

5. Agriculture

Output in the Agriculture sector grew only by 1.2 per cent in 2000. This was a deceleration from 4.5 per cent in 1999. A drop in paddy and rubber production contributed to the lower growth in the sector.

Tea

- ▲ The rising trend in tea production, observed since the privatisation of the state owned plantations in 1992, continued in 2000, surpassing the 300 million kg mark for the first time and reached a new high output of 306 million kg.
- ▲ This was an increase of 7.8 per cent compared to the previous year.
- ▲ Production in all three elevations contributed to the improvement in output. The main contribution came from production in low elevations.
- ▲ The average price of tea at Rs 135.53 per kg. (US \$1.79/kg.) in 2000 was higher than last year's average price of Rs 115.19 / kg. (US \$ 1.64 / kg.).
- ▲ Tea production is expected to expand further to 310 million kg in 2001, increasing export earnings.

Tea Production



Chart 5.1

Rubber

- ▲ Despite an improvement in prices during the latter half of the year, rubber output declined by 8 per cent to 89 million kg in 2000.
- ▲ Depressed prices that prevailed during the last few years had a negative impact on the application of fertiliser.
- ▲ Domestic rubber consumption in the industrial sector, which has shown a steady increase over the last few years, continued in the same direction and accounted for 62 per cent of total rubber output in 2000.
- ▲ The improvement in rubber prices is expected to continue and production is expected to increase by 7 per cent to 95 million kg in 2001.

Rubber Production

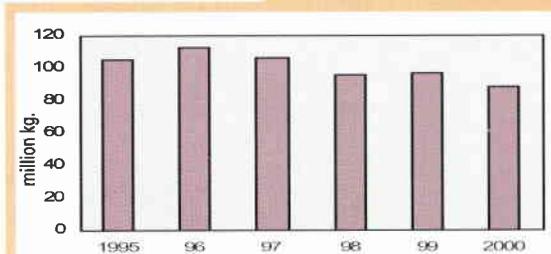


Chart 5.2

Coconut

- ▲ Coconut production increased by 8 per cent to reach 3,055 million nuts in 2000, which was the best output ever on record.
- ▲ Output increase had a negative impact on prices.
- ▲ Desiccated coconut production increased by 31 per cent and coconut oil production increased by 27 per cent in 2000.
- ▲ Coconut production is expected to decline in 2001 due to lagged effects of adverse weather conditions.

Paddy

- ▲ Paddy production, at 2.9 million metric tons, reported a marginal drop compared to the peak output in 1999.
- ▲ Output during Maha 2000 improved by 1 per cent while that of Yala 2000 declined by 4 per cent.
- ▲ The annual national average yield improved by 5 per cent and reached 75 bushels per acre (3850 kg per hectare), which is the best ever on record.
- ▲ Paddy prices declined by 12 per cent owing to the build up of rice stocks out of imports under concessionary tariff granted during the latter part of 1999.
- ▲ Paddy production is expected to decline in 2001 due to the adverse impact of the delayed monsoon on Maha cultivation.

Other Field Crops

- ▲ Other field crops including chillies, potatoes, maize, big onions and red onions reported a mixed performance in 2000.
- ▲ Production of potatoes increased by 54 per cent in response to protection provided through high rates of tariff and the guaranteed price offered by the Co-operative Wholesale Establishment (CWE).
- ▲ Output of chillies declined by 3 per cent in 2000.
- ▲ Other field crops are expected to grow positively in 2001.

Coconut Production

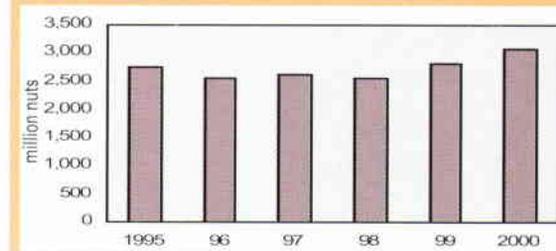


Chart 5.3

Paddy Production

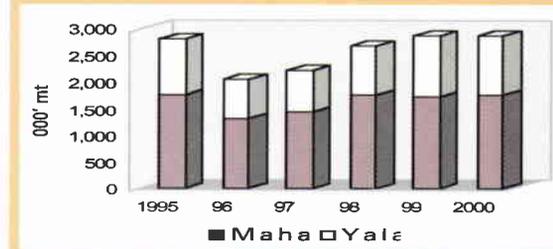


Chart 5.4

Production of Chillies and Potato

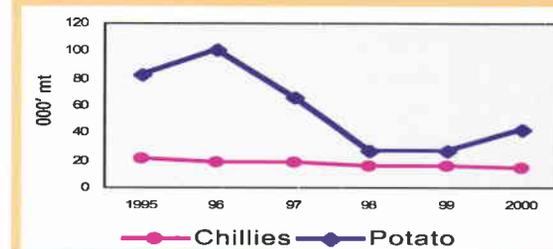


Chart 5.5

Other Export Crops

▲ Export earnings from other export crops such as coffee, cinnamon, pepper and cloves improved by 2 per cent in 2000.

▲ Export earnings from this sector have exceeded export earnings from the two major export crops rubber and coconut, by 5 per cent.

▲ Of the other important export crops, pepper output increased by 15 per cent.

▲ Cinnamon production, which accounts for over two thirds of the global, production reported a further increase in 2000.

Production of Cinnamon and Pepper

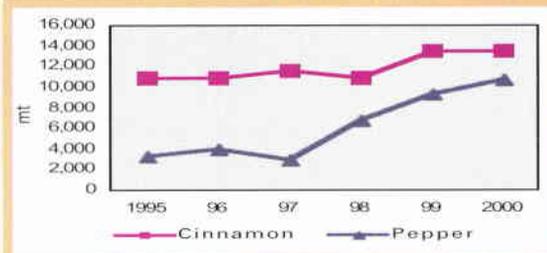


Chart 5.6

Fish

▲ Fish production, which has shown a steady increase over the last few years, improved further in 2000.

▲ Improvements in both aquaculture and marine sectors contributed to the overall growth.

▲ Export earnings from both fresh and frozen fish improved by over 66 per cent in rupee terms.

▲ Fish production is expected to increase further by 2 per cent in 2001.

Fish Production

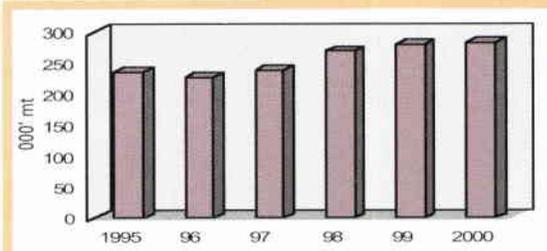


Chart 5.7