 |
| Yield per hectare (c) | kg. | 3,516 | 3,481 | 3,511 | 3,345 | 3,393 | 3,363 |
| Net extent harvested | '000 hectares | 480 | 252 | 732 | 499 | 299 | 798 |
| Production | '000 Mt.Tons ('000 bushels) | 1,692 (81,124) | 878 (42,089) | 2,570 (123,213) | 1,670 (80,054) | 1,014 (48,616) | 2,684 (128,670) |
| Purchases under GPS(d) | '000 Mt.Tons | 42 | 4 | 46 | 69 | 51 | 120 |
| Rice Imports | '000 Mt.Tons | – | – | 209 | – | – | 58 |
| (Paddy equivalent) | ('000 Mt.Tons) | (–) | (–) | (299) | (–) | (–) | (85) |

*Sources*: Department of Census and Statistics,
Department of Agriculture,
Ministry of Agriculture, Lands and Forestry,
Paddy Marketing Board,
Sri Lanka Customs and
Central Bank of Sri Lanka.

(a) Revised.

(b) Provisional.

(c) 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 the total yield is calculated by dividing total production by the net extent harvested.

(d) Maha paddy harvest is purchased during the period from January to July, while Yala harvest is purchased during the period from August to December.

sown extent. The gross extent sown during Maha increased by 6 per cent to 581,000 hectares while that of Yala increased more significantly by 21 per cent to 349,000 hectares.

The total gross extent harvested, which rose by 7 per cent in 1993, recorded a further 9 per cent increase to 897,000 hectares in 1994. The gross extent harvested during Yala increased substantially by 19 per cent to 336,000 hectares while that of Maha also rose by 4 per cent to 561,000 hectares.

According to the National Fertilizer Secretariat, fertilizer used in the paddy sector in 1994 increased by 8 per cent to 267,400 metric tons.

Paddy purchases by the Paddy Marketing Board (PMB) during 1994, at 120,000 metric tons, showed a more than two-fold increase over the previous year, accounting for 4 per cent of the total production. The guaranteed price of paddy (GPS) remained unchanged at Rs.155 per bushel throughout the year.

Credit granted to the paddy sector under the New Comprehensive Rural Credit Scheme increased by 40 per cent to Rs.844 million in 1994.

The rice equivalent of paddy produced, after adjusting for wastage and seed requirements, amounted to 1,606,000 metric tons. This, when compared with the estimated annual consumption, showed a self sufficiency ratio of 87 per cent. In 1993, the self sufficiency ratio was 84 per cent.

Following increased production, rice imports declined to 58,000 metric tons in 1994 from 209,000 metric tons in 1993.

**Sugar**

Sugar production at 72,275 metric tons in 1994, was the highest ever production recorded so far and 5 per cent higher than the production in 1993. As in the previous year, Hingurana, Sevanagala and Pelwatte contributed to the improvement in output. The production at Hingurana increased by 9 per cent to 14,058 metric tons. The production at Sevanagala, which increased by 17 per cent in 1993, recorded a similar increase to reach 18,535 metric tons in 1994. The output at Pelwatte increased marginally to 39,682 metric tons in 1994. No production was recorded at the Kantale sugar factory during the period under review.

An increase in the quantity of cane crushed, as well as an improvement in the recovery rate, contributed to the growth in production at Hingurana. Sugar production at Pelwatte and Sevanagala increased in spite of a decrease in the recovery rate, due to the increased quantity of cane crushed at both factories. The total quantity of cane crushed by all three factories increased by 8 per cent to 877,992 metric tons in 1994. The quantity of cane crushed at Hingurana, Sevanagala and Pelwatte rose by 7 per cent, 21 per cent and 16 per cent, respectively to 188,822 metric tons, 211,853 metric tons and 477,317 metric tons, respectively.

The overall sugar recovery rate for the three factories decreased from 8.47 per cent in 1993 to 8.23 per cent in 1994. However, for the second consecutive year, the recovery rate at Hingurana improved, though the recovery rates at Pelwatte and Sevanagala decreased. In spite of this decrease, the Sevanagala factory recorded the best recovery rate (8.74 per cent) for the fifth consecutive year.

The total extent under sugar cane including ratoonings, managed by the three sugar companies, other than Kantale, stood at 12,535 hectares during the year. The area under cane at Hingurana and Sevanagala increased by 11 per cent and 6 per cent, to 3,019 hectares and 3,460 hectares, respectively. The extent under cane at Pelwatte increased marginally by 7 hectares to 6,056 hectares during the year.

## TABLE 1.13

## Statistics of the Sugar Sector 1993 – 1994

| Item | Unit | Hingurana Sugar Factory | | Kantale Sugar Factory | | Sevanagala Sugar Factory | | Pelwatte Sugar Factory | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1993 (a) | 1994 (b) | 1993 (a) | 1994 (b) | 1993 (a) | 1994 (b) | 1993 (a) | 1994 (b) | 1993 (a) | 1994 (b) |
| 1. Total area under cane (with ratoons)(c) | hectares | 2,720 | 3,019 | 862 | – | 3,259 | 3,460 | 6,049 | 6,056 | 12,890 | 12,535 |
| 2. Area harvested (c) | hectares | 2,263 | 2,505 | 450 | – | 2,378 | 2,331 | 6,004 | 4,009 | 11,095 | 8,845 |
| 3. Cane harvested (c) | Mt.Tons | 139,758 | 140,217 | 7,689 | – | 174,268 | 210,105 | 296,207 | 243,482 | 617,922 | 593,804 |
| 4. Private cane purchased | Mt. Tons | 35,806 | 48,605 | – | – | 866 | 1,748 | 155,140 | 233,835 | 191,812 | 284,188 |
| 5. Quantity of cane crushed | Mt. Tons | 175,564 | 188,822 | 7,689 | – | 175,134 | 211,853 | 451,347 | 477,317 | 809,733 | 877,992 |
| 6. Average yield (c) | Mt.Tons/ hectare | 61.75 | 55.97 | 17.09 | – | 72.91 | 90.10 | 49.33 | 60.73 | 55.69 | 67.13 |
| 7. Sugar production (without sweepings) | Mt.Tons | 12,880 | 14,058 | 366 | – | 15,895 | 18,535 | 39,462 | 39,682 | 68,603 | 72,275 |
| 8. Sugar recovery rate (d) | % | 7.35 | 7.45 | 4.90 | – | 9.20 | 8.74 | 8.74 | 8.31 | 8.47 | 8.23 |

(a) Revised.
(b) Provisional.
(c) Includes nucleus estates and the allottees.

(d) Recovery rate $= \frac{\text{Sugar produced}}{\text{Quantity of cane crushed}} \times 100$

*Sources :* Pelwatte Sugar Industries Ltd.,
Kantale Sugar Industries Ltd.,
Sevanagala Sugar Industries Ltd. and
Hingurana Sugar Industries Ltd.

The extent of sugar cane harvested at Hingurana increased by 11 per cent to 2,505 hectares. The extent harvested at Sevanagala and Pelwatte declined by 2 per cent and 33 per cent, respectively. As a result the total extent harvested declined by 20 per cent to 8,845 hectares when compared with the previous year.

Following the reduction in the extent harvested, in the three nucleus estates, the quantity of cane harvested decreased by 4 per cent to 593,804 metric tons in 1994, when compared with the quantity harvested in 1993. Cane harvested at Hingurana increased marginally from 139,758 metric tons to 140,217 metric tons while at Sevanagala it increased by 21 per cent to 210,105 metric tons despite a drop in the extent harvested. The quantity harvested at Pelwatte dropped by 18 per cent to 243,482 metric tons.

The average yield of sugar cane maintained under the Hingurana factory dropped by 9 per cent. However, the average yield at Pelwatte and Sevanagala rose significantly by 23 per cent and 24 per cent, respectively, resulting in an increase in the overall average yield of the three factories by 21 per cent to 67.13 metric tons per hectare in 1994.

The quantity of cane supplied by private cultivators rose significantly by 48 per cent to 284,188 metric tons in 1994. The quantity of cane purchased by Sevanagala showed a two-fold increase to 1,748 metric tons, while the quantity purchased at Hingurana and Pelwatte increased by 36 per cent and 51 per cent, to 48,605 metric tons and 233,835 metric tons, respectively.

## Minor Food Crops

Minor food crops other than potatoes, chillies, big onions and red onions are grown under a slash and burn ('Chena') type of cultivation or in home gardens, often as mixed crops. Therefore, reliable and consistent data on minor food crops are not available and most available data are based on crude estimates. Hence, the analysis of the performance of the Minor Food Crop sector is relatively a difficult task.

According to provisional data provided by the Ministry of Agriculture, Lands and Forestry, the Minor Food Crop sector showed a mixed performance in 1994. Big onion production recorded a more than two-fold increase to 81,000 metric tons, while soya bean, ground nut and kurakkan

**TABLE 1.14**

**Floor Price Scheme of the Minor Food Crops 1992 – 1994**

(Rs. per kg.)

| Crop | 1992 | 1993 | 1994 |
|---|---|---|---|
| Maize | 5.25 | 6.00 | 6.00 |
| Kurakkan | 5.00 | 5.00 | 5.00 |
| Groundnut (with shell) | 8.15 | 8.15 | 8.15 |
| Soyabean | 7.30 | 14.00 | 14.00 |
| Gingelly | | | |
| Black | 8.00 | 8.00 | 8.00 |
| White | 9.90 | 9.90 | 9.90 |
| Cowpea | 9.00 | 9.00 | 9.00 |
| Greengram | 12.00 | 20.00 | 20.00 |
| Blackgram | 7.50 | 7.50 | 7.50 |

*Source*: Ministry of Agriculture, Lands and Forestry.

production increased by 46 per cent, 33 per cent and 9 per cent, respectively. The significant expansion in the production of big onions, soya beans and ground nuts could be attributed to the increased extents cultivated under these crops.

Meanwhile, other minor food crops, such as chillies, potatoes, red onions, green gram, black gram, cowpea, gingelly and maize recorded decreased production during 1994. Despite an increase in the extent under cultivation, the output of maize, potatoes and black gram declined due to a reduction in the average yields, while the output of chillies, red onions, green gram and gingelly declined due to reduced extent under cultivation. The decline in the production of cowpea was the combined result of a reduction in the extent cultivated and lower yield.

The floor price scheme operated by the PMB for minor food crops was in operation in 1994 as well. The floor prices remained at the same level as in the previous year.

Fertilizer used in the Minor Food Crop sector declined by 25 per cent to 35,300 metric tons in 1994 from 44,300 metric tons in 1993.

## FISH AND LIVESTOCK

The Ministry of Fisheries and Aquatic Resources Development has provisionally estimated fish production in 1994 at 224,000 metric tons, which was an increase of one per cent when compared with the previous year. The increase, which was achieved despite a drop in production in the inland fishery sector, was solely due to an improvement in the marine sector.

Output of the coastal fishery sub-sector, which accounted for 78 per cent of the total fish production, increased by 3 per cent from 169,900 metric tons in 1993 to 174,500 metric tons in 1994. Production of the offshore and deep sea sub-sector rose by 14 per cent to 37,500 metric tons. In contrast, the production of the inland fishery sub-sector dropped by 33 per cent to 12,000 metric tons. Inland fish production, which has been declining gradually since the termination of state sponsorship in 1990, accounted for only 5 per cent of the total fish production in 1994 compared to 19 per cent recorded in 1989.

As in the past, the private sector continued to dominate the Fisheries sector and accounted for 99 per cent of the total production. The total supply of fish by the Ceylon Fisheries Corporation (CFC), estimated at 2,222 metric tons in 1994, was 14 per cent higher than in the previous year. Ice production of the CFC, which declined by 10 per cent in 1993, declined further by 18 per cent to 3,698 metric tons in 1994.

Subsidy payments to the marine sector amounted to Rs.75 million in 1994, which was the same as the amount disbursed in the previous year. Under various subsidy schemes, 109 boats, 145 traditional crafts and 40 multi-day boats were issued to the marine fishery sector in 1994. The total

**TABLE 1.15**

**Fish Production 1990 – 1994**

(Mt. Tons)

| Sub-Sector | 1990 | 1991 | 1992 | 1993 | 1994(a) |
|---|---|---|---|---|---|
| Coastal | 134,132 | 159,151 | 163,168 | 169,900 | 174,500 |
| Deep Sea and Off-shore | 11,666 | 15,080 | 22,000 | 33,000 | 37,500 |
| Inland | 31,265 | 23,832 | 21,000 | 18,000 | 12,000 |
| Total | 177,063 | 198,063 | 206,168 | 220,900 | 224,000 |

(a) Provisional. *Source :* Ministry of Fisheries and Aquatic Resources Development.

number of Fisheries Co-operative Societies (FCSs) and the total membership of the FCSs remained unchanged at 769 and 86,966, respectively, when compared with the previous year. Meanwhile, the average retail prices of all varieties of fish rose by 20 per cent during 1994.

According to estimates of the Department of Census and Statistics, egg production increased marginally from 857 million in 1993 to 858 million in 1994. Meanwhile, the milk production (including buffalo milk) in 1994 estimated at 333 million litres, was an increase of 2 per cent over the previous year. The volume of milk collected by Milk Industries of Lanka Company Limited (MILCO) in 1994 was 44 million litres, registering a decrease of 3 per cent over 1993. Meanwhile, the milk collection of Nestle Lanka Limited too declined by 9 per cent to 34 million litres. The producer price of milk was raised from Rs.9.25 per litre to Rs.10.00 per litre with effect from 1st January 1994 to meet the increasing cost of production. The producer price of milk was again increased by a further 54 cents per litre to Rs.10.54 per litre from 1st April 1994.

## FERTILIZER

After a lapse of nearly five years, the Government reintroduced the fertilizer subsidy scheme with effect from 10th October 1994.

According to tentative data provided by the National Fertilizer Secretariat (NFS), the total quantity of fertilizer used decreased by 2 per cent to 539,900 metric tons in 1994, in contrast to a 15 per cent increase reported in 1993. Fertilizer used in the paddy sector which accounted for the largest share of 50 per cent of total use rose by 8 per cent. In contrast, fertilizer used in tea, rubber, coconut and minor export crops sectors dropped by 11 per cent, 7 per cent, 14 per cent and 21 per cent, respectively. In anticipation of the reintroduction of the fertilizer subsidy, usage and distribution of fertilizer was disrupted during the year.

The Ceylon Fertilizer Co. Ltd., which has been the main fertilizer importer in the past, continued to dominate during 1994 as well, accounting for 30 per cent (159,123 metric tons) of the total imports. Fertilizer imports by other importers declined by 1 per cent to 380,365 metric tons in 1994. The stock of fertilizer available with the wholesalers, which stood at 94,032 metric tons at the beginning of the year, decreased to 93,620 metric tons by the end of 1994.

World prices of all the major types of fertilizer used in Sri Lanka increased during the year. The price escalation was most drastic in the case of urea due to increased raw material prices and the closure of urea plants in major producing countries.

**TABLE 1.16**

**Fertilizer Usage by Crops 1991 - 1994**

('000 Mt. Tons)

| Crop | 1991 | 1992 | 1993 (a) | 1994 (b) |
|---|---|---|---|---|
| 1. Paddy | 179.3 | 207.8 | 248.0 | 267.4 |
| 2. Tea | 118.9 | 110.2 | 147.2 | 131.0 |
| 3. Rubber | 13.7 | 13.1 | 17.9 | 16.7 |
| 4. Coconut | 28.8 | 34.3 | 35.1 | 30.2 |
| 5. Minor Food Crops | 50.7 | 49.5 | 44.3 | 35.3 |
| 6. Minor Export Crops | 11.1 | 7.1 | 7.0 | 5.5 |
| 7. Others | 51.2 | 53.8 | 48.6 | 53.7 |
| Total | 453.7 | 475.8 | 548.1 | 539.9 |

(a) Revised.
(b) Provisional.

*Source*: National Fertilizer Secretariat.

## TABLE 1.17

## Sales of Fertilizer by Wholesalers 1993 – 1994

| Sector | 1993 (a) | | 1994 (b) | | % Change in Quantity between 1993 & 1994 |
|---|---|---|---|---|---|
| | Quantity (Mt. Tons) | % | Quantity (Mt. Tons) | % | |
| Ceylon Fertilizer Company Limited | 163,056 | 30 | 159,123 | 30 | - 2 |
| Janatha Fertilizer Enterprise Ltd. | 60,406 | 11 | 50,476 | 9 | - 16 |
| Colombo Commercial Fertilizers Ltd. | 47,232 | 9 | n.a. | – | – |
| A. Baur & Co. Ltd. | 68,939 | 12 | 63,642 | 12 | - 8 |
| Others | 208,487 | 38 | 266,659 | 49 | + 28 |
| T O T A L | 548,120 | 100 | 539,900 | 100 | - 2 |

(a) Revised.
(b) Provisional.

*Source*: National Fertilizer Secretariat.