

1. Policy Name

National Policy on Plantation Sector in Sri Lanka

2. Effective Date

01.01.2024 (Tentative)

3. Introduction

I. Background

The plantation sector comprises of the ‘traditional triples -tea, rubber, coconut, sugarcane, cashew, Kithul, Palmyra and other export agriculture crops. The each cultivation has a unique historic story as to how it was first introduced and has now become a thriving industry.

Initially, coffee was the most prominent of Ceylon plantations but upon the destruction of the coffee plantations, the first tea seedlings were introduced in the 19th century. Since then, tea plantations have fast gained popularity and today there are thousands of acres of neatly manicured tea plantations in the highlands and the lowlands of the island. The first rubber seedlings were introduced to Sri Lanka in 1877 and though it initially suffered setbacks due to the thriving nature of the tea and coffee industries, it has now gained much popularity as one of the most prominent plantations in Sri Lanka. Coconut plantations in Sri Lanka are usually dispersed right along the coastal belt with a high concentration of coconut trees in Colombo, Kurunegala and Chilaw also known as the Coconut Triangle.

Having a significant place in the spice route from ancient history during the times of the Greeks, Romans and Arabs, the spice plantations in Sri Lanka are indeed noteworthy. Discovered by the Portuguese and then by the Dutch and the British each bringing their own influences, the Ceylon plantations include many spices such as cinnamon, cardamom, maize, nutmeg, fenugreek, cumin, and pepper among many others.

From its inception up to the present day, the history of Sri Lanka’s plantation industry has been unique undergoing drastic changes from the colonial era , to the period of private management by Agency Houses ,into an extended period of

nationalization and finally and most drastically , through the sustained transformations that the plantation sector has undergone subsequent to the 1992 privatization .

This National Policy for Sri Lanka's Plantation Sector represents a comprehensive guideline for the sustainable development and growth of a critical sector within the country's agricultural landscape. The plantation sector in Sri Lanka is chiefly characterized by the cultivation of commercial crops, including tea, rubber, coconut and other export crops holds significant economic and global trade importance. This policy document serves as a strategic guide aimed at enhancing productivity, improving global competitiveness, and quality elevating the overall well-being of those involved in the sector while ensuring adherence to sustainable and responsible practices and value chain development.

Central to the policy's objectives is a focus on boosting productivity and quality through the adoption of modern agricultural practices, research and development, and technological advancements. This approach not only benefits the sector itself but also contributes substantially to Sri Lanka's export sector. Simultaneously, the policy places a strong emphasis on improving marketing and branding strategies for plantation products, enhancing their visibility in international markets, and ensuring compliance with global quality standards.

Additionally, the policy underscores the importance of addressing labor rights and welfare concerns, ensuring fair wages, and providing favorable working conditions for plantation workers and smallholders. It seeks to create a supportive environment for their overall well-being and development. Environmental responsibility is another core tenet of the policy, with an emphasis on sustainable land use, effective waste management and the preservation of biodiversity and other natural resources.

The policy also aims to attract both domestic and foreign investments by providing facilities and fostering a conducive business environment for the plantation sector. Resolving land tenure issues and enhancing land management are vital components of the policy, ensuring equitable land distribution and efficient land resource utilization.

In summation, the Policy Document for Sri Lanka's Plantation Sector endeavors to transform this sector into a dynamic, resilient and forward-looking industry that significantly contributes to the nation's economic prosperity, social equity, and environmental sustainability. Through diligent implementation, it seeks to create a thriving and inclusive plantation sector, securing Sri Lanka's continued prominence in the global market.

II. Need

Plantation sector is a key player in Sri Lankan economy as it is responsible of 24% of the total export earnings of the country, and employed approximately 16% of the working population, making it an important industry that earned foreign currency and created direct and indirect jobs. To sustain the export income it is essential to have sustainable production and focusing on climate change challenges are also inevitable. Further, to ensure the US\$ 5 Billion it is necessary to have guidance, consistency, accountability, efficiency, and clarity on how the organizations operate to achieve the goals. Further, it is an urgent need to pay attention to ensure achieving three pillars of sustainability (Environmental, Social and Economic).

III. Purpose and Context

Plantation sector comprised with government organizations, growers, workers, exporters, stakeholders and other value chain players.

Since all the stakeholders should align with the objectives of the sector, there is a need of a holistic approach to accomplish with strategies.

IV. Rationale

Prevailing financial conditions of the country, high production costs, labor restrictions, and government wage hikes of plantation workers, depletion of soil, inadequate quality planting material, low rate of technology adoption, inadequate level of value chain development and etc... affect the performance of the plantation sector.

In addition, Climate change impacts act as main controlling factor of the production of plantation crops with its perennial nature and it can debilitate the ability of developing countries to achieve sustainable agricultural development goals. More frequent or intense droughts pose the most serious challenges to agriculture and food security in Asia. In Sri Lanka, about 71% of agricultural land holdings are less than one hectare (ha). About 66% of Sri Lanka's cropland is rain-fed, making them vulnerable to drought events. In 2009, droughts and delayed monsoon damaged the production of rice, tea and coconut. Several studies assessed the impact of climate change on Sri Lankan agriculture with the focus on rice, tea and coconut. Some studies attempted to quantify climate change impacts on yields and economic loss.

To ensure the sectorial goal with economic, social and, environmental challenges, it is necessary to have a way forward through a in depth stakeholder assessment

4. Policy Principles

- 4.1. Sustainable Development and Circular Economy
- 4.2. Technology adoption and innovations
- 4.3. Optimum standards and quality maintenance
- 4.4. Governance and Inclusiveness
- 4.5. Development of Value Chain and Empowerment of Value Chain Players
- 4.6. Holistic approach by integrating traditional knowledge and precautionary principles

5. Policy Statements

5.1 Crop Production & Resource Management

Optimizing resource efficiency, enhancing crop productivity and achieving sustainability to maximize economic contribution while ensuring economically, socially and environmentally viable plantation sector

5.2 Research and Development

To drive effective decision making and sector-wide advancement by fostering a culture of continuous learning and innovation through investing in research and adoption

5.3 Value Chain Development and Value Addition

Maximization of competitive advantage by enhancing quality, productivity, traceability and effectiveness of the value chain to cater the evolving consumer preferences and promoting value addition

5.4 Marketing, Trading and Entrepreneurship Development

To maximize economic return, and to maintain product identity by creating enabling environment while promoting entrepreneurship and facilitate cross boarder formalities and procedures to promote global trades

5.5 Climate Resilience and Risk Reduction

Building up a climate resilience and integrated disaster risk management to address the growing challenges posed by climate changes, pest and diseases and increasing frequency and severity of disasters

5.6 Stakeholder Empowerment

Building skilled, empowered, competent and engaged value chain players while nurturing collaborative relationships and ensuring effective knowledge management

5.7 Occupational health, and social safeguard

Optimizing safety and health of the workplace while addressing social well-being, technical and environmental concerns for the betterment of all value chain players.

5.8 Policy and Governance

Fostering transparency, accountability and inclusiveness for sustainable and responsible plantation sector

6. Policy Goals

6.1 To ensure National Economic growth through increasing contribution to the GDP.

6.2 To ensure sustainable and responsible management of plantation sector while safeguarding the environment and communities involved.

7. Applicability & Scope

The scope of the plantation sector policy encompasses promoting economic growth and sustainability within the cultivation of plantation crops such as tea, rubber, coconut and potential export oriented and import substitution crops, addressing direct and indirect stakeholders of the end-to-end value chain network of the sector, while promoting value addition, increasing quality of products.

8. Policy Implementation

I. Strategies

1. Crop Production & Resource Management

- i. To develop and sustainable crop production through innovations, modernization, while ensuring sustainability.
- ii. To enhance optimum resource utilization through precision agricultural technologies

2. Research and Development

- i. Advancing Research and development by bridging gap, encouraging collaborations and fostering innovation

3. Value Chain Development and Value Addition

- i. To enhance the efficiency, effectiveness, competitiveness, quality, traceability and sustainability from fruits to consumption.
- ii. To enrich the value of the products and services through adding values, diversification and innovation in order to cater evolving customer preferences.

4. Marketing, Trading and Entrepreneurship Development

- i. To facilitate market access by product/trade promotion, providing market intelligence and enhancing market competitiveness.
- ii. To facilitate access to finance, credit, knowledge and developing skills for stakeholders and entrepreneurs.

5. Climate Resilience and Risk Reduction

- i. To strengthen the resilience to climate change and extreme events through risk assessments, encourage targeted adaptation and disaster preparedness measures
- ii. To promote effective pest and disease management focusing prevention, avoidance, exclusion, eradication, protection and resistance

6. Stakeholder Empowerment

- i. Empowering all stakeholders by uplifting knowledge, skills, attitudes and access to resources towards social bonding, collaborative and consistent performance.

7. Occupational health and social safeguard

- i. Ensuring occupational safety and health of the workforce focusing prevention, mitigation and protection by enforcing health and safety standards

- ii. Strengthening comprehensive social safeguard measures to protect rights and wellbeing of workers, marginalized communities and other stakeholders.

8. Policy and Governance

- i. To ensure application of good governance principles
- ii. To empower legal measures and strengthen the institutional framework and encourage required reforms

II. Responsibility and Authority

The implementation of the Plantation Policy in Sri Lanka is facilitated by a well-defined institutional arrangement. To coordinate this arrangements ministry is responsible for the Plantation Sector, which serves as the primary governing body overseeing policy execution. Under its purview, The Ministry closely collaborates with the management of relevant government agencies in order to ensure comprehensive coverage and effective enforcement of the provisions of the policy. As the second layer, growers and industry-specific bodies play instrumental roles in regulating and promoting best practices within their respective sectors. The institutional framework is designed to foster coordination, monitoring and evaluation, thereby enhancing the overall success of the Plantation Policy in Sri Lanka. Furthermore, to ensure effective implementation, the policy leverages partnerships with international organizations and industrial sector, fostering collaboration to access expertise, funding, and best practices.

Continuous monitoring and evaluation mechanisms are in place to assess the impact of the policy, allowing necessary adjustments and improvements over time. Regular assessments are conducted by the Ministry in charge of Plantation Industries through a combination of quantitative metrics and qualitative indicators, allowing for a comprehensive understanding of the policy's impact.

This institutional arrangement emphasizes accountability, transparency and adaptability, enabling informed decision-making to enhance the success of the Plantation Policy over time.

Following institutions support effective and smooth implementation of the Plantation Sector Policy

1. National Institute of Plantation Management

It elevates the Professional competency of all human assets in the Plantation sector towards perfection through capacity development.

2. Sri Lanka Tea Board

It assists to increase the foreign exchange earnings to the country through sustainable development of the industry and thereby ensuring the economic development of the plantation community, it also involves in Monitoring and controlling the quality and purity of tea

3. Tea Small Holdings Development Authority

It facilitates effective coordination of support services, development of individual entrepreneurship of tea small holders and inclusion of small holder community into business inclined farmer organizations.

4. Tea Research Institute of Sri Lanka

It generates and transfers scientific knowledge and technologies appropriate for the stakeholders to improve productivity and quality of Sri Lankan tea in more effective and efficient manner.

5. Rubber Development Department

It carries out the implementation of agricultural extension services for the qualitative and quantitative development in rubber cultivation and rubber related industries in Sri Lanka in accordance with the powers and functions legally vested to the Department.

6. Rubber Research Institute

Its function is revitalizing the rubber sector by developing economically and environmentally sustainable innovations and transferring the latest technologies to the stakeholders through training and advisory services.

7. Department of Export Agriculture

It carries out the Planning and Implementation of an appropriate Research and Development Programs with the prime objective of earning more foreign exchange 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 Crop (EAC) sector while ensuring the environmental sustainability

8. Spices and Allied Products Marketing Board

It delivers the natural quality of spices at the most affordable price for client and to the importance of developing sustainable supply chain with assurance national growers and reasonable prices through a network of market establishment. Furthermore, it encourages capturing global market with technologies and innovation.

9. Coconut Cultivation Board

Coconut Cultivation Board assists to increase coconut production and agricultural productivity with intercropping for enhanced profit from coconut lands by providing an efficient and effective integrated agricultural extension service with participatory technology transfer programs and genetically superior coconut seedlings. It is coupled with material/ financial assistance for a sustainable and prosperous coconut cultivation and industry resulting agronomical economical social and ecological benefits to Sri Lanka achieved through a team of professional and motivated agricultural extension and support staff recognized for their dedicated and committed services.

10. Coconut Development Authority

Facilitation for the highest contribution to long term commercial productivity, sustainability and national economy ensuring coconut and coconut products for home consumption and industry

11. Coconut Research Institute

Research Institute generates knowledge and technology through excellence in research towards increasing productivity and profitability of coconut.

12. Palmyra Development Board

It carries out the promoting, popularizing and regulating sustainable Palmyra industry as a significant contributor to the Gross Domestic Product (GDP) of Country.

13. Sri Lanka Cashew Cooperation

To render value addition to the consumer in Sri Lanka by Disrupting the Traditional cashew buying experience.

14. Kithul Development Board

15. Kapruka Fund

III Monitoring & Evaluation

The Monitoring and Evaluation (M&E) framework within Sri Lanka's Plantation Policy serves as a critical mechanism for systematically assessing and enhancing the policy's overall effectiveness. The policy establishes clear performance metrics, encompassing aspects such as crop yields, resource utilization, and socio-economic impacts, to quantitatively measure the success of plantation activities. Furthermore, a fundamental objective of the M&E framework is to conduct comprehensive impact assessments, evaluating the broader consequences of plantation initiatives on local communities, environment and the national economy. Aligning the policy with national development goals, environmental sustainability, and social equity is prioritized, ensuring a harmonized approach towards achieving broader societal objectives.

Robust data collection mechanisms are implemented to capture relevant and timely information, providing a foundation for evidence-based decision-making. Actively

encouraging stakeholder involvement fosters transparency and accountability, creating a collaborative atmosphere for monitoring plantation activities. Periodic reviews are integral to the M&E process, allowing for the assessment of progress against predetermined benchmarks and facilitating adaptive adjustments in strategies.

Transparent communication of M&E findings through accessible reports ensures accountability and informs stakeholders of the policy's impact. Establishing feedback loops allows stakeholders to contribute insights, fostering a more inclusive and responsive policy framework. Finally, the M&E framework promotes adaptive management, enabling real-time adjustments to the policy based on insights gained through ongoing monitoring and evaluation processes.

Annex

National Plantation Industry Policy Framework 2007

Sugar Industry development Policy for Sri Lanka 2020

Way forward strategy for the Coconut Industry of Sri Lanka

Sri Lanka Rubber Industry Master Plan 2017-2026